



PART OF THE SANTANDER GROUP

Abbey National Treasury Services plc

(incorporated under the laws of England and Wales)

€2,000,000,000

Structured Note Programme

Unconditionally and irrevocably guaranteed by

Abbey National plc

(incorporated under the laws of England and Wales)

Abbey National Treasury Services plc (the "**Issuer**") may from time to time issue notes and other similar instruments (the "**Notes**") denominated in any currency as agreed between the Issuer and the relevant Dealer (as defined below) under this €2,000,000,000 Structured Note Programme (the "**Programme**"). This Prospectus supersedes the Prospectus dated 28th March 2007 previously issued by the Issuer and Guarantor in respect of the Programme, and is valid for a period of 12 months from the date hereof. Any Notes issued under the Programme by the completion of the Final Terms on or after the date of this Prospectus are issued subject to the provisions hereof. This Prospectus does not affect any Notes already in issue under the Programme, prior to the date of this Prospectus. "**Final Terms**" means the terms set out in a Final Terms supplement, substantially in the form set out in this Prospectus, which complete and amend the "General Terms and Conditions of the Notes" set out on page 148 herein, which, together with the applicable Technical Annex(es) relating to Equity Index Linked Notes, Equity Linked Notes, Currency Linked Notes, Fund Linked Notes and Credit Linked Notes or any other relevant type of Notes attached thereto, are referred to as the "**Conditions**".

This Prospectus (excluding the information incorporated by reference at (6), (7) and (8) on page 1) has been approved by the United Kingdom Financial Services Authority (the "**FSA**") which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus (the "**Base Prospectus**") issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of the Notes under the Programme during the period of 12 months after the date hereof.

Application has been made to the FSA in its capacity as competent authority (the "**UK Listing Authority**") under the UK Financial Services and Markets Act 2000 ("**FSMA**") for Notes issued under the Programme to be admitted to the official list of the UK Listing Authority (the "**Official List**"). In respect of Notes to be admitted to the Official List, application has also been made to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market. The London Stock Exchange's Regulated Market is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive).

The payment of all amounts payable in respect of the Notes will be unconditionally and irrevocably guaranteed by Abbey National plc (the "**Guarantor**").

Notes may be issued in bearer or registered form (respectively "**Bearer Notes**" and "**Registered Notes**") or uncertificated book entry form cleared through VPC AB (the "**VPC**") (the "**Swedish Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €2,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to the Dealer specified under "**Summary of the Programme**" and any additional Dealer appointed under the Programme from time to time (the "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes, and any other terms and conditions not contained herein which are applicable to each Tranche (as defined in the Conditions) of Notes will be set out in the applicable Final Terms which, with respect to Notes to be admitted to the Official List and to be admitted to trading on the London Stock Exchange's Regulated Market, will be delivered to the UK Listing Authority and the London Stock Exchange on or before the date of issue of the Notes of such Tranche.

The Programme provides that Notes may be unlisted or listed on such other or further stock exchange(s) as may be agreed between the Issuer, the Guarantor and the relevant Dealer and specified in the Final Terms. Prospective purchasers of Notes should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in the light of their own circumstances and financial condition. Certain issues of Notes involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment.

Any person (an "**Investor**") intending to acquire or acquiring any securities from any person (an "**Offeror**") should be aware that, in the context of an offer to the public as defined in section 102B of FSMA, the Issuer may be responsible to the Investor for the Prospectus under section 90 of FSMA, only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of section 90 of FSMA in the context of the offer to the public and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents, it should take legal advice. This paragraph should be read in conjunction with the fifth paragraph on page i of this Prospectus. **Information in relation to an offer to the public will be made available at the time such sub-offer is made, and such information will be also provided by the relevant Offeror.**

See "**Risk Factors**" (page 43) for a discussion of factors which may affect the Issuer's and the Guarantor's ability to fulfil its obligations under Notes issued under the Programme and under the Guarantee, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme, and certain factors to be considered in connection with an investment in Equity Linked Notes, Equity Index Linked Notes, Inflation Linked Notes, Commodity Linked Notes, Currency Linked Notes, Fund Linked Notes, Property Linked Notes or Credit Linked Notes (each as defined herein) or other structured Notes which may be issued under the Programme linked to one or more reference asset or reference basis (each a "**Relevant Asset**") or reference entity or reference entities (each a "**Reference Entity**"). Payments in respect of the Notes will be subject to deduction of any withholding or deduction for or on account of any present or future taxes of any relevant tax jurisdiction and the Issuer or Guarantor shall not pay any additional amounts to Noteholders on account thereof.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States of America (the "**United States**") or to, or for the benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. See "**Form of the Notes**" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer. See "**Subscription and Sale and Transfer and Selling Restrictions**".

Arranger and Dealer

Santander Global Banking & Markets

In this document, references to "ANTS" and references to the "Issuer" are references to Abbey National Treasury Services plc; references to "Abbey National" and the "Guarantor" are references to Abbey National plc; references to the "ANTS Group" are references to ANTS and its subsidiaries; references to the "Abbey National Group" and the "Group" are references to Abbey National and its subsidiaries; and references to "Grupo Santander" are references to Banco Santander, S.A. ("Banco Santander") and its subsidiaries, which shall include the Abbey National Group.

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and Part VI of FSMA. Any reference in this Prospectus to Base Prospectus means this Prospectus. This Prospectus does not constitute a "prospectus" for the purposes of the Prospectus Directive in respect of any Notes (i) involving an offer to the public outside of the European Economic Area ("EEA") or of a type listed in Article 3.2 of the Prospectus Directive and (ii) which are not admitted to trading on a regulated market under Article 3.3. of the Prospectus Directive (any such Notes, "**Private Placement Notes**").

The Issuer and the Guarantor (the "**Responsible Persons**") accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. This paragraph should be read in conjunction with the ninth paragraph on the [cover] page of this Prospectus.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer and the persons named in or identifiable following the applicable Final Terms as the Financial Intermediaries, as the case may be.

An Investor intending to acquire or acquiring any Notes from an Offeror will do so, and offers and sales of the Notes to an investor by an Offeror will be made, in accordance with any terms and other arrangements in place between the Offeror and such investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with investors (other than the Dealers) in connection with the offer or sale of the Notes and, accordingly, this Prospectus and any Final Terms will not contain such information. **Information in relation to an offer to the public will be made available at the time such –sub-offer is made, and such information will also be provided by the relevant Offeror.**

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme.

No person is or has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Dealers.

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

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference in this Prospectus when deciding whether or not to purchase any Notes.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to or for the account or benefit of U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and the regulations promulgated thereunder.

Each Tranche of Swedish Notes will be issued in uncertificated book entry form, as more particularly described in the Regional Annex, on or prior to the issue date for each Tranche of Swedish Note book entries may be made with the VPC to evidence the debt represented by such Swedish Note of each accountholder. Swedish Notes will be issued in accordance with the laws and regulations applicable to Swedish Notes from time to time.

To ensure compliance with United States Treasury Department Circular 230, Noteholders are hereby notified that: (a) any discussion of federal tax issues in this document is not intended or written to be relied upon, and cannot be relied upon, by Noteholders for the purpose of avoiding penalties that may be imposed on Noteholders under the Internal Revenue Code; (b) such discussion is included herein by the Issuer in connection with the promotion or marketing (within the meaning of Circular 230) by the Issuer of the transactions matters addressed herein; and (c) Noteholders should seek advice based on their particular circumstances from an independent tax adviser.

Persons into whose possession offering material comes must inform themselves about and observe any such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, an offer to any person to whom it is unlawful to make such an offer or a solicitation by anyone not authorised so to act.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor and the Dealers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering, or that all actions have been taken by the Issuer, the Guarantor or the Dealers which would permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. In particular, no action has been taken by the Issuer, the Guarantor or the Dealers which would permit a public offering of any Notes outside the EEA or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, the Kingdom of Spain, the Republic of Portugal, the Republic of Italy, the Kingdom of Denmark, the Kingdom of Norway, the Kingdom of Sweden, the Swiss Confederation, the Republic of Argentina, the Federative Republic of Brazil, the United Mexican States, the Republic of Colombia, the Republic of Chile, the Hong Kong Special Administrative Region and the Republic of Singapore. See "*Subscription and Sale and Transfer and Selling Restrictions*".

This Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offer of Notes. Accordingly, any person making or intending to make an offer of Notes in that Relevant Member State, which are the subject of an offering contemplated in this Prospectus, as completed by final terms in relation to the offer of those Notes, may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by the applicable Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, none of the Issuer, the Guarantor nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which any obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

In making an investment decision, investors must rely on their own examination of the Issuer and the Guarantor and the terms of the Notes being offered, including the merits and risks involved.

Certain of the Dealers and their affiliates have engaged and may in the future engage in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, the Guarantor and their respective affiliates.

None of the Dealers, the Issuer and the Guarantor makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should satisfy itself that it is able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Purchasers of such Notes are deemed to have sufficient knowledge, experience and professional advice to make their own investment decisions and to have undertaken their own legal, financial, tax, accounting and other business evaluation of the risks and merits of investments in such Notes and should ensure that they fully understand the risks associated with investments of this nature which are intended to be sold only to sophisticated investors. Purchasers of Notes are solely responsible for making their own independent appraisal of and investigation into the business, financial condition, prospects, creditworthiness, status and affairs of any Reference Entity or Relevant Asset and the information relating to any Reference Entity or Relevant Asset and the level or fluctuation of any Relevant Asset(s).

U.S. INFORMATION

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to or for the account or benefit of U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and the regulations promulgated thereunder.

To ensure compliance with United States Treasury Department Circular 230, Noteholders are hereby notified that: (a) any discussion of federal tax issues in this document is not intended or written to be relied upon, and cannot be relied upon, by Noteholders for the purpose of avoiding penalties that may be imposed on Noteholders under the Internal Revenue Code; (b) such discussion is included herein by the Issuer in connection with the promotion or marketing (within the meaning of Circular 230) by the Issuer of the transactions matters addressed herein; and (c) Noteholders should seek advice based on their particular circumstances from an independent tax adviser.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Prospectus. Any representation to the contrary is unlawful.

This Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs (as defined under "*Form of the Notes*") for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from the registration requirements under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act ("**Rule 144A**").

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together "**Restricted Notes**") will be deemed, by its acceptance or purchase of any such Restricted Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*".

NOTICE TO NEW HAMPSHIRE RESIDENTS

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

AVAILABLE INFORMATION

If the Guarantor ceases to be a reporting company under the Exchange Act (as defined below), in order to permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer will undertake in a deed poll (the "**Deed Poll**") to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer and the Guarantor are neither reporting companies under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder. The Guarantor is currently a reporting company under the Exchange Act.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer and the Guarantor are companies incorporated in England. All of their directors reside outside the United States and all or a substantial portion of the assets of the Issuer and the Guarantor are located outside the United States. As a result, it may not be possible for investors to effect service of process outside England upon the Issuer or the Guarantor, or to enforce judgments against them obtained in the United States predicated upon civil liabilities of the Issuer or the Guarantor or such directors under laws other than English including any judgment predicated upon United States federal securities laws. The Issuer and the Guarantor have been advised that there is doubt as to the enforceability in England in original actions or in actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references in this document to "**Euro**", "**euro**" and "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended; references to "**U.S. dollars**", "**U.S.\$**" and "**\$**" are to the currency of the United States of America; and references to "**Sterling**" and "**£**" are to the currency of the United Kingdom.

Since 1st January 2005 each of the Issuer and the Guarantor maintains their financial books and records and prepares its financial statements in Sterling in accordance with International Financial Reporting Standards ("**IFRS**"). UK GAAP and IFRS differ in certain respects from generally accepted accounting principles in the United States.

TABLE OF CONTENTS

	Page
DOCUMENTS INCORPORATED BY REFERENCE	1
SUMMARY OF THE PROGRAMME	3
RISK FACTORS	43
FORM OF THE NOTES	64
FORM OF WHOLESALE FINAL TERMS	69
FORM OF RETAIL FINAL TERMS	110
GENERAL TERMS AND CONDITIONS OF THE NOTES	149
CURRENCY TECHNICAL ANNEX	179
EQUITY TECHNICAL ANNEX	187
EQUITY INDEX TECHNICAL ANNEX	205
FUNDS TECHNICAL ANNEX	216
CREDIT TECHNICAL ANNEX	227
REGIONAL ANNEX	275
USE OF PROCEEDS	281
DESCRIPTION OF ABBEY NATIONAL TREASURY SERVICES PLC	282
DESCRIPTION OF ABBEY NATIONAL PLC AND THE ABBEY NATIONAL GROUP	283
BOOK-ENTRY CLEARANCE SYSTEMS	285
TAXATION	289
SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS	299
GENERAL INFORMATION	309

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes (provided that, in the case of any Tranche of Notes to be admitted to trading on a regulated market in the European Economic Area, the aggregate principal amount of Notes allotted does not exceed 105.00 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes of the Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Prospectus and have been approved by the FSA or filed with it, shall be deemed to be incorporated in, and to form part of, this Prospectus and the Base Prospectus set out in this Prospectus and approved by the FSA for the purpose of the Prospectus Directive:

- (1) the audited consolidated annual financial statements of the Issuer for the financial year ended 31st December 2007, which appear on pages 6 to 53 of the Issuer's Annual Report and Accounts for the year ended 31st December 2007;
- (2) the audited consolidated annual financial statements of the Issuer for the financial year ended 31st December 2006, which appear on pages 5 to 50 of the Issuer's Annual Report and Accounts for the year ended 31st December 2006;
- (3) the audited consolidated annual financial statements of the Guarantor for the financial year ended 31st December 2007, which appear on pages 60 to 125 of the Guarantor's Annual Report and Accounts for the year ended 31st December 2007;
- (4) the audited consolidated annual financial statements of the Guarantor for the financial year ended 31st December 2006, which appear on pages 65 to 159 of the Guarantor's Annual Report and Accounts for the year ended 31st December 2006; and
- (5) the section titled Global Banking & Markets on page 7 of the Guarantor's Annual Report and Accounts for the year ended 31st December 2007,

provided also that any statement contained in a document, all or the relevant portion of which is incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in this Prospectus modifies or supersedes such earlier statement (whether expressly, by implication or otherwise) and provided that any document incorporated by reference into any of the documents referred to in paragraphs (1) to (4) above shall not form part of the Base Prospectus approved by the UK Listing Authority for the purpose of the Prospectus Directive. Each document incorporated by reference in this Prospectus is available for inspection at the registered office of the Issuer and the Guarantor. Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of this Prospectus.

In addition, the following documents published or issued prior to the date hereof or published or issued from time to time after the date hereof, except to the extent included in paragraphs (1) through (4) above, shall be deemed to be incorporated in, and form part of, this Prospectus provided that such documents shall not form part of the Base Prospectus approved by the UK Listing Authority for the purpose of the Prospectus Directive:

- (6) the most recently published Annual Report and Accounts containing audited consolidated and non-consolidated annual financial statements and, if published later, the most recently published Interim Financial Results containing interim consolidated and non-consolidated financial statements (if any) of the Guarantor and the most recently published Guarantor's Annual Report on Form 20-F as filed with the SEC, as the same may be amended from time to time;
- (7) the most recently published Annual Report and Accounts containing audited consolidated and non-consolidated annual financial statements of the Issuer; and
- (8) all supplements or amendments to this Prospectus circulated by the Issuer and/or the Guarantor from time to time.

For the avoidance of doubt the documents referred to in paragraphs (6) to (8) above do not form part of the Base Prospectus approved by the UK Listing Authority for the purpose of the Prospectus Directive.

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a subsequent statement which is deemed to be incorporated by reference herein or contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise), (provided, however, that such statement shall only form part of the Base Prospectus to the extent that it is contained in a document, all or the relevant portion of which is incorporated by reference by way of a supplement proposed in accordance with Article 16 of the Prospectus Directive). Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of this Prospectus.

The Issuer and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes. The Issuer and the Guarantor have undertaken to the Dealers in the Programme Agreement (as defined in "*Subscription and Sale and Transfer and Selling Restrictions*" herein) that they will comply with section 87 of the Financial Services and Markets Act 2000 ("**FSMA**").

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Prospectus and any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Each of the Italian, Spanish, Portuguese and Swedish translations of this "Summary of the Programme" which appears on pages 10, 18, 26 and 35, respectively, herein, is an accurate, complete and direct translation of the English original text.

Words and expressions defined in "Form of the Notes" and "General Terms and Conditions of the Notes" shall have the same meanings in this summary. Immediately following this section Italian, Spanish, Portuguese and Swedish translations of this section are included.

Issuer:	Abbey National Treasury Services plc.
Guarantor:	Abbey National plc.
Description of Issuer and Guarantor:	The Guarantor is the parent company of the Abbey National Group which provides financial services in the U.K. The Guarantor was incorporated in England and Wales in 1988 (registration number 2294747). The Issuer is a wholly-owned subsidiary of the Guarantor and was incorporated in England and Wales in 1989 (registration number 2338548). Both the Issuer and the Guarantor are limited liability companies established under the laws of England and Wales, both having the status of a bank. The Guarantor and the Issuer form part of Grupo Santander.
Description of Programme:	Global Structured Note Programme.
Programme Size:	Up to €2,000,000,000 (or its equivalent in the relevant currency) outstanding at any time.
Distribution:	The Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Arranger:	Abbey National Treasury Services plc trading as Santander Global Banking & Markets.
Dealers:	Abbey National Treasury Services plc trading as Santander Global Banking & Markets, and/or any other Dealers appointed in accordance with the Programme Agreement.
Calculation Agent:	Abbey National Treasury Services plc, unless otherwise specified in the Final Terms.
Principal Paying Agent:	Citibank, N.A., London, or as otherwise specified in the Final Terms.

Registrar:	Citigroup Global Markets Deutschland AG & Co. KGaA. and/or as otherwise specified in the Final Terms.
Paying Agents:	Citibank, N.A., London., and/or as otherwise specified in the Final Terms.
VPC Issuing and Paying Agent for Swedish Notes:	Nordea Bank AB (publ)
Currencies:	Subject to any legal or regulatory restrictions, any currency indicated in the applicable Final Terms.
Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated.
Maturities:	Subject to any applicable legal or regulatory restrictions and the rules from time to time of any relevant central bank (or equivalent body), such maturity as indicated in the applicable Final Terms.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par, each as indicated in the applicable Final Terms.
Form of Notes:	The Notes will be issued in bearer or registered (or inscribed) form as described in " <i>Form of the Notes</i> ". Notes issued in bearer form may also be issued in new global note ("NGN") form. Registered Notes will not be exchangeable for Bearer Notes or <i>vice versa</i> . Swedish Notes will be issued in uncertificated book entry form and will not be evidenced by any physical note or document of title. Entitlements to Swedish Notes will be evidenced by the crediting of Swedish Notes to the account with the VPC.
Type of Notes:	<p>The following types of Notes may be issued under the Programme:</p> <ul style="list-style-type: none"> (i) "Fixed Rate Notes", being Notes for which interest will be payable on such date or dates as indicated in the applicable Final Terms and on redemption, and such interest will be calculated on the basis of such Day Count Fraction as specified in the applicable Final Terms; (ii) "Floating Rate Notes", being Notes which bear interest at a rate determined: <ul style="list-style-type: none"> (1) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (2) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (3) on such other basis as indicated in the applicable Final Terms.

The Margin (if any) relating to such floating rate will be indicated in the

applicable Final Terms. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest will be calculated on the basis of such Day Count Fraction as specified in the relevant Final Terms;

- (iii) "**Dual Currency Notes**", being Notes for which payments (whether in respect of principal and/or interest and whether at maturity or otherwise) will be made in such currency(ies), and based on such rate(s) of exchange, as indicated in the applicable Final Terms;
- (iv) "**Zero Coupon Notes**", being Notes which will be offered and sold at a discount to their nominal amount and will not bear interest;
- (v) "**Non-Interest Bearing Notes**", being Notes which do not bear interest;
- (vi) "**Partly-Paid Notes**", being Notes issued on a partly-paid basis in which case interest will accrue on the paid-up amount of such Notes or on such other basis as may be agreed between the Issuer and the relevant Dealer and indicated on the applicable Final Terms. While any part payments of the subscription moneys due from the holder of the Partly-Paid Notes are overdue, no interest in a temporary or permanent global Note representing such Notes may be exchanged for Definitive Bearer Notes;
- (vii) "**Equity Linked Notes**", being Notes in respect of which payments (whether in respect of principal and/or interest and whether at maturity or otherwise) and/or deliveries will be calculated by reference to an equity security or basket of equity securities, including, but not limited to, single shares, a portfolio of shares and Depositary Receipts;
- (viii) "**Equity Index Linked Notes**", being Notes in respect of which payments (whether in respect of principal and/or interest and whether at maturity or otherwise) will be calculated by reference to a particular index or basket of indices, where such index or indices may reference one or more equity securities;
- (ix) "**Inflation Linked Notes**", being Notes in respect of which payments (whether in respect of principal and/or interest and whether at maturity or otherwise) will be calculated by reference to one or more inflation/consumer price indices and/or formula;
- (x) "**Commodity Linked Notes**", being Notes in respect of which payments (whether in respect of principal and/or interest and whether at maturity or otherwise) will be calculated by reference to a particular commodity or commodities, or a particular index or indices comprising various commodities;
- (xi) "**Currency Linked Notes**", being Notes in respect of which payments (whether in respect of principal and/or interest and whether at maturity or otherwise) will be calculated by reference to a particular foreign exchange rate or rates;
- (xii) "**Fund Linked Notes**", being Notes in respect of which payments (whether in respect of principal and/or interest and whether at maturity or otherwise)

will be calculated by reference to a particular fund or funds including but not limited to hedge funds or exchange traded funds;

- (xiii) "**Property Linked Notes**", being Notes in respect of which payments (whether in respect of principal and/or interest and whether at maturity or otherwise) will be calculated by reference to a particular property index or indices; and
- (xiv) "**Credit Linked Notes**", being Notes relating to the credit of a Reference Entity or Entities, a Reference Obligation, a basket of Reference Obligations or Reference Entities comprised in a particular index or indices and/or related Reference Obligations.

Other types of Notes may from time to time be issued under the Programme and the Final Terms pertaining to the issue of any such Notes will specify all the terms and conditions applicable thereto, which may or may not include certain or all of the terms and conditions set out in the General Terms and Conditions of the Notes contained herein.

Interest:

Interest periods, rates of interest and the terms of and/or amounts payable on any interest payment date may differ depending on the Notes being issued and such terms will be specified in the applicable Final Terms.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for following an Event of Default or for certain other specified events) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity or automatically upon the occurrence of certain specified events and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer as indicated in the applicable Final Terms.

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Denomination of Notes:

Notes will be issued in such denominations as indicated in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

No sales of Restricted Notes in the United States to any one purchaser will be for less than U.S.\$100,000 (or its equivalent in the relevant currency).

Taxation:

All payments in respect of the Notes will be made subject to withholding of or deduction for or on account of taxes imposed by the relevant tax jurisdiction, as provided in General Condition 8 (*Taxation*). In the event that any such withholding or deduction is required by law, neither the Issuer nor, as the case may be, the Guarantor will be required to pay any additional amounts to cover the amounts so deducted.

- Events of Default:** The terms of the Notes will contain, amongst others, the following events of default:
- (a) default in payment of principal or interest due in respect of the Notes, continuing for a specified period of time;
 - (b) non-performance or non-observance by the Issuer of any of its obligations under the General Terms and Conditions of the Notes, the Guarantee or the Agency Agreement continuing for a specified period of time; and
 - (c) events relating to the insolvency or winding-up of the Issuer and the Guarantor.

It should be noted, however, that it is a condition precedent to a relevant event being treated as an event of default that at least twenty-five per cent. (25%) in nominal amount of Noteholders have requested this.

Status of the Notes: The Notes will constitute direct, unconditional and unsecured obligations of the Issuer and will rank *pari passu* without preference among themselves and, subject as to any applicable statutory provisions or judicial order, at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

Guarantee: The Notes will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under such guarantee will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor and will rank *pari passu* with all present and future, unsecured and unsubordinated obligations (including those arising under deposits received in its banking business) of the Guarantor, without any preference among themselves and without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, except for obligations given priority by law.

Use of Proceeds: The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

Rating: The Programme has been rated by Fitch Ratings ("**Fitch**"), Moody's Investors Service, Inc. ("**Moody's**") and by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**"). If any issue of Notes under the Programme is to be rated, the rating of such Notes will be specified in the applicable Final Terms. Such rating will not necessarily be the same as the rating(s) assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing and Admission to Trading: Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market.

The Notes may also be listed or admitted, as the case may be, on other or further stock exchange(s) or markets as indicated in the applicable Final Terms in relation to each Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law: The Notes will be governed by, and construed in accordance with, English law.

Selling Restrictions: There are restrictions on the offer, sale and transfer of Notes in certain jurisdictions, including, but not limited to, the United States, the European Economic Area, the United Kingdom, the Kingdom of Spain, the Republic of Portugal, the Republic of Italy, the Kingdom of Denmark, the Kingdom of Norway, the Kingdom of Sweden, the Swiss Confederation, the Republic of Argentina, the Federative Republic of Brazil, the United Mexican States, the Republic of Columbia, the Republic of Chile, the Hong Kong Special Administrative Region, the Republic of Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see "*Subscription and Sale and Transfer and Selling Restrictions*").

Certain Restrictions: Each issue of Notes, denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply, will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer and Selling Restrictions*").

Risk Factors: *Each prospective investor should consult its own financial and legal advisers about the risks associated with an investment in the Notes and the suitability of an investment in the relevant Notes in light of its particular circumstances.*

Risks relating to the Group

There are certain factors that may affect the Issuer's and the Guarantor's ability to fulfil their obligations under Notes issued under the Programme. These are set out under "*Risk Factors – Risks relating to both the Issuer and the Guarantor*" below and include risks concerning the creditworthiness of the Issuer and the Guarantor, general economic conditions, competition in the financial services industry, operational risks, potential conflicts of interest and the risk that hedging and trading activity by the Issuer, the Guarantor or any of their affiliates may affect the value of Notes.

Risks relating to investment in the Notes

Risks relating to investment in the Notes depend on their features and may include, *inter alia*, the following, all of which are more fully described under "*Risk factors – Risks relating to investment in the Notes*":

- (a) the redemption of the Notes at the option of the Issuer, or in the event of a relevant early redemption event, may be affected at times when yields (if any) received on such redemption would be lower than expected or otherwise not be favourable to investors;
- (b) subsequent changes in the market interest rates may adversely affect the value of interest bearing Notes (including Fixed Rate Notes, Floating Rate Notes and Inverse Floating Rate Notes) or Zero Coupon Notes;

- (c) movements in a level of an index or basket of indices may adversely affect the value of Equity Index Linked Notes, where such movements may not correlate with changes in interest rates, exchange rates or currencies and the timing of such changes may affect the actual yield to investors;
- (d) fluctuations in the price of an equity or basket of equities may adversely affect the value of Equity Linked Notes, where such movements may not correlate with changes in interest rates, currencies or other indices and the timing of such changes may affect the actual yield to investors;
- (e) fluctuations in currency exchange rates may adversely affect the value of Currency Linked Notes, where such movements may not correlate with changes in interest rates or other indices and the timing of such changes may affect the actual yield to investors;
- (f) fluctuations in the price of units or shares in a fund or funds may adversely affect the value of Fund Linked Notes, where such movements may not correlate with changes in interest rates, currencies or other indices and the timing of such changes may affect the actual yield to investors;
- (g) the market price of Credit Linked Notes may be volatile and the time remaining to redemption and the creditworthiness of the underlying Reference Entity (as defined herein), and economic and political events in the jurisdiction of the Reference Entity, may adversely affect the value of Credit Linked Notes;
- (h) fluctuations in the price of a commodity or commodities may adversely affect the value of Commodity Linked Notes, where such movements may not correlate with changes in interest rates, currencies or other indices and the timing of such changes may affect the actual yield to investors;
- (i) fluctuations in the level of inflation/consumer price index or indices may adversely affect the value of Inflation Linked Notes where such movements may not correlate with changes in interest rates, currencies or other indices and the timing of such changes may affect the actual yield to Investors;
- (j) fluctuations in the level of a property index or indices may adversely affect the value of Property Linked Notes where such movements may not correlate with changes in interest rates, currencies or other indices and the timing of such changes may affect the actual yield to investors; and
- (k) material changes in the exchange controls by the applicable governments, and the supply and demand for applicable currencies, may adversely affect the applicable currency of Dual Currency Linked Notes.

In addition, for certain of the above Notes, various events in relation to the relevant underlying asset or reference basis may lead to adjustments to or early redemption of the Notes and there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme (see "*Risk Factors – Risks related to the market generally*").

Italian Translation of Summary of Programme

NOTA DI SINTESI DEL PROGRAMMA

La presente nota di sintesi deve essere letta come una introduzione al presente Prospetto e qualsiasi decisione di investire nei Titoli si deve basare sull'esame completo del presente Prospetto e dei documenti ivi inclusi tramite riferimento. A seguito dell'attuazione delle relative disposizioni della Direttiva Prospetti in ciascun Stato membro dell'Area Economica Europea, i Soggetti Responsabili nei singoli Stati membri non dovranno rispondere civilmente sulla base unicamente della presente nota di sintesi, comprese le relative traduzioni di questo documento, a meno che essa sia fuorviante, inesatta o incompatibile quando letta assieme alle altre parti di questo Prospetto. Qualora sia promossa presso un tribunale di uno Stato membro dell'Area Economica Europea un'azione legale avente ad oggetto le informazioni contenute in questo Prospetto, potrà essere richiesto al ricorrente di sostenere, ai sensi dalla legislazione nazionale dello Stato membro in cui l'azione legale è promossa, i costi di traduzione del Prospetto, prima che inizi il procedimento giudiziario.

Ognuna delle traduzioni della presente "Nota di Sintesi", in italiano, spagnolo, portoghese e svedese rispettivamente a pagina 10, 18, 26 e 35, è una traduzione accurata, completa e diretta dell'originale testo in inglese.

Le parole e le espressioni definite nei capitoli "Form of the Notes " e "General Terms and Conditions of the Notes " mantengono lo stesso significato nella nota di sintesi.

Emittente:	Abbey National Treasury Services plc.
Garante:	Abbey National plc.
Descrizione dell'Emittente e del Garante:	Il Garante è la società capogruppo dell'Abbey National Group che presta servizi finanziari nel Regno Unito. Il Garante è stato costituito in Inghilterra e Galles nel 1988 (col numero di registrazione 2294747). L'Emittente è una società interamente controllata dal Garante ed è stata costituita in Inghilterra e Galles nel 1989 (col numero di registrazione 2338548). Tanto l'Emittente quanto il Garante sono società a responsabilità limitata costituite secondo il diritto di Inghilterra e Galles, ed entrambe hanno lo status di istituto bancario. Il Garante e l'Emittente appartengono al Gruppo Santander.
Descrizione del Programma:	Programma Globale di Titoli Strutturati.
Ammontare del Programma:	Fino a €2.000.000.000 (o il corrispondente controvalore in altre valute) in circolazione in qualsiasi momento.
Distribuzione:	I Titoli possono essere distribuiti tramite collocamento pubblico o privato e, in ciascun caso, su base sindacata o non sindacata.
Arranger (Coordinatore):	Abbey National Treasury Services plc che svolge attività di <i>trading</i> come Santander Global Banking & Markets.
Dealers (Collocatori):	Abbey National Treasury Services plc che svolge attività di <i>trading</i> come Santander Global Banking & Markets, e/o qualsiasi altro <i>Dealer</i> designato ai sensi del <i>Programme Agreement</i> .

Agente di Calcolo:	Abbey National Treasury Services plc, salvo diversamente specificato nelle Condizioni Definitive (<i>Final Terms</i>).
Agente di Pagamento Principale:	Citibank, N.A., London. o come altrimenti specificato nelle Condizioni Definitive.
Conservatore del Registro:	Citigroup Global Markets Deutschland AG & Co. KGaA. e/o come altrimenti specificato nelle Condizioni Definitive.
Agenti Pagatori:	Citibank, N.A., London., e/o come altrimenti specificato nelle Condizioni Definitive.
Agente VPC per l'Emissione e il Pagamento in relazione ai Titoli svedesi:	Nordea Bank AB (publ)
Valute:	Subordinatamente alle limitazioni legali o normative, qualsiasi valuta indicata nelle Condizioni Definitive applicabili.
Ridenominazione:	Le specifiche Condizioni Definitive possono prevedere la ridenominazione di alcuni Titoli.
Scadenze:	Subordinatamente alle limitazioni legali o normative in vigore e alle norme emanate di volta in volta dalla relativa banca centrale (o organo equivalente), la scadenza indicata nelle specifiche Condizioni Definitive.
Prezzo di Emissione:	I Titoli possono essere emessi su base interamente pagata o parzialmente pagata e ad un prezzo di emissione che può essere alla pari o con sconto rispetto alla pari o con premio rispetto alla pari, ognuno come indicato nelle specifiche Condizioni Definitive.
Forma dei Titoli:	I Titoli saranno emessi nella forma al portatore o in forma nominativa (o iscritti nel registro) come descritto in " <i>Forma dei Titoli</i> ". I Titoli emessi al portatore possono essere emessi anche in forma di nuovo titolo globale (<i>new global note "NGN"</i>). I Titoli nominativi non possono essere scambiati con Titoli al portatore e vice versa. I Titoli svedesi saranno emessi in forma di registrazione non certificata e non saranno attestati da alcun titolo in forma fisica ovvero da alcuna certificazione di proprietà. I diritti relativi ai Titoli svedesi saranno attestati tramite l'accredito dei Titoli svedesi sul conto presso VPC.
Tipologia dei Titoli:	Nell'ambito del Programma possono essere emessi i seguenti tipi di Titoli: <ul style="list-style-type: none"> (i) "Titoli a Tasso Fisso", sono Titoli i cui interessi sono da pagare alla data o date indicate nelle Specifiche Condizioni Definitive e al momento del rimborso, e detti interessi saranno calcolati secondo la Base di Calcolo (<i>Day Count Fraction</i>) specificata nelle Specifiche Condizioni Definitive; (ii) "Titoli a Tasso Variabile ", sono Titoli che fruttano interessi ad un tasso determinato:

- (1) sulla stessa base del tasso di interesse variabile in base ad un contratto nozionale *swap* su tassi di interesse nella relativa Valuta Specificata, regolato da un contratto che incorpora le "2006 ISDA Definitions" (come pubblicate dalla International Swaps and Derivatives Association, Inc., e successive modifiche, aggiornato alla Data di Emissione della prima Tranche di Titoli della relativa Serie); oppure
- (2) in base al tasso di riferimento visualizzato sulla pagina video concordata di un servizio di quotazioni commerciale; oppure
- (3) su qualsiasi altra base indicata nelle specifiche Condizioni Definitive.

L'eventuale Margine relativo al tasso variabile sarà indicato nelle specifiche Condizioni Definitive. I Titoli a Tasso Variabile possono avere anche un tasso di interesse massimo, un tasso di interesse minimo o entrambi. L'interesse sarà calcolato secondo la Base di Calcolo specificata nelle relative Condizioni Definitive;

- (iii) "**Titoli a Doppia Valuta**", si tratta di Titoli i cui pagamenti (sia per il capitale e/o gli interessi e sia a scadenza o in altro modo) saranno eseguiti nella valuta/e e in base al tasso/i di cambio indicati nelle relative Condizioni Definitive;
- (iv) "**Titoli Zero Coupon**", si tratta di Titoli offerti e venduti con sconto rispetto al loro valore nominale e che non corrispondono interessi;
- (v) "**Titoli Infruttiferi**", sono Titoli che non corrispondono interessi;
- (vi) "**Titoli Parzialmente Pagati**", si tratta di Titoli emessi in base ad un pagamento parziale e, in tal caso, gli interessi maturano sull'ammontare già pagato dei Titoli o su altra base concordata tra l'Emittente e il relativo Dealer e indicata nelle relative Condizioni Definitive. Fino a quando sono esigibili i pagamenti parziali del prezzo di sottoscrizione da parte del detentore di Titoli Parzialmente Pagati, non potrà essere scambiato alcun diritto su un Titolo globale permanente o temporaneo che rappresenti i Titoli Parzialmente Pagati con Titoli Definitivi al Portatore (*definitive Bearer Notes*);
- (vii) "**Titoli Equity Linked**", si tratta di Titoli i cui pagamenti (sia per il capitale e/o gli interessi e sia a scadenza o in altro modo) e/o consegna saranno calcolati in riferimento ad un titolo azionario o ad un paniere di titoli azionari, comprese, ma non solo, le singole azioni, un portafoglio di azioni e le Ricevute di Deposito;
- (viii) "**Titoli Equity Index Linked**", si tratta di Titoli i cui pagamenti (sia per il capitale e/o gli interessi e sia a scadenza o in altro modo) saranno calcolati in riferimento ad un particolare indice o paniere di indici, laddove l'indice o gli indici possono riferirsi ad uno o più titoli azionari;
- (ix) "**Titoli Inflation Linked**", si tratta di Titoli i cui pagamenti (sia per il

capitale e/o gli interessi e sia a scadenza o in altro modo) saranno calcolati in riferimento uno o più indici e/o formula di inflazione/prezzi al consumo;

- (x) "**Titoli Commodity Linked**", si tratta di Titoli i cui pagamenti (sia per il capitale e/o gli interessi e sia a scadenza o in altro modo) saranno calcolati in riferimento ad una particolare *commodity* o *commodities*, oppure ad un particolare indice o indici che raggruppano varie *commodities*;
- (xi) "**Titoli Currency Linked**", si tratta di Titoli i cui pagamenti (sia per il capitale e/o gli interessi e sia a scadenza o in altro modo) saranno calcolati in riferimento ad un particolare tasso o tassi di cambio;
- (xii) "**Titoli Fund Linked**", si tratta di Titoli i cui pagamenti (sia per capitale il e/o gli interessi e sia a scadenza o in altro modo) saranno calcolati in riferimento ad un particolare fondo o fondi, compresi, a titolo puramente esemplificativo, gli *hedge funds* o gli *exchange traded funds*;
- (xiii) "**Titoli Property Linked**", si tratta di Titoli i cui pagamenti (sia per il capitale e/o gli interessi e sia a scadenza o in altro modo) saranno calcolati in riferimento ad un particolare indice o indici immobiliari;
- (xiv) "**Titoli Credit Linked**", si tratta di Titoli correlati al credito di una o più Entità di Riferimento, Obbligazione di Riferimento, Paniere di Obbligazioni di Riferimento o di Entità di Riferimento facenti parte di un particolare indice o indici e/o le correlate Obbligazioni di Riferimento.

Di volta in volta potranno essere emessi altri tipi di Titoli in base al Programma, e le Condizioni Definitive pertinenti all'emissione di tali Titoli specificheranno i termini e le condizioni ad essi applicabili, i quali potranno includere o meno una parte o tutti i termini e condizioni riportati nei Termini e Condizioni Generali dei Titoli esposti in questo documento.

Interesse:

I periodi di interesse, i tassi di interesse e i termini e/o le somme da pagare in qualsiasi data di pagamento dell'interesse possono essere diversi a seconda dei Titoli in emissione, e detti termini saranno indicati nelle specifiche Condizioni Definitive.

Rimborso:

Le Condizioni Definitive applicabili indicheranno se i relativi Titoli non possono essere rimborsati prima della scadenza prestabilita (diversamente dalle rate specificate, se applicabile, oppure a seguito di un Inadempimento (*Event of Default*) oppure in occasione di altri casi specificati) oppure se detti Titoli saranno rimborsabili a scelta dell'Emittente e/o dei Portatori previo avviso dato ai Portatori o all'Emittente, a seconda del caso, nella data o date specificate, con anticipo rispetto a detta data prestabilita oppure automaticamente al prodursi di certi eventi specificati, e al prezzo o ai prezzi ed alle altre condizioni pattuite di comune accordo tra l'Emittente e il relativo *Dealer*, come indicato nelle specifiche Condizioni Definitive.

Le Condizioni Definitive applicabili potranno prevedere per i Titoli la possibilità di rimborso del loro ammontare in due o più rate, e le date in questione saranno indicate nelle relative Condizioni Definitive.

- Taglio dei Titoli:** I Titoli saranno emessi nei tagli indicati nelle specifiche Condizioni Definitive, fermo restando che il taglio minimo di ogni Titolo sarà quello permesso o richiesto di volta in volta dalla relativa banca centrale (o organismo equivalente) o dalle leggi o normative applicabili alla relativa Specificata Valuta (*Specified Currency*).
- La vendita di Titoli soggetti a Limitazione (*Restricted Notes*) a qualsiasi acquirente negli Stati Uniti non potrà verificarsi per un controvalore inferiore a USD100.000 (o l'equivalente nella relativa valuta).
- Regime Fiscale:** Tutti i pagamenti dei Titoli saranno assoggettati a ritenuta o a deduzione fiscale per o in conto a tasse applicate nella relativa giurisdizione tributaria, come indicato nella Condizione Generale 8 (*Tassazione*). Qualora la ritenuta o deduzione sia imposta dalla legge, né l'Emittente, né il Garante, a seconda del caso, avranno l'obbligo di corrispondere somme aggiuntive a copertura degli importi trattenuti.
- Casi di Inadempimento:** Le clausole dei Titoli prevedranno, tra l'altro, i seguenti casi di inadempimento:
- (a) mancato pagamento del capitale o degli interessi per i Titoli che continui per un periodo di tempo specificato;
 - (b) mancata esecuzione o inosservanza da parte dell'Emittente di qualsiasi sua obbligazione prevista nei Termini e Condizioni Generali dei Titoli, nella Garanzia o nell'*Agency Agreement* che continua per un periodo di tempo specificato;
 - (c) casi correlati a insolvenza o a liquidazione dell'Emittente e del Garante.
- Va tuttavia osservato che, quale condizione sospensiva al fine di poter considerare un evento come un caso di inadempimento (*event of default*), è previsto che almeno il 25% (venticinque per cento) in valore nominale dei Portatori (*Noteholders*) debba richiedere ciò.
- Status dei Titoli:** I Titoli costituiscono obbligazioni dirette, incondizionate e non garantite dell'Emittente e concorrono *pari passu* e senza preferenza tra loro ed hanno, fatto salvo eventuali disposizioni legislative o provvedimenti giudiziari applicabili, almeno lo stesso livello di tutte le altre obbligazioni dell'Emittente, presenti e future, non garantite e non subordinate.
- Garanzia:** I Titoli saranno incondizionatamente e irrevocabilmente garantiti dal Garante. Le obbligazioni del Garante ai sensi della predetta garanzia costituiscono obbligazioni dirette, incondizionate, non garantite e non subordinate del Garante e concorrono *pari passu* e senza preferenza con tutte le altre obbligazioni presenti e future, non garantite e non subordinate del Garante (comprese quelle derivanti dai depositi ricevuti attraverso la sua attività bancaria) senza preferenza tra loro e senza preferenza di una rispetto all'altra quanto a priorità della data di emissione, valuta di pagamento o ad altro titolo, salvo le obbligazioni la cui priorità è stabilita dalla legge.
- Impiego dei Proventi:** I ricavi netti da ogni emissione di Titoli saranno impiegati dall'Emittente per scopi generali aziendali. Le relative Condizioni Definitive specificheranno se i proventi che riguardano una particolare emissione saranno destinati ad un particolare utilizzo.

Rating:	Il Programma ha ricevuto il <i>rating</i> da parte di Fitch Ratings (" Fitch "), Moody's Investors Service, Inc. (" Moody's ") e Standard & Poor's Ratings Services, divisione di The McGraw-Hill Companies, Inc. (" S&P "). Se una qualsiasi emissione di Titoli ai sensi del Programma deve ottenere la valutazione del credito (<i>rating</i>), tale <i>rating</i> sarà indicato nelle specifiche Condizioni Definitive, ma non sarà necessariamente lo stesso <i>rating/s</i> assegnato al Programma. Il <i>rating</i> di un valore mobiliare non è una raccomandazione ad acquistare, vendere o possedere valori mobiliari, e può essere sospeso, ridotto o revocato in qualsiasi momento da parte dell'agenzia che lo ha assegnato.
Quotazione e Ammissione alla Negoziazione:	<p>E' stata presentata all'autorità di quotazione del Regno Unito (UK Listing Authority) la richiesta di ammettere i Titoli emessi nell'ambito del Programma alla Lista Ufficiale (Official List), e alla Borsa di Londra (London Stock Exchange) la richiesta di ammissione di tali Titoli alla negoziazione presso il mercato regolamentato della Borsa di Londra (<i>London Stock Exchange's Regulated Market</i>).</p> <p>I Titoli potranno anche essere quotati o ammessi, a seconda del caso, in altre o ulteriori borse valori o mercati come indicato nelle specifiche Condizioni Definitive per le singole Serie. Potranno essere emessi anche Titoli che non sono quotati né ammessi alle negoziazioni in alcun mercato.</p> <p>Le Condizioni Definitive applicabili stabiliranno se i relativi Titoli dovranno essere quotati e/o ammessi alla negoziazione e, in caso affermativo, in quale borsa valori e/o mercato.</p>
Legge regolatrice:	I Titoli sono regolati dal e interpretati secondo il diritto inglese.
Restrizioni alla Vendita:	Sussistono limitazioni all'offerta, vendita e trasferimento dei Titoli in talune giurisdizioni tra cui, incluse a titolo esemplificativo, gli Stati Uniti di America, l'Area Economica Europea, il Regno Unito, il Regno di Spagna, la Repubblica del Portogallo, la Repubblica Italiana, il Regno di Danimarca, il Regno di Norvegia, il Regno di Svezia, la Confederazione Svizzera, la Repubblica Argentina, la Repubblica Federale del Brasile, gli Stati Uniti del Messico, la Repubblica di Colombia, la Repubblica del Cile, la Regione Amministrativa Speciale di Hong Kong, la Repubblica di Singapore, nonché altre limitazioni richieste in occasione dell'offerta e vendita di una determinata <i>Tranche</i> di Titoli (si veda " <i>Subscription and Sale and Transfer and Selling Restrictions</i> ").
Particolari restrizioni:	Ogni emissione di Titoli, denominati in una valuta rispetto alla quale si applicano particolari leggi, linee guida, normative, restrizioni o obblighi di informativa, si realizzerà soltanto in circostanze che adempiano di volta in volta a dette leggi, linee guida, normative, restrizioni o obblighi di informativa (si veda " <i>Subscription and Sale and Transfer and Selling Restrictions</i> ").
Fattori di Rischio:	<i>Ogni potenziale investitore dovrebbe richiedere ai propri consulenti finanziari e legali di fiducia un parere per quanto riguarda i rischi associati all'investimento nei Titoli e sull'opportunità dell'investimento in un particolare Titolo, tenuto conto della propria situazione.</i>

Rischi relativi al Gruppo

Vi sono alcuni fattori di rischio che possono incidere sulla capacità dell'Emittente e

del Garante di adempiere alle rispettive obbligazioni derivanti dai Titoli emessi nell'ambito del Programma. Tali fattori sono descritti più avanti in "*Risk Factors – Risks relating to both the Issuer and the Guarantor*" e comprendono i rischi relativi al merito di credito dell'Emittente e del Garante, alle condizioni economiche generali, alla concorrenza nel campo dei servizi finanziari, ai rischi operativi, ai potenziali conflitti di interesse e il rischio che l'attività di copertura e di *trading* svolte dall'Emittente, dal Garante o da una qualsiasi loro collegata possa incidere sul valore dei Titoli.

Rischi relativi all'investimento in Titoli

I rischi che comporta l'investimento in Titoli dipendono dalla loro tipologia e possono includere, tra l'altro, i seguenti rischi, tutti peraltro meglio descritti nella sezione "*Risk Factors – Risks relating to investment in the Notes*":

- (a) Il rimborso dei Titoli a scelta dell'Emittente, oppure il rimborso conseguente ad un relativo evento di rimborso anticipato, può essere influenzato a volte dal fatto che gli eventuali rendimenti percepiti al momento del rimborso sono inferiori a quelli attesi o comunque non favorevoli per gli investitori;
- (b) Successive variazioni nel mercato dei tassi di interesse possono incidere negativamente sul valore dei Titoli fruttiferi (compresi i Titoli a Tasso Fisso, i Titoli a Tasso Variabile e i Titoli a Tasso Variabile Inverso) o i Titoli *Zero Coupon*;
- (c) Le variazioni del livello dell'indice o del paniere di indici possono incidere negativamente sul valore dei Titoli *Equity Index Linked*, laddove tali oscillazioni non siano correlate alle modifiche ai tassi di interesse, ai tassi di cambio o alle valute, e il momento in cui tali variazioni avvengono può condizionare i rendimenti effettivi degli investitori;
- (d) Le fluttuazioni di prezzo di un titolo azionario o di un paniere di titoli azionari possono incidere negativamente sul valore dei Titoli *Equity Linked* Titoli, laddove tali oscillazioni non siano correlate alle modifiche ai tassi di interesse, ai tassi di cambio o alle valute o altri indici, e il momento in cui tali variazioni avvengono può condizionare i rendimenti effettivi per gli investitori;
- (e) Le fluttuazioni dei tassi di cambio valutario possono incidere negativamente sul valore dei Titoli *Currency Linked*, laddove tali oscillazioni non siano correlate alle modifiche ai tassi di interesse o altri indici, e il momento in cui tali variazioni avvengono può condizionare i rendimenti effettivi per gli investitori;
- (f) Le variazioni nel prezzo di unità o quote di un fondo o fondi possono incidere negativamente sul valore dei Titoli *Fund Linked*, laddove tali oscillazioni non siano correlate alle modifiche ai tassi di interesse, alle valute o ad altri indici, e il momento in cui tali variazioni avvengono può condizionare i rendimenti effettivi per gli investitori;
- (g) Il prezzo di mercato dei Titoli *Credit Linked* può essere volatile, e il tempo residuo alla scadenza e l'affidabilità creditizia dell'Entità di Riferimento

sottostante (secondo la definizione data in questo documento) e gli eventi di natura politica ed economica nella giurisdizione dell'Entità di Riferimento possono incidere negativamente sul valore dei Titoli *Credit Linked*;

- (h) Le oscillazioni del prezzo di una *commodity* o più *commodities* possono incidere negativamente sul valore dei Titoli *Commodity Linked*, laddove tali oscillazioni non siano correlate alle modifiche ai tassi di interesse, alle valute o ad altri indici, e il momento in cui tali variazioni avvengono può condizionare i rendimenti effettivi per gli investitori;
- (i) Le variazioni di livello dell'indice o indice dell'inflazione/prezzi al consumo possono incidere negativamente sul valore dei Titoli *Inflation Linked*, laddove tali oscillazioni non siano correlate alle modifiche ai tassi di interesse, alle valute o ad altri indici, e il momento in cui tali variazioni avvengono può condizionare i rendimenti effettivi per gli investitori;
- (j) Le variazioni del livello dell'indice o indici immobiliari possono incidere negativamente sul valore dei Titoli *Property Linked* laddove tali oscillazioni non siano correlate alle modifiche ai tassi di interesse, alle valute o ad altri indici, e il momento in cui tali variazioni avvengono può condizionare i rendimenti effettivi per gli investitori;
- (k) Le variazioni di rilievo al controllo dei cambi da parte dei governi interessati, e alla offerta e domanda delle specifiche valute interessate, possono incidere negativamente sulla relativa valuta dei Titoli *Dual Currency Linked*.

Inoltre, per quanto riguarda alcuni Titoli tra quelli sopra menzionati, vari eventi che interessano il relativo attivo di riferimento o la base di riferimento possono determinare aggiustamenti ovvero il rimborso anticipato dei Titoli e sussistono alcuni fattori che sono rilevanti al fine di determinare i rischi di mercato insiti nei Titoli emessi nell'ambito del Programma (si veda " *Risk Factors – Risks related to the market generally*").

Spanish Translation of Summary of Programme

RESUMEN DEL PROGRAMA

Este resumen debe leerse como una introducción a este documento y cualquier decisión de inversión en los Bonos deberá basarse en una consideración global del mismo, incluyendo los documentos incorporados como referencia. Tras la implementación de las disposiciones relevantes de la Directiva de Folletos en cada Estado Miembro de la Zona Económica Europea, las Personas Responsables no tendrán responsabilidad civil en ningún Estado Miembro con respecto a este resumen, incluyendo cualquier traducción del mismo, a menos que sea erróneo, inexacto o inconsistente al leerse junto a las otras partes de este documento. Cuando se presente una reclamación ante un tribunal relacionada con información contenida en este Folleto de Base en un Estado Miembro de la Zona Económica Europea, puede requerirse al demandante bajo la legislación nacional del Estado Miembro en el que se presente la demanda, que soporte los costes de la traducción del documento antes de que se inicien los procedimientos legales.

Cada una de las traducciones: italiana, española, portuguesa y suiza de este "Resumen del Programa" que aparecen en las páginas 10, 18, 26 y 35, respectivamente son traducciones directas, precisas y completas del texto original en inglés.

Los términos y expresiones definidos en "Forma de los Bonos" y "Términos y Condiciones Generales de los Bonos" tendrán el mismo significado en este resumen. Inmediatamente después de esta sección, se incluyen traducciones de la misma en italiano, español, portugués y sueco.

Emisor	Abbey National Treasury Services plc.
Avalista:	Abbey National plc.
Descripción el Emisor y del Avalista:	El Avalista es la sociedad matriz de Abbey National Group, que ofrece servicios financieros en el Reino Unido. El Avalista se constituyó en Inglaterra y Gales en 1988 (número de registro 2294747). El Emisor es una filial totalmente participada del Avalista y se constituyó en Inglaterra y Gales en 1989 (número de registro 2338548). Tanto el Emisor como el Avalista son sociedades de responsabilidad limitada constituidas y existentes según las leyes de Inglaterra y Gales, ambas con estatuto de banco. El Avalista y el Emisor pertenecen al Grupo Santander.
Descripción del Programa:	Programa global de bonos estructurados.
Alcance del Programa:	Hasta 2.000.000.000 de euros (o su equivalente en la divisa correspondiente) vigentes en cualquier momento.
Distribución:	Los Bonos pueden distribuirse mediante colocación privada o pública y en cada caso sobre una base sindicada o no sindicada.
Coordinador:	Abbey National Treasury Services plc, actuando como Santander Global Banking & Markets.
Intermediarios:	Abbey National Treasury Services plc, actuando como Santander Global Banking & Markets, y/o cualquier otro Intermediario designado de conformidad con el Contrato del Programa.

Agente de Cálculo:	Abbey National Treasury Services plc, a menos que se establezca lo contrario en los Términos Finales.
Agente de Pago Principal:	Citibank, N.A., Londres, a menos que se establezca lo contrario en los Términos Finales.
Registrador:	Citigroup Global Markets Deutschland AG & Co. KGaA. a menos que se establezca lo contrario en los Términos Finales.
Agentes de Pago:	Citibank, N.A., London., a menos que se establezca lo contrario en los Términos Finales.
Agente de Emisión y Pago VPC de los Bonos suecos:	Nordea Bank AB (publ)
Divisas:	Sujeto a cualquier restricción legal o reglamentaria, cualquier divisa establecida en los Términos Finales aplicables.
Redenominación:	Los Términos Finales aplicables pueden establecer que ciertos Bonos pueden redenominarse.
Vencimientos:	Con sujeción a cualquier restricción legal o reglamentaria, y a las normas ocasionales de cualquier banco central correspondiente (u órgano equivalente), el vencimiento se establecerá en los Términos Finales aplicables.
Precio de Emisión:	Los Bonos pueden emitirse sobre una base de pago total o pago parcial y a un precio de emisión que sea nominal, con descuento, o con prima sobre el nominal, tal y como se establece en los Términos Finales aplicables.
Forma de los Bonos:	Los Bonos se emitirán al portador o de forma registrada (o inscrita) según se establece en " <i>Forma de los Bonos</i> ". Los Bonos emitidos al portador también pueden emitirse en forma de nuevo bono global ("NGN", por sus siglas en inglés). Los Bonos registrados no serán intercambiables por Bonos al portador o <i>viceversa</i> . Los Bonos Suizos se emitirán en anotaciones en cuenta (<i>uncertificatd book entry</i>) y no serán evidenciados por ningún bono físico o título. El derecho a Bonos Suizos se evidenciará por el crédito de Bonos Suizos en la cuenta bancaria con el VPC.
Tipo de Bonos:	Los siguientes tipos de Bonos pueden emitirse bajo el Programa: <ul style="list-style-type: none"> (i) “Bonos de tipo fijo”, son Bonos cuyos intereses se pagarán en la fecha o fechas que se establecen en los Términos Finales y en el reembolso, y dichos intereses se calcularán sobre la base del número de días del año (<i>Day Count Fraction</i>) que resulte de aplicación, tal y como se establece en los Términos Finales aplicables; (ii) "Bonos de tipo flotante", son Bonos que conllevan intereses a un tipo determinado: <ul style="list-style-type: none"> (1) sobre la misma base que el tipo flotante bajo una transacción de intercambio de tipo de interés notional en la Divisa Especificada regulada por un contrato que incorpore las Definiciones ISDA 2006 (tal y como ha sido publicado en <i>International Swaps and</i>

Derivatives Association, Inc., y modificadas y actualizadas en la Fecha de Emisión del primer Tramo de los Bonos de las Series correspondiente); o

- (2) sobre la base de un tipo de referencia que aparezca en la pantalla acordada de un servicio de cotización comercial; o
- (3) sobre otra base que establezcan los Términos Finales aplicables.

El Margen (si lo hubiera) relativo a dicho tipo de interés flotante se establecerá en los Términos Finales. Los Bonos de Tipo Flotante también pueden tener un tipo de interés máximo, un tipo de interés mínimo o ambos. Los intereses se calcularán sobre la base del número de días del año (*Day Count Fraction*) que resulte de aplicación tal y como se establece en los Términos Finales;

- (iii) "**Bonos de divisa dual**", son Bonos cuyos pagos (ya sean respecto al principal y/o intereses, y ya sean al vencimiento o de otro modo) se realizarán en dicha divisa(s) y en función de dicho tipo(s) de cambio, tal y como se establece en los Términos Finales;
- (iv) "**Bonos de Cupón Cero**", son Bonos que se ofrecerán y venderán con descuento respecto a su importe nominal y que no conllevan intereses;
- (v) "**Bonos sin Intereses**", son Bonos que no conllevan intereses;
- (vi) "**Bonos de Pago Parcial**", son Bonos emitidos sobre una base de pago parcial en cuyo caso los intereses se acumularán respecto al importe desembolsado de dichos Bonos o sobre otra base acordada entre el Emisor e Intermediario, tal y como se establece en los Términos Finales aplicables. Aunque cualquier pago parcial del dinero de la suscripción debido por el titular de los Bonos de pago parcial haya vencido, ningún interés respecto a un Bono temporal o permanente que represente dichos Bonos podrá intercambiarse por Bonos al portador definitivos;
- (vii) "**Bonos Vinculados a Renta Variable**", son Bonos cuyos pagos (ya sean respecto al principal y/o intereses, y ya sean al vencimiento o de otro modo) y/o rendimientos, se calcularán por referencia a un título de renta variable o cesta de títulos de renta variable, incluyendo, sin limitación, acciones concretas, una cartera de acciones, y Recibos Depositarios;
- (viii) "**Bonos Vinculados a un Índice de Renta Variable**", son Bonos cuyos pagos (ya sean respecto al principal y/o intereses, y ya sean al vencimiento o de otro modo) se calcularán por referencia a un índice concreto o cesta de índices, donde dicho índice o índices pueden referirse a uno o más títulos de renta variable;
- (ix) "**Bonos Vinculados a la Inflación**", son Bonos cuyos pagos (ya sean respecto al principal y/o intereses, y ya sean al vencimiento o de otro modo) se calcularán por referencia a uno o más índices y/o fórmula de inflación/precios de consumo;
- (x) "**Bonos Vinculados a Materias Primas**", son Bonos cuyos pagos (ya sean

respecto al principal y/o intereses, y ya sean al vencimiento o de otro modo) se calcularán por referencia a una materia(s) prima(s) concreta, o a un índice(s) concreto que comprenda diversas materias primas;

- (xi) **"Bonos Vinculados a Divisas"**, son Bonos cuyos pagos (ya sean respecto al principal y/o intereses, y ya sean al vencimiento o de otro modo) se calcularán por referencia a un tipo(s) de cambio de divisa concreto;
- (xii) **"Bonos Vinculados a un Fondo de Inversión"**, son Bonos cuyos pagos (ya sean respecto al principal y/o intereses, y ya sean al vencimiento o de otro modo) se calcularán por referencia a un fondo(s) de inversión concreto, incluyendo, sin limitación, hedge funds o fondos cotizados;
- (xiii) **"Bonos Vinculados a un Inmueble"**, son Bonos cuyos pagos (ya sean respecto al principal y/o intereses, y ya sean al vencimiento o de otro modo) se calcularán por referencia a un índice(s) inmobiliario concreto; y
- (xiv) **"Bonos Vinculados a Crédito"**, son Bonos relacionados con el crédito a una Entidad(es) de Referencia, una Obligación de Referencia, una cesta de Obligaciones de Referencia o Entidades de Referencia contenidas en un índice(s) concreto y/u Obligaciones de Referencia relacionadas concretas.

Otros tipos de Bonos pueden emitirse ocasionalmente bajo el Programa. Los Términos Finales relativos a la emisión de cualquiera de estos Bonos especificarán todos los términos y condiciones aplicables a los mismos, que pueden incluir o no algunos o todos los términos y condiciones establecidos en los Términos y Condiciones Generales en este documento.

Interés:

Los periodos de interés, los tipos de interés y los plazos de los importes y/o los importes pagaderos respecto a cualquier fecha de pago de intereses pueden variar dependiendo de los Bonos a emitir y dichos plazos se especificarán en los Términos Finales aplicables.

Reembolso:

Los Términos Finales aplicables establecerán si los Bonos correspondientes no pueden reembolsarse antes de su vencimiento establecido (diferente a los plazos especificados, si fuera aplicable, o tras el suceso de un Supuesto de Incumplimiento o a causa de otros eventos especificados) o si dichos Bonos pueden reembolsarse a elección del Emisor y/o los Titulares de los Bonos tras ofrecer una notificación a los Titulares de los Bonos o al Emisor, según el caso, en una fecha o fechas especificadas antes del vencimiento establecido o automáticamente cuando sucedan ciertos eventos concretos y a un precio(s) y según otros términos acordados entre el Emisor y el Intermediario correspondiente tal y como se establece en los Términos Finales.

Los Términos Finales aplicables pueden establecer que los Bonos puedan reembolsarse en dos o más plazos por los importes y en las fechas establecidas en los Términos Finales aplicables.

Denominación de los Bonos:

Los Bonos se emitirán en las denominaciones establecidas en los Términos Finales aplicables con tal de que la denominación mínima de cada Bono sea tal, que pueda autorizarse o requerirse ocasionalmente por parte del banco central correspondiente (u órgano equivalente) o por cualquier ley o reglamento aplicable a la Divisa Especificada correspondiente.

Ninguna venta de Bonos Restringidos en EE.UU., será inferior a 100.000 dólares estadounidenses (o a su equivalente en la divisa correspondiente).

Fiscalidad: Todos los pagos respecto a los Bonos estarán sujetos a la retención o deducción de la jurisdicción fiscal correspondiente, tal y como se establece en la Condición General 8 (*Fiscalidad*). En el caso de que cualquier retención o deducción de este tipo se requiera por ley, ni el Emisor ni, según el caso, el Avalista, deberán pagar ningún importe adicional para cubrir los importes deducidos de este modo.

Supuesto de Incumplimiento: Los términos de los Bonos contendrán, entre otros, los siguientes supuestos de incumplimiento:

- (a) incumplimiento del pago del principal o del interés debido respecto a los Bonos, de forma continuada durante un periodo determinado;
- (b) incumplimiento o no acatamiento por parte del Emisor de cualesquiera de sus obligaciones según los Términos y Condiciones Generales de los Bonos, la Garantía o el Contrato de Agencia, de forma continuada durante un periodo determinado; y
- (c) eventos relativos a la insolvencia o liquidación del Emisor y del Avalista.

No obstante, debe señalarse que para que un supuesto relevante se considere como un supuesto de incumplimiento, al menos el veinticinco por cien (25%) en importe nominal de los Titulares lo tiene que haber solicitado.

Estado de los Bonos: Los Bonos constituirán obligaciones directas, incondicionales y no garantizadas del Emisor y se calificarán igualmente sin preferencia entre ellas y, sujeto a cualquier disposición legal o judicial aplicable, al menos igualmente respecto al resto de obligaciones no garantizadas y no subordinadas futuras del Emisor.

Garantía: Los Bonos estarán garantizados incondicional e irrevocablemente por el Avalista. Las obligaciones del Avalista bajo dicha garantía constituirán obligaciones directas, incondicionales, no garantizadas y no subordinadas del Emisor y se calificarán igualmente respecto al resto de obligaciones no garantizadas y no subordinadas presentes y futuras (incluyendo las que surjan según depósitos recibidos en su negocio bancario) del Avalista, sin preferencia entre ellas y sin preferencia de una respecto a la otra por prioridad en la fecha de emisión, divisa de pago o de otro modo, salvo en el caso de las obligaciones a las que la ley conceda prioridad.

Uso de los Ingresos: Los ingresos netos de cada emisión de Bonos se utilizarán por el Emisor con fines generales. Si, con respecto de cualquier emisión concreta, existe un uso concreto identificado de los ingresos, este hecho se señalará en los Términos Finales aplicables.

Calificación: El Programa ha sido calificado por Fitch Ratings ("**Fitch**"), Moody's Investors Service, Inc. ("**Moody's**") y Standard & Poor's Ratings Services, una división de The McGraw-Hill Companies, Inc. ("**S&P**"). Si cualquier emisión de los Bonos bajo el Programa va a recibir una calificación, la calificación de dichos Bonos se señalará en los Términos Finales aplicables. Dicha calificación no será necesariamente igual a la calificación o calificaciones asignadas al Programa. Una calificación de los títulos no supone una recomendación de compra, venta o

mantenimiento de los títulos y puede estar sujeta a suspensión, reducción o retirada en cualquier momento por parte de la agencia de calificación asignante.

Cotización y Admisión a Negociación:

Se ha enviado una solicitud a UK Listing Authority para que los Bonos emitidos según el Programa sean admitidos a Cotización oficial y a la Bolsa de Londres para que dichos Bonos sean admitidos a negociación en el Mercado Regulado de la Bolsa de Londres.

Los Bonos también pueden cotizar o admitirse, según el caso, en otro mercado o mercados bursátiles adicionales tal y como se establece en los Términos Finales en relación con cada Serie. También pueden emitirse Bonos que no coticen o no sean admitidos a negociación en ningún mercado.

Los Términos Finales aplicables establecerán si los Bonos correspondientes van a cotizar o no, o van a ser admitidos a negociación o no, y, en ese caso, en qué Bolsas o mercados.

Legislación Aplicable:

Los Bonos se registrarán por la legislación inglesa.

Restricciones de Venta:

Existen restricciones respecto a la oferta, venta y transferencia de los Bonos en algunas jurisdicciones, incluyendo, sin limitación, EE.UU., la Zona Económica Europea, España, Portugal, Italia, Dinamarca, Noruega, Suecia, Suiza, Argentina, Brasil, Méjico, Colombia, Chile, Hong Kong, Singapur y otras restricciones similares según se requiera en relación con la oferta y venta de un Tramo de Bonos concreto (véase "*Restricciones de Suscripción, Venta y Cesión*").

Algunas restricciones:

Cada emisión de Bonos, denominados en una divisa respecto a la cual se apliquen, leyes, directrices, reglamentos, restricciones o requerimientos de información concretos, se emitirán solamente en circunstancias ocasionales que cumplan dichas leyes, directrices, reglamentos, restricciones o requerimientos de información (véase "*Restricciones de Suscripción, Venta y Cesión*").

Factores de Riesgo:

Cada inversor potencial debería consultar a sus propios asesores financieros y legales acerca de los riesgos asociados a una inversión en los Bonos y sobre la adecuación de una inversión en el Bono correspondiente teniendo en cuenta sus circunstancias concretas.

Riesgos relativos al Grupo

Existen algunos factores que pueden afectar a la capacidad del Emisor y del Avalista para cumplir con sus obligaciones con respecto a los Bonos emitidos según el Programa. Estos factores se establecen en la sección "*Factores de Riesgo – Riesgos relativos al Emisor y al Avalista*" posterior e incluyen los riesgos relativos a la solvencia crediticia del Emisor y del Avalista, la situación económica general, la competencia en el sector de servicios financieros, los riesgos operativos, los conflictos de intereses potenciales y el riesgo de la actividad de cobertura y negociación por parte del Emisor, Avalista o cualquiera de sus filiales que puedan afectar al valor de los Bonos.

Riesgos relativos a la inversión en los Bonos

Los riesgos relacionados con la inversión en los Bonos dependen de sus características y pueden incluir, entre otros, los siguientes, todos los cuales se

describen en mayor profundidad en la sección "*Factores de Riesgo – Riesgos relacionados con la inversión en los Bonos*":

- (a) el reembolso de los Bonos a la opción del Emisor, o en el caso de un evento de reembolso anticipado relevante, puede verse afectado en momentos en los que los rendimientos (si los hubiera) recibidos sobre dicho reembolso fueran inferiores a lo previsto o de otro modo no favorables para los inversores;
- (b) los cambios posteriores en los tipos de interés de mercado pueden afectar negativamente al valor de los Bonos que conllevan intereses (incluyendo los Bonos de tipo fijo, los Bonos de tipo flotante y los Bonos de tipo flotante inverso) o los Bonos de cupón cero;
- (c) los movimientos en el nivel de un índice o una cesta de índices pueden afectar negativamente al valor de los Bonos Vinculados a un Índice de Renta Variable cuando estos movimientos puedan no estar relacionados con cambios en los tipos de interés, tipos de cambio o divisas, mientras que el momento en que se produzcan dichos cambios puede afectar a los rendimientos reales de los inversores;
- (d) las variaciones en el precio de una acción o una cesta de acciones pueden afectar negativamente al valor de los Bonos Vinculados a Renta Variable cuando estos movimientos puedan no estar relacionados con cambios en los tipos de interés, divisas u otros índices, mientras que el momento en que se produzcan dichos cambios puede afectar a los rendimientos reales de los inversores;
- (e) las variaciones en los tipos de cambio pueden afectar negativamente al valor de los Bonos Vinculados a Divisas cuando estos movimientos puedan no estar relacionados con cambios en los tipos de interés u otros índices, mientras que el momento en que se producen dichos cambios pueda afectar los rendimientos reales de los inversores;
- (f) las variaciones en el precio de las participaciones o acciones en un fondo o fondos de inversión pueden afectar negativamente al valor de los Bonos Vinculados a Fondos de Inversión cuando estos movimientos puedan no estar relacionados con cambios en los tipos de interés, divisas u otros índices, mientras que el momento en que se producen dichos cambios puede afectar los rendimientos reales de los inversores;
- (g) el precio de mercado de los Bonos Vinculados a Crédito puede ser volátil y el plazo temporal restante para el reembolso y la solvencia crediticia de la Entidad de referencia subyacente (según se define en este documento) y los sucesos económicos y políticos en la jurisdicción de la Entidad de referencia pueden afectar negativamente al valor de los Bonos Vinculados a Crédito;
- (h) las variaciones en el precio de una materia o materias primas pueden afectar negativamente al valor de los Bonos Vinculados a Materias Primas cuando estos movimientos puedan no estar relacionados con cambios en los tipos de interés, divisas u otros índices, mientras que el momento en que se producen dichos cambios puede afectar a los rendimientos reales de

los inversores;

- (i) las variaciones en el nivel del índice o índices de inflación/precio de consumo pueden afectar negativamente al valor de los Bonos Vinculados a la Inflación cuando dichos movimientos puedan no estar relacionados con cambios en los tipos de interés, divisas u otros índices, mientras que el momento en que se producen dichos cambios puede afectar a los rendimientos reales de los inversores;
- (j) las variaciones en el nivel de un índice(s) inmobiliario puede afectar negativamente al valor de los Bonos Vinculados a un Inmueble cuando dichos movimientos puedan no estar relacionados con cambios en los tipos de interés, divisas u otros índices, mientras que el momento en que se producen dichos cambios puede afectar a los rendimientos reales de los inversores; y
- (k) los cambios materiales en los gobiernos correspondientes, y la oferta y la demanda de las divisas correspondientes, pueden afectar negativamente a la divisa correspondiente de los Bonos Vinculados a Divisa Dual.

Además, en el caso de alguno de los Bonos mencionados anteriormente, diversos supuestos en relación con el activo o base de referencia subyacentes correspondientes pueden provocar ajustes o reembolsos anticipados de los Bonos y existen algunos factores que son sustanciales a efectos de valorar los riesgos asociados con los Bonos emitidos según este Programa (véase "*Factores de riesgo – Riesgos relacionados con el mercado generalmente*").

Portuguese Translation of Summary of Programme

SUMÁRIO DO PROGRAMA

O presente sumário deve ser lido como uma introdução ao Prospecto, e qualquer decisão de investimento em quaisquer Obrigações deverá ter em consideração o Prospecto como um todo, incluindo os documentos incorporados por referência. No seguimento da transposição das disposições relevantes da Directiva dos Prospectos em cada um dos Estados-Membros da Área Económica Europeia, nenhum tipo de responsabilidade civil poderá ser atribuído às Pessoas Responsáveis em qualquer um desses Estados-Membros simplesmente com base neste sumário, ou em qualquer tradução deste sumário, a menos que tais documentos sejam enganosos, incorrectos ou inconsistentes quando lidos em conjunto com as restantes partes do Prospecto. Sempre que uma pretensão relativa à informação contida no Prospecto seja apresentada perante um tribunal num Estado-Membro da Área Económica Europeia, o demandante poderá, nos termos da legislação nacional aplicável no Estado-Membro em que formule a pretensão, ter que suportar os custos de tradução do Prospecto antes do início dos processos judiciais respectivos.

As traduções para língua Italiana, Espanhola, Portuguesa e Sueca deste Sumário do Programa, tal como constantes das páginas [●] , [●] , [●] e [●], respectivamente, são traduções directas, precisas e completas do texto original correspondente, em língua inglesa.

Os termos e expressões definidos nas secções do Prospecto “Forma das Obrigações” (“Form of the Notes”) e “Termos e Condições Gerais das Obrigações” (“General Terms and Conditions of the Notes”) deverão ser lidos com o mesmo significado quando utilizados neste sumário. Imediatamente a seguir à secção do sumário serão inseridas traduções do sumário em italiano, espanhol, português e sueco.

Emitente:	O Abbey National Treasury Services plc.
Garante	O Abbey National plc.
Descrição do Emitente e do Garante:	O Garante é uma sociedade pertencente ao grupo do Abbey National Group, que presta serviços de índole financeira no Reino Unido. O Garante foi constituído ao abrigo da lei de Inglaterra e do País de Gales em 1988 (com o número de registo 2294747). O Emitente é uma subsidiária do Garante por este detida a cem por cento e foi constituído ao abrigo da lei de Inglaterra e do País de Gales em 1989 (com o número de registo 2338548). Tanto o Emitente como o Garante são sociedades de responsabilidade limitada criadas ao abrigo da lei de Inglaterra e do País de Gales, possuindo ambos o estatuto de bancos. O Emitente e o Garante fazem parte do Grupo Santander.
Description of Issuer and Guarantor:	
Descrição do Programa:	Programa Global de Obrigações Estruturadas.
Montante do Programa:	Até ao limite de €2.000.000.000 (ou o equivalente na moeda relevante) emitidos e em dívida em qualquer momento.
Distribuição	As Obrigações podem ser distribuídas através de oferta pública ou particular, e em qualquer caso de forma sindicada ou não sindicada.
Arranger:	O Abbey National Treasury Services plc a negociar na qualidade de Santander Global Banking & Markets.

Dealers:	O Abbey National Treasury Services plc a negociar na qualidade de Santander Global Banking & Markets, e/ou quaisquer outros Dealers nomeados de acordo com as previsões do Contrato Programa.
Agente de Cálculo:	O Abbey National Treasury Services plc, a menos que exista previsão específica em contrário nas Condições Finais.
Agente de Reembolso do Capital:	O Citibank, N.A., Londres. ou outro conforme especificamente determinado nas Condições Finais.
Agente de Registo:	O Citigroup Global Markets Deutschland AG & Co. KGaA. e/ou outro conforme especificamente determinado nas Condições Finais.
Agentes Pagadores:	O Citibank, N.A., Londres, e/ou outro(s) conforme especificado nas Condições Finais
Agente VCP Emitente e Pagador para Obrigações Suecas:	O Nordea Bank AB (publ)
Divisas:	Sem prejuízo de restrições legais ou regulamentares existentes, qualquer divisa indicada nas Condições Finais aplicáveis.
Redenominação:	As Condições Finais aplicáveis poderão prever que certas Obrigações sejam redenominadas.
Maturidades:	Sem prejuízo de quaisquer restrições legais ou regulamentares existentes, ou das regras emitidas periodicamente por quaisquer bancos centrais relevantes (ou órgão equivalente), a maturidade será aquela indicada nas Condições Finais aplicáveis.
Preço de Emissão:	As Obrigações podem ser emitidas mediante pagamento total ou pagamento parcial, e a um preço de emissão que seja nominal ou a desconto, ou com prémio sobre o seu valor nominal, consoante indicado nas Condições Finais aplicáveis.
Forma das Obrigações:	As Obrigações são ao portador (“ <i>bearer</i> ”) ou nominativas (“ <i>registered</i> ”) (ou inscritas) conforme descrito em “ <i>Forma das Obrigações</i> ”. As Obrigações emitidas ao portador também poderão ser emitidas na forma de uma <i>New Global Note</i> (“ <i>NGN</i> ”). As Obrigações Nominativas não poderão ser trocadas por Obrigações ao Portador, nem <i>vice versa</i> . As Obrigações Suecas serão emitidas em forma escritural não certificada, não sendo materializadas em qualquer documento ou certificado. Os direitos inerentes às Obrigações Suecas serão evidenciados através do crédito das obrigações correspondentes em conta junto de VPC.
Modalidade de Obrigações:	As seguintes modalidades de Obrigações podem ser emitidas ao abrigo do Programa: <ul style="list-style-type: none"> (i) “Obrigações de Taxa Fixa” (“<i>Fixed Rate Notes</i>”), são Obrigações às quais serão pagos juros em certa data ou datas consoante indicado nas respectivas Condições Finais e na data de reembolso, e esses juros serão calculados com base numa Fracção de Contagem Diária conforme detalhado nas Condições Finais aplicáveis;

- (ii) “**Obrigações de Taxa Variável**” (“*Floating Rate Notes*”), são Obrigações que vencem juros a uma taxa determinada:
- (1) na mesma base de uma taxa variável ao abrigo de uma transacção de swap (cobertura de risco) de taxa de juro notional, na Divisa Especificada regulada por um contrato que inclua as Definições ISDA 2006 (tal como publicadas pela Associação Internacional de Swaps e Derivados Inc. - *International Swaps and Derivatives Association Inc.* - e conforme alteradas e actualizadas na Data de Emissão da primeira Tranche de Obrigações da Série respectiva); ou
 - (2) na base de uma taxa de referência que seja divulgada numa página electrónica de um serviço de cotações comerciais acordada; ou
 - (3) em qualquer outra base conforme indicado nas Condições Finais aplicáveis.

A Margem (se existente) relativa à mencionada taxa variável será aquela indicada nas Condições Finais aplicáveis. As Obrigações de Taxa Variável poderão também ter uma taxa de juro máxima, mínima ou ambas. O juro será calculado com base na Fracção de Contagem Diária especificada nas Condições Finais aplicáveis;

- (iii) “**Obrigações de Divisa Dupla**” (“*Dual Currency Notes*”), são Obrigações relativamente às quais os pagamentos efectuados (quer a respeito de capital e/ou juros, e independentemente de serem efectuados na data de maturidade ou noutra altura) o serão na(s) divisa(s), e baseados na(s) taxa(s) de câmbio, que forem indicados nas Condições Finais aplicáveis;
- (iv) “**Obrigações de Cupão Zero**” (“*Zero Coupon Notes*”) são Obrigações que são oferecidas e vendidas a desconto relativamente ao seu valor nominal, e que não vencem juros;
- (v) “**Obrigações Sem Juro**” (“*Non-Interest Bearing Notes*”) são Obrigações que não vencem juros;
- (vi) “**Obrigações Parcialmente Pagas**” (“*Partly-Paid Notes*”) são Obrigações emitidas numa base de pagamento parcial, caso em que os juros serão contados no montante efectivamente pago dessas Obrigações, ou noutra base diferente que possa vir a ser acordada entre o Emitente e o Dealer em causa, conforme estabelecido nas Condições Finais aplicáveis. Sempre que parte do pagamento do preço de subscrição esteja vencida e em dívida pelo detentor das Obrigações Parcialmente Pagas, os juros na Obrigação global (“*global Note*”) que represente essa Obrigação não poderão ser trocados por *Definitive Global Notes* (“Obrigações Globais ao Portador”);
- (vii) “**Obrigações Ligadas a Participações Sociais**” (“*Equity Linked Notes*”) são Obrigações relativamente às quais os pagamentos efectuados (quer a respeito de capital e/ou juros, e independentemente de serem efectuados na data de maturidade ou noutra altura) e/ou entregas serão calculados por referência a um valor mobiliário correspondente a uma participação social,

ou a um cabaz de valores mobiliários correspondentes a participações sociais, incluindo, nomeadamente, acções individuais, uma carteira de acções ou Certificados de Depósito (“*Depository Receipts*”);

- (viii) “**Obrigações Ligadas a Índices de Participações Sociais**” (“*Equity Index Linked Notes*”) são Obrigações relativamente às quais os pagamentos efectuados (quer a respeito de capital e/ou juros, e independentemente de serem efectuados na data de maturidade ou noutra altura) serão calculados por referência a um índice específico, ou a um cabaz de índices, podendo esse índice ou índices ser referentes a um ou mais valores mobiliários correspondentes a participações sociais;
- (ix) “**Obrigações Ligadas à Inflação**” (“*Inflation Linked Notes*”) são Obrigações relativamente às quais os pagamentos efectuados (quer a respeito de capital e/ou juros, e independentemente de serem efectuados na data de maturidade ou noutra altura) serão calculados por referência a um ou mais índices de preços de consumo/inflação e/ou fórmula;
- (x) “**Obrigações Ligadas a Mercadorias**” (“*Commodity Linked Notes*”) são Obrigações relativamente às quais os pagamentos efectuados (quer a respeito de capital e/ou juros, e independentemente de serem efectuados na data de maturidade ou noutra altura) serão calculados por referência a uma mercadoria ou a mercadorias específica(s), ou a um índice ou índices determinado(s) que inclua(m) diversas mercadorias;
- (xi) “**Obrigações Ligadas a Divisa**” (“*Currency Linked Notes*”) são Obrigações relativamente às quais os pagamentos efectuados (quer a respeito de capital e/ou juros, e independentemente de serem efectuados na data de maturidade ou noutra altura) serão calculados por referência a uma ou mais taxas de câmbio determinadas;
- (xii) “**Obrigações Ligadas a um Fundo**” (“*Fund Linked Notes*”) são Obrigações relativamente às quais os pagamentos efectuados (quer a respeito de capital e/ou juros, e independentemente de serem efectuados na data de maturidade ou noutra altura) serão calculados por referência a um fundo ou a fundos determinados, incluindo, nomeadamente, *hedge funds* ou fundos negociados em bolsa (“*exchange traded funds*”);
- (xiii) “**Obrigações Ligadas a Propriedade**” (“*Property Linked Notes*”) são Obrigações relativamente às quais os pagamentos efectuados (quer a respeito de capital e/ou juros, e independentemente de serem efectuados na data de maturidade ou noutra altura) serão calculados por referência a um índice ou a índices de propriedade específico(s); e
- (xiv) “**Obrigações Ligadas a Eventos de Crédito**” (“*Credit Linked Notes*”) são Obrigações relativas à capacidade de crédito de uma Entidade ou Entidades de Referência, a uma Obrigação de Referência, um cabaz de Obrigações de Referência ou de Entidades de Referência compreendidos num índice ou em índices específicos e/ou Obrigações de Referência relacionadas.

Outras modalidades de Obrigações poderão ser emitidas ao abrigo do Programa, e das Condições Finais relativas à emissão de tais Obrigações deverá especificar todos os termos e condições aplicáveis a essa emissão, o que poderá ou não incluir quer

uma parte, quer a totalidade dos termos e condições estabelecidos nos Termos e Condições Gerais das Obrigações contidos no Prospecto.

Juro:

Os períodos de juro, as taxas de juro e as condições e/ou os montantes devidos em qualquer data de pagamento de juros poderão variar dependendo das Obrigações a ser emitidas, e as mencionadas condições serão determinadas nas Condições Finais aplicáveis.

Reembolso:

As Condições Finais aplicáveis indicarão ou que as Obrigações em causa não podem ser reembolsadas antes da sua data de maturidade determinada (além das prestações estabelecidas, se existentes, ou no seguimento de uma Situação de Incumprimento, ou noutras situações específicas) ou que essas Obrigações serão reembolsáveis por opção do Emitente e/ou dos Obrigacionistas devendo para o efeito ser dado conhecimento prévio aos Obrigacionistas ou ao Emitente, consoante o caso, numa data ou datas determinadas anteriores à mencionada data prevista de maturidade, ou automaticamente após a ocorrência de certos eventos específicos, e a um preço ou preços, e mediante as condições que sejam então acordadas entre o Emitente e o Dealer em causa, tal como indicado nas Condições Finais aplicáveis.

As Condições Finais respectivas podem prever que as Obrigações possam ser reembolsadas em duas ou mais prestações de montantes e em datas que sejam indicados nessas Condições Finais.

Denominação das Obrigações:

As Obrigações serão emitidas nas denominações que sejam indicadas nas Condições Finais aplicáveis, sendo a denominação mínima de cada Obrigação aquela que for permitida ou exigida periodicamente pelo banco central relevante (ou entidade equivalente) ou por quaisquer leis ou regulamentação aplicáveis à Divisa Especificada respectiva.

Nenhuma venda a qualquer comprador de Obrigações Restringidas nos Estados Unidos será por valor inferior a U.S.\$100.000 (ou o seu equivalente na divisa em causa).

Incidência Fiscal:

Todos os pagamentos relativos às Obrigações serão efectuados com sujeição a retenção na fonte ou dedução de, ou por conta de, impostos determinados pelas jurisdições fiscais relevantes, tal como previsto na Condição Geral 8 (*Incidência Fiscal*). Caso qualquer uma das retenções na fonte ou deduções seja exigida por lei, nem o Emitente nem, consoante aplicável, o Garante, serão chamados a pagar quaisquer montantes adicionais tendo em vista a cobertura dos montantes deduzidos ou retidos.

Situações de Incumprimento:

As condições das Obrigações deverão prever, entre outras, as seguintes situações de incumprimento:

- (a) incumprimento do pagamento da parcela de capital ou de juros devida relativamente às Obrigações, que se prolongue durante certo período de tempo;
- (b) não cumprimento ou não observância pelo Emitente de qualquer uma das suas obrigações ao abrigo dos Termos e Condições Gerais das Obrigações, da Garantia ou do Contrato de Agência, que se prolongue durante certo período de tempo; e

- (c) eventos relacionados com a insolvência ou dissolução do Emitente e do Garante.

Deverá ser tido em consideração, contudo, o facto de ser uma condição precedente para que um dado evento seja considerado uma situação de incumprimento que pelo menos vinte e cinco por cento (25%) dos Obrigacionistas (em termos de valor nominal) assim o tenha requerido.

Estatuto das Obrigações:

As Obrigações deverão representar obrigações directas, incondicionais e não garantidas do Emitente, e deverão graduar *pari passu*, sem preferência entre si, e, sujeito a qualquer previsão legal aplicável ou ordem judicial, pelo menos de forma igual com todas as restantes obrigações directas e não subordinadas, presentes e futuras, do Emitente.

Garantia:

As Obrigações serão incondicional e irrevogavelmente garantidas pelo Garante. As obrigações do Garante ao abrigo da garantia deverão constituir obrigações directas, incondicionais, não garantidas e não subordinadas do Emitente, e deverão graduar *pari passu* com todas as restantes obrigações não subordinadas nem garantidas, presentes e futuras (incluindo aquelas emergentes de depósitos recebidos no exercício da sua actividade bancária) do Garante, sem qualquer preferência entre si e sem qualquer preferência umas sobre as outras em virtude da prioridade da data de emissão, divisa de pagamento ou outra razão, à excepção de obrigações que possuam preferência legal.

Aplicação de Resultados

Os proveitos líquidos da emissão das Obrigações deverão ser aplicados pelo Emitente nas suas actividades societárias normais. Se, relativamente a qualquer emissão particular, existir um propósito específico identificado para a aplicação dos proveitos, este propósito será indicado nas Condições Finais aplicáveis.

Notação de Risco:

O Programa obteve notação de risco atribuída pela Fitch Ratings ("**Fitch**"), pela Moody's Investors Service, Inc. ("**Moody's**") e pela Standard & Poor's Ratings Services, uma divisão da The McGraw-Hill Companies, Inc. ("**S&P**"). Caso qualquer emissão de Obrigações ao abrigo do Programa deva ser objecto de notação de risco, a notação de risco atribuída a essas Obrigações será indicada nas Condições Finais aplicáveis. As mencionadas notações de risco não serão necessariamente equivalentes à(s) notação(ões) de risco atribuída(s) ao Programa. Uma notação de risco atribuída a um valor mobiliário não representa uma recomendação de compra, venda, ou detenção desse valor mobiliário, e poderá ser sujeita a suspensão, redução ou revogação a qualquer momento pela agência de notação de risco autora da atribuição.

Listagem e Admissão à Negociação:

Foi requerida à *UK Listing Authority for Notes* (a autoridade do Reino Unido responsável pela listagem das obrigações emitidas ao abrigo do Programa) a admissão das Obrigações à Lista Oficial e na Bolsa de Valores de Londres, para que as Obrigações sejam admitidas à negociação no Mercado Regulamentado da Bolsa de Valores de Londres.

As Obrigações poderão também ser listadas ou admitidas, consoante o caso, noutras bolsas de valores e mercados ou em bolsas de valores e mercados adicionais, conforme indicado nas Condições Finais aplicáveis relativamente a cada Série. As Obrigações que não sejam listadas nem admitidas à negociação em nenhum mercado poderão igualmente ser emitidas.

As Condições Finais aplicáveis estabelecerão se as Obrigações respectivas deverão ou não ser listadas ou admitidas à negociação, e, em caso afirmativo, em que bolsas de valores e/ou mercados.

Lei Aplicável:

As Obrigações deverão reger-se, e ser interpretadas de acordo com, a lei inglesa.

Restrições de Comercialização:

Existem certas restrições à oferta, venda e transferência de Obrigações em determinadas jurisdições, incluindo, nomeadamente, nos Estados Unidos, na Área Económica Europeia, no Reino Unido, no Reino de Espanha, na República Portuguesa, na República Italiana, no Reino da Dinamarca, no Reino da Noruega, no Reino da Suécia, na Confederação Helvética, na República da Argentina, na República Federal do Brasil, nos Estados Unidos do México, na República da Colômbia, na República do Chile, na Região Administrativa Especial de Hong Kong, na República de Singapura, bem como outras restrições que possam ser impostas em relação à oferta e venda de uma Tranche de Obrigações em concreto (consultar a secção “*Subscrição, Venda e Transferência e Restrições de Venda*” - “*Subscription and Sale and Transfer and Selling Restrictions*”).

Restrições Específicas:

Cada emissão de Obrigações denominada numa divisa relativamente à qual leis específicas, orientações, regulamentações, restrições ou deveres de informação sejam aplicáveis, apenas serão emitidas em cumprimento com essas leis, orientações, regulamentações, restrições ou deveres de informação periodicamente (consultar a secção “*Subscrição, Venda e Transferência e Restrições de Venda*”).

Factores de Risco:

Cada investidor potencial deverá consultar os seus próprios consultores financeiros e legais acerca dos riscos associados a um investimento nas Obrigações e à adequação de um investimento nas Obrigações à luz das suas condições específicas.

Riscos relativos ao Grupo

Existem certos factores que podem afectar a possibilidade de o Emitente e de o Garante cumprirem com as suas obrigações relacionadas com as Obrigações emitidas ao abrigo do Programa. Estes factores encontram-se descritos na secção “*Factores de Risco – Riscos relativos ao Emitente e ao Garante*” (“*Risk Factors – Risks relating to both the Issuer and the Guarantor*”) infra, e incluem riscos relativos à capacidade de crédito do Emitente e do Garante, condições económicas em geral, concorrência na indústria de serviços financeiros, riscos operacionais, potenciais conflitos de interesses e o risco que a actividade de *trading* e de *hedging* (cobertura de risco) do Emitente, do Garante e de qualquer das suas filiais que possam afectar o valor das Obrigações.

Riscos relativos a um investimento nas Obrigações

Os riscos relacionados com o investimento nas Obrigações dependem das características destas, e podem incluir, entre outros, os seguintes, sendo todos os riscos descritos mais detalhadamente na secção “*Factores de Risco – Riscos relativos a um investimento nas Obrigações*” (“*Risk factors – Risks relating to investment in the Notes*”):

- (a) o reembolso das Obrigações por opção do Emitente, ou por efeito da ocorrência de um evento de reembolso antecipado relevante, poderá ser afectado em momentos em que os rendimentos (“*yields*”) (se existentes) a

receber pelo reembolso seriam inferiores aos esperados, ou por outro motivo desfavoráveis aos investidores;

- (b) mudanças posteriores nos mercados de taxas de juro poderão afectar adversamente o valor das Obrigações que vençam juros (o que inclui as Obrigações de Juro Fixo, as Obrigações de Juro Variável, e as Obrigações de Juro Variável Inverso) ou as Obrigações de Cupão Zero;
- (c) oscilações no nível de um índice ou cabaz de índices poderão afectar negativamente o valor das Obrigações Ligadas a Índices de Participações Sociais, quando essas oscilações se possam não correlacionar com alterações nas taxas de juro, taxas de câmbio ou divisas e o momento dessas alterações possa afectar o rendimento actual dos investidores;
- (d) oscilações no preço de participações sociais, ou cabazes de participações sociais, podem afectar negativamente o valor das Obrigações Ligadas a Participações Sociais, quando essas oscilações se possam não correlacionar com alterações nas taxas de juro, divisas ou outros índices, e o momento em que ocorram essas alterações possa afectar o rendimento corrente dos investidores;
- (e) oscilações nas taxas de câmbio relativas às divisas poderão afectar adversamente o valor das Obrigações Ligadas a Divisas quando essas oscilações se possam não correlacionar com alterações nas taxas de juro ou noutros índices e o momento em que ocorram essas alterações possa afectar o rendimento corrente dos investidores;
- (f) oscilações no preço das unidades ou acções num fundo ou em fundos pode afectar negativamente o valor das Obrigações Ligadas a Fundos quando essas oscilações se possam não correlacionar com alterações nas taxas de juro, nas divisas ou noutros índices e o momento em que ocorram essas alterações possa afectar o rendimento actual dos investidores;
- (g) o preço de mercado das Obrigações Ligadas a Eventos de Crédito poderá ser volátil e o tempo remanescente até ao reembolso e a capacidade de crédito da Entidade de Referência subjacente (conforme definido no Prospecto), e acontecimentos políticos ou económicos na jurisdição da Entidade de Referência, poderão afectar negativamente o valor das Obrigações Ligadas a Eventos de Crédito;
- (h) oscilações no preço de uma mercadoria ou de mercadorias poderão afectar negativamente o valor das Obrigações Ligadas a Mercadorias, quando essas oscilações se possam não correlacionar com alterações nas taxas de juro, em divisas ou outros índices e o momento em que ocorram essas alterações possa afectar o rendimento actual dos investidores;
- (i) oscilações no nível do índice ou dos índices de inflação/preços no consumidor poderá afectar negativamente o valor das Obrigações Ligadas a Inflação quando essas oscilações se possam não correlacionar com alterações nas taxas de juro, em divisas ou outros índices e o momento dessas alterações possa afectar o rendimento actual dos investidores;
- (j) oscilações no nível do índice ou dos índices de propriedade poderão afectar

negativamente o valor das Obrigações Ligadas a Propriedade quando essas oscilações se possam não correlacionar com alterações nas taxas de juro, em divisas ou outros índices e o momento dessas alterações possa afectar o rendimento actual dos investidores; e

- (k) alterações materiais no controlo das bolsas de valores pelos governos em causa, e a oferta e a procura para a divisa em questão, possam afectar negativamente a divisa aplicável das Obrigações Ligadas a Divisa Dupla.

Adicionalmente, relativamente a algumas das mencionadas Obrigações, vários eventos relacionados com o activo subjacente relevante ou com a base de referência poderão levar a ajustamentos ou a um reembolso antecipado das Obrigações e existem determinados factores que assumem carácter material no contexto da determinação do risco de mercado associado a Obrigações emitidas ao abrigo do Programa (consultar a secção do Prospecto "*Factores de Risco – Riscos relacionados com o mercado em geral*" - "*Risk Factors – Risks related to the market generally*")

Swedish Translation of Summary of Programme

SAMMANFATTNING AV PROGRAMMET

Denna sammanfattning skall läsas som en introduktion till detta Prospekt och ett beslut att investera i ett eller flera Värdepapper skall baseras på ett övervägande av Prospektet i sin helhet, inklusive de dokument som införlivats genom hänvisning i Prospektet. I enlighet med implementeringen av de relevanta bestämmelserna i Prospektdirektivet hos varje Medlemsstat inom det Europeiska Ekonomiska Samarbetsområdet, kan civilrättsligt ansvar endast åläggas de Ansvariga Personerna i en sådan Medlemsstat vad avser denna sammanfattning, innefattande översättningen härav om den är vilseledande, felaktig eller oförenlig med de andra delarna av Prospektet. För det fall ett yrkande hänförligt till uppgifterna i detta Prospekt skulle anföras vid en domstol inom det Europeiska Ekonomiska Samarbetsområdet, kan kändanden, i enlighet med den nationella lagstiftningen i den Medlemsstat där talan upptas, bli tvungen att svara för kostnaderna för översättning av Prospektet innan de rättsliga förfarandena inleds.

Den svenska översättningen av sammanfattningen nedan är en korrekt, fullständig och direkt översättning av den engelska originaltexten.

Ord och uttryck som definieras i "Form of the Notes" och "General Terms and Conditions of the Notes" skall ha samma innebörd i denna sammanfattning.

Emittent:	Abbey National Treasury Services plc.
Garantigivare:	Abbey National plc.
Beskrivning av Emittenten och Garantigivare:	Garantigivaren är Abbey National Group:s moderbolag som erbjuder finansiella tjänster i Storbritannien. Garantigivaren bildades i England och Wales 1998 (organisationsnummer 2294747). Emittenten är ett helägt dotterbolag till Garantigivaren och bildades i England och Wales 1989 (organisationsnummer 2338548). Både Emittenten och Garantigivaren är bolag med begränsad ansvarighet bildade enligt engelsk och walesisk rätt och de är båda två banker. Garantigivaren och Emittenten ingår i Grupo Santander.
Beskrivning av Programmet:	Globalt Strukturerat Obligationsprogram.
Programmets Storlek:	Upp till €2.000.000.000 (eller dess motsvarighet i relevant valuta) uteståendes vid varje tidpunkt.
Distribution:	Obligationerna kan distribueras genom privat eller publik placering och på en syndikerad eller icke-syndikerad grund.
Arrangör:	Abbey National Treasury Services plc agerande som Santander Global Banking & Markets.
Återförsäljare:	Abbey National Treasury Services plc agerande som Santander Global Banking & Markets, och/eller en annan återförsäljare som utses i enlighet med Programavtalet.
Calculation Agent:	Abbey National Treasury Services plc, såvida inte annat anges i de Slutliga Villkoren.
Principal Paying Agent:	Citibank, N.A., London. eller den som annars anges i de Slutliga Villkoren.

Registrator:	Citigroup Global Markets Deutschland AG & Co. KGaA. och/eller den som annars anges i de Slutliga Villkoren.
Paying Agents:	Citibank, N.A., London., och/eller den som annars anges i de Slutliga Villkoren.
VPC-Emittent och Paying Agent för Svenska Värdepapper:	Nordea Bank AB
Valutor:	Den eller de valutor som anges i de tillämpliga Slutliga Villkoren, med reservation för juridiska eller regulatoriska restriktioner.
Ändring av belopp:	De tillämpliga Slutliga Villkoren kan ange att vissa Värdepapper kan komma att ändra belopp.
Förfallotider:	Den förfallotid som anges i de tillämpliga Slutliga Villkoren, med reservation för tillämpliga juridiska eller regulatoriska restriktioner och aktuell centralbanks (eller likvärdig institutions) regler från tid till annan.
Emissionspris:	Värdepapperen kan emitteras på en fullt betald eller delvis betald basis och till ett emissionspris som är till pari, eller till en rabatt eller premium över pari, var och en såsom anges i de tillämpliga Slutliga Villkoren.
Värdepapperens form:	Värdepapperen kommer att emitteras till innehavaren eller vara i registrerad (eller utställd) form såsom beskrivs i " <i>Form of the Notes</i> ". Värdepapper som emitteras i innehavarform kan också emitteras i <i>new global note-form</i> ("NGN"). Registrerade Värdepapper kommer inte att vara utbytbara mot Innehavärvärdepapper och vice versa. De svenska Värdepapperna kommer att ges ut i dematerialiserad form och kommer således inte att kunna styrkas genom något fysiskt papper eller innehavardokument. Rättigheterna till svenska Värdepapper kommer att kunna styrkas genom kreditering av de svenska Värdepapperna till VPC-kontot.
Typ av Värdepapper:	Följande typer av Värdepapper kan emitteras under Programmet: <ul style="list-style-type: none"> (i) "Värdepapper med Fast Kurs", vilka utgörs av Värdepapper för vilka ränta kommer att utbetalas på sådan dag eller sådana dagar som anges i de tillämpliga Slutliga Villkoren och vid inlösen, och sådan ränta kommer att beräknas på basis av sådan Dagsberäkningsandel som anges i de tillämpliga Slutliga Villkoren; (ii) "Värdepapper med Rörlig Ränta", vilka utgörs av Värdepapper som är räntebärande enligt en ränta som bestäms: <ul style="list-style-type: none"> (1) på samma basis som den rörliga räntan under en kalkylmässig ränteswaptransaktion i den aktuella Angivna Valutan och som regleras av ett avtal som införlivar 2006 års ISDA-definitioner (såsom publicerats av International Swaps and Derivatives Association, Inc., och såsom ändrats och uppdaterats på Emissionsdagen av det första Serien av Värdepapper i den relevanta Serien); eller (2) på basis av en referensnivå som framgår av en överenskommen

skärmbild för en kommersiell marknadsnoteringservice; eller

- (3) på någon annan grund som anges i de tillämpliga Slutliga Villkoren.

Marginalen (om någon) som hör samman med en sådan rörlig ränta kommer att anges i de tillämpliga Slutliga Villkoren. Rörliga Räntevärdepapper kan också ha en maximiränta, en minimiränta eller både och. Ränta kommer att beräknas på basis av en sådan Dagsberäkningsandel som anges i de tillämpliga Slutliga Villkoren;

- (iii) ”**Obligationer med Dubbla Valutor**”, utgörs av Värdepapper för vilka betalning (antingen med avseende på kapitalbelopp och/eller ränta och antingen på förfallodagen eller annars) kommer att göras i sådan(a) valuta eller valutor och baserad på sådan(a) växlingskurs(er) som anges i de tillämpliga Slutliga Villkoren;
- (iv) ”**Nollkupongvärdepapper**”, utgörs av Värdepapper som kommer att erbjudas och säljas till en rabatt av deras nominella belopp och som inte kommer att vara räntebärande;
- (v) ”**Icke Räntebärande Värdepapper**”, utgörs av Värdepapper som ej är räntebärande;
- (vi) ”**Delbetalda Värdepapper**”, utgörs av Värdepapper emitterade på en delvis betald basis där ränta kommer att ackumuleras på det inbetalda beloppet av sådana Värdepapper eller på sådan basis som kan avtalas mellan Emittenten och den aktuella Återförsäljaren och som anges i de tillämpliga Slutliga Villkoren. Emedan en delutbetalning av teckningsbeloppen som en innehavare av de Delbetalda Värdepapperen är skyldig att betala är förfallen till betalning, får ingen ränta i ett tillfälligt eller permanent globalt Värdepapper som representerar sådana Värdepapper bytas till Definitiva Innehavarvärdepapper;
- (vii) ”**Aktiekopplade Värdepapper**”, utgörs av Värdepapper där betalningar (antingen med avseende på kapitalbelopp och/eller ränta och antingen på förfallodagen eller annars) och/eller leveranser kommer att beräknas med referens till ett aktievärdepapper eller en korg av aktievärdepapper, inklusive, men inte begränsat till, enskilda aktier, en aktieportfölj och Depositionsbevis;
- (viii) ”**Aktieindexkopplade Värdepapper**”, utgörs av Värdepapper där betalningar (antingen med avseende på kapitalbelopp och/eller ränta och antingen på förfallodagen eller annars) kommer att beräknas med referens till ett speciellt index eller en korg av index, där sådant eller sådana index kan återge ett eller flera aktievärdepapper;
- (ix) ”**Inflationskopplade Värdepapper**”, utgörs av Värdepapper där betalningar (antingen med avseende på kapitalbelopp och/eller ränta och antingen på förfallodagen eller annars) kommer att beräknas med referens till ett eller flera inflations-/konsumentprisindex och/eller formler;
- (x) ”**Råvarukopplade Värdepapper**”, utgörs av Värdepapper där betalningar

(antingen med avseende på kapitalbelopp och/eller ränta och antingen på förfallodagen eller annars) kommer att beräknas med referens till en särskild råvara eller särskilda råvaror, eller ett särskilt eller flera särskilda index som inkluderar olika råvaror;

- (xi) ”**Valutakopplade Värdepapper**”, utgörs av Värdepapper där betalningar (antingen med avseende på kapitalbelopp och/eller ränta och antingen på förfallodagen eller annars) kommer att beräknas med referens till en särskild växelkurs eller särskilda växelkurser;
- (xii) ”**Fondkopplade Värdepapper**”, utgörs av Värdepapper där betalningar (antingen med avseende på kapitalbelopp och/eller ränta och antingen på förfallodagen eller annars) kommer att beräknas med referens till en särskild fond eller särskilda fonder inklusive, men inte begränsat till, hedgefonder eller fonder som handlas på börser;
- (xiii) ”**Egendomskopplade Värdepapper**”, utgörs av Värdepapper där betalningar (antingen med avseende på kapitalbelopp och/eller ränta och antingen på förfallodagen eller annars) kommer att beräknas med referens till ett särskilt eller flera särskilda egendomsindex; och
- (xiv) ”**Kreditkopplade Värdepapper**”, utgörs av Värdepapper med relaterade till krediten hos en eller flera Referensorganisationer, en Referensförbindelse, en korg av Referensförbindelser eller Referensorganisationer inkluderade i ett eller flera särskilda index och/eller aktuella Referensförbindelser.

Andra slags Värdepapper kan från tid till annan emitteras under Programmet och de Slutliga Villkoren avseende emitterandet av några sådana Värdepapper kommer att ange samtliga de villkor som gäller för dem, vilka kan komma eller inte kan komma att inkludera vissa eller samtliga av de allmänna villkor som anges i de Allmänna Villkoren för Värdepapperen som återfinns häri.

Ränta:

Ränteperioder, räntor och villkoren för och/eller beloppen som är utbetalbara på en ränteutbetalningsdag kan skilja sig åt beroende på de Värdepapper som emitteras och sådana villkor kommer att anges i de tillämpliga Allmänna Villkoren.

Inlösen:

De tillämpliga Allmänna Villkoren kommer att ange antingen att de aktuella Värdepapperen inte kan lösas in före deras föreskrivna förfallotidpunkt (annat än vid angivna delbetalningar, om tillämpligt, eller efterföljandes ett *Event of Default* eller vid andra vissa angivna händelser) eller att sådana Värdepapper kommer att vara inlösbare efter Emittentens och/eller Värdepappersinnehavarnas eget val efter att ha meddelat Värdepappersinnehavarna respektive Emittenten, alltefter omständigheterna, på en dag eller på dagar som anges innan sådant föreskriven förfallotidpunkt eller automatiskt vid uppkomsten av vissa angivna händelser och till priset eller priserna och till andra sådana villkor som kan överenskommas mellan Emittenten och den aktuella Återförsäljaren som anges i de tillämpliga Slutliga Villkoren.

De tillämpliga Slutliga Villkoren kan föreskriva att Skulderna kan komma att vara inlösbare i två eller flera delutbetalningar av sådana belopp och på sådana dagar som anges i de tillämpliga Slutliga Villkoren.

Värdepapperens Belopp: Värdepapper kommer att emitteras i sådana valörer som anges i de giltiga Slutliga Villkoren med undantag för att minimibeloppet av varje Värdepapper kommer att vara sådant som kan tillåtas eller krävas från tid till annan av den aktuella centralbanken (eller liknande organ) eller andra lagar eller regler som gäller för den aktuella Angivna Valutan.

Ingen försäljning av Bundna Värdepapper (eng. *Restricted Notes*) till någon enskild köpare i Förenta Staterna kommer att understiga USD 100.000 (eller dess motsvarighet i aktuell valuta).

Beskattning: Alla utbetalningar med avseende på Värdepapperen kommer att göras med förbehåll för innehållande av eller avdrag för eller á konto för skatter som påförs av den aktuella skattejurisdiktionen, såsom anges i de Allmänna Villkoren punkten 8 (Beskattning; eng. *Taxation*). För det fall ett sådant innehållande eller avdrag krävs enligt lag kommer varken Emittenten eller Garantigivaren, alltefter omständigheterna, att vara skyldig att betala ytterligare belopp för att täcka de belopp som innehålls på detta sätt.

Events of Default: Värdepapperens villkor kommer att innehålla bland annat följande *events of default*:

- (a) försummelse att betala kapitalbeloppet eller förfallen ränta med avseende på Värdepapperen, som fortgår under en angiven tidsperiod;
- (b) bristande uppfyllande eller bristande iakttagande av Emittenten eller någon eller några av Emittentens skyldigheter i enlighet med Värdepapperens Allmänna Villkor, Garantiavtalet eller Agentavtalet, som fortgår under en angiven tidsperiod; och
- (c) händelser i fråga om Emittentens och Garantigivarens insolvens eller likvidation.

Det bör emellertid noteras att en förutsättning för att en aktuell händelse behandlas såsom ett event of default, minst tjugofem (25) procent av Värdepappersinnehavarna, med avseende på det nominella beloppet, har begärt detta.

Värdepapperens Status: Värdepapperen kommer att utgöra Emittentens direkta och ovillkorliga förpliktelser utan säkerhet, och kommer att rankas *pari passu* utan inbördes preferens samt, med reservation för tillämpliga lagregler eller domstolsbeslut, minst lika med samtliga Emittentens andra nuvarande och framtida förpliktelser utan säkerhet och underordnade förpliktelser.

Garanti: Värdepapperen kommer att vara ovillkorligen och oåterkalleligt garanterade av Garantigivaren. Garantigivarens förpliktelser under en sådan garanti kommer att utgöra direkta, ovillkorliga och utan säkerhet samt ej rangordnade förpliktelser och kommer att rankas *pari passu* med samtliga Garantigivarens nuvarande och framtida förpliktelser utan säkerhet och underordnade förpliktelser (inklusive de som uppstår vid depositioner erhållna i dess bankverksamhet), utan inbördes ordning och utan någon preferens av någon ovan en annan på grund av prioritering av emissionsdatum, valuta eller betalning eller liknande, förutom förpliktelser som ges prioritet enligt lag.

Nyttjande av Intäkter:	Nettointäkterna från varje emission av Värdepapper kommer att användas av Emittenten till dess allmänna syfte med affärsverksamheten. Om det, med avseende på någon speciell fråga, finns ett särskilt angivet nyttjande av intäkter, kommer detta att anges i de tillämpliga Slutliga Villkoren.
Rating:	Programmet har tilldelats ratings av Fitch Ratings ("Fitch"), Moody's Investors Service, Inc. ("Moody's") samt av Standard & Poor's Ratings Services, en enhet inom The McGraw-Hill Companies, Inc. ("S&P"). Om någon emission av Värdepapper under Programmet kommer att bli tilldelad en rating, kommer ratingen av sådana Värdepapper att anges i de tillämpliga Slutliga Villkoren. Sådan rating kommer inte nödvändigtvis att vara samma som den eller de rating(s) som har tilldelats Programmet. En värdepappersrating är inte en rekommendation att köpa, sälja eller behålla värdepapper och kan vara föremål för avstängning, reducering eller återtagande från tid till annan av det tilldelande ratinginstitutet.
Notering och Upptagande till Handel:	<p>Ansökan har getts in till UK Listing Authority för Värdepapper emitterade under Programmet för antagande till den Officiella Listan samt till Londonbörsen för sådana Värdepapper som skall antas för handel på Londonbörsens Reglerade Marknad.</p> <p>Värdepapperen kan också komma att noteras eller antas, alltefter omständigheterna, på andra eller vidare börser eller marknader som anges i de tillämpliga Slutliga Villkoren för varje Serie. Värdepapper som varken är noterade eller antagna för handel på en marknadsplats kan också komma att emitteras.</p> <p>De tillämpliga Slutliga Villkoren kommer att ange huruvida de aktuella Värdepapperen kommer att listas och/eller antas för handel eller inte samt, om så är fallet, på vilka börser och/eller marknader så kommer att ske.</p>
Tillämplig Lag:	Värdepapperen kommer att lyda under och tolkas i enlighet med engelsk rätt.
Försäljningsrestriktioner:	Det finns restriktioner för marknadsföringen, försäljningen och överföringen av Värdepapper inom vissa jurisdiktioner, inklusive men inte begränsat till, USA, det Europeiska Ekonomiska Samarbetsområdet, Storbritannien, Spanien, Portugal, Italien, Danmark, Norge, Sverige, Schweiz, Argentina, Brasilien, Mexico, Colombia, Chile, Hong Kong, Singapore och sådana andra restriktioner som kan komma att krävas i samband med marknadsföringen och försäljningen av ett visst Delbelopp av Värdepapper (se vidare " <i>Subscription and Sale and Transfer and Selling Restrictions</i> ").
Vissa Restriktioner:	Varje emission av Värdepapper, noterad i en valuta med avseende på vilka specifika lagar, rekommendationer, regleringar, restriktioner eller rapporteringskrav som gäller, kommer endast att emitteras under förhållanden som uppfyller kraven i sådana lagar, rekommendationer, regleringar, restriktioner eller rapporteringskrav från tid till annan (se vidare " <i>Subscription and Sale and Transfer and Selling Restrictions</i> ").
Risikfaktorer:	<i>Varje potentiell investerare bör konsultera sina egna finansiella och juridiska rådgivare om riskerna som är hänförliga till en investering i Värdepapperen och lämpligheten av en investering i de aktuella Värdepapperen i ljuset av deras särskilda omständigheter.</i>

Risker hänförliga till Gruppen

Det finns vissa faktorer som kan komma att påverka Emittentens och Garantigivarens möjligheter att fullgöra sina skyldigheter i enlighet med Värdepapperen som emitteras under Programmet. Dessa återfinns under "*Risk Factors – Risks relating to both the Issuer and the Guarantor*" nedan och inkluderar risker tillämpliga Emittentens och Garantigivarens kreditvärdighet, allmänna ekonomiska förhållanden, konkurrens på den finansiella tjänstemarknaden, operationella risker, potentiella intressekonflikter samt risker hänförliga till Emittentens, Garantigivarens eller någon av deras dotterbolag eller filialers kurssäkrande åtgärder (*hedging*) och handelsaktiviteter, som kan påverka Värdepapperens värde.

Risker hänförliga till en investering i Värdepapperen

Risker hänförliga till en investering i Värdepapperen beror på deras egenskaper och kan bland annat inkludera följande, varav samtliga är mer utförligt beskrivna under "*Risk factors – Risks relating to investment in the Notes*":

- (a) inlösen av Värdepapperen efter Emittentens eget val, eller i händelse av en relevant förtida inlösenhändelse, kan komma att påverkas vid tidpunkter då avkastningen (om någon) som erhålls vid en sådan inlösen skulle vara lägre än väntat eller annars inte är gynnsam för investerare;
- (b) efterföljande förändringar i marknadsräntor kan komma att påverka värdet på räntebärande Värdepapper negativt (inklusive Värdepapper med Fast Ränta, Värdepapper med Rörlig Ränta och Värdepapper med Omvänd Rörlig Ränta) eller Nollkuponvärdepapper;
- (c) rörelser i nivån av ett index eller en korg av index kan komma att påverka värdet av ett Aktieindexkopplat Värdepapper negativt, där sådana rörelser inte kan komma att korrelera med förändringar i räntenivåer, växelkurser och valutor och tidpunkten för sådana förändringar kan komma att påverka den faktiska avkastningen till investerare;
- (d) prisfluktuationer av en aktie eller en korg av aktier kan komma att påverka Aktiekopplade Värdepapper negativt, där sådana rörelser kan komma att inte korrelera med förändringar i räntor, valutor eller andra index och tidpunkten för sådana förändringar kan komma att påverka den faktiska avkastningen till investerare;
- (e) fluktuationer i valutakurser kan komma att påverka värdet av Valutakopplade Värdepapper negativt, där sådana rörelser kan komma att inte korrelera med förändringar i räntor eller andra index och tidpunkten för sådana förändringar kan komma att påverka den faktiska avkastningen till investerare;
- (f) prisfluktuationer i enheter eller andelar i en fond eller fonder kan komma att påverka värdet av Fondkopplade Värdepapper negativt, där sådana rörelser kan komma att inte korrelera med förändringar i räntor, valutor eller andra index och tidpunkten för sådana förändringar kan komma att påverka den faktiska avkastningen till investerare;

- (g) marknadsvärdet på Kreditlänkade Värdepapper kan komma att vara volatilt och den återstående tiden till inlösen och kreditvärdigheten av den underliggande Referensorganisationen (såsom definieras häri) samt ekonomiska och politiska händelser inom Referensorganisationens jurisdiktion kan komma att påverka värdet på Kreditlänkade Värdepapper;
- (h) prisfluktuationer i en råvara eller råvaror kan komma att påverka värdet av Råvarukopplade Värdepapper negativt, där sådana rörelser kan komma att inte korrelera med förändringar i räntor, valutor eller andra index och tidpunkten för sådana förändringar kan komma att påverka den faktiska avkastningen till investerare;
- (i) fluktuationer i nivåerna på ett eller flera inflations-/konsumentprisindex kan komma att påverka värdet av Inflationskopplade Värdepapper negativt, där sådana rörelser kan komma att inte korrelera med förändringar i räntor, valutor eller andra index och tidpunkten för sådana förändringar kan komma att påverka den faktiska avkastningen till investerare;
- (j) fluktuationer i värdet av ett eller flera egendomsindex kan komma att påverka värdet av Egendomskopplade Värdepapper negativt, där sådana rörelser kan komma att inte korrelera med förändringar i räntor, valutor eller andra index och tidpunkten för sådana förändringar kan komma att påverka den faktiska avkastningen till investerare; och
- (k) väsentliga förändringar i valutaregleringen av de aktuella regeringarna samt efterfrågan av och tillgången till aktuella valutor kan komma att påverka Obligationer med Dubbla Valutor negativt.

Vidare kan olika händelser med avseende på den relevanta underliggande tillgången eller referensbasen för vissa av värdepapperen ovan att leda till justeringar eller förtida inlösen av Värdepapperen och det finns vissa faktorer som är väsentliga för att kunna bedöma marknadsrisken vilka hör samman med Värdepapperen som emitteras under Programmet (se vidare under "*Risk Factors – Risks related to the market generally*").

RISK FACTORS

Each of the Issuer and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer and the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined in the "General Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this section.

1. Risk factors relating to the Issuer

The Issuer is a wholly-owned subsidiary of the Guarantor, which is an indirect wholly-owned subsidiary of Banco Santander. The primary activities of the Issuer concern short-term financial transactions, asset management and derivatives and structured products. As a result, the Issuer's ability to meet and perform its obligations may be affected by any inability of third parties to perform obligations owed to the Issuer.

2. Risk factors relating to both the Issuer and Guarantor

The Guarantor and its subsidiaries (the "**Group**") provide a comprehensive range of personal financial services, including savings and investments, mortgages, unsecured lending, banking, pensions, life and general insurance products to customers throughout the United Kingdom. In addition, the Group provides offshore operations in certain jurisdictions. As a result, the Guarantor's ability to meet and perform its obligations may be affected by the performance of the Group.

Risks concerning borrower credit quality and general economic conditions are inherent in the Group's business

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Group's businesses. Adverse changes in the credit quality of the Group's borrowers and counterparties or a general deterioration in UK or global economic conditions, or arising from systemic risks in the financial systems, could reduce the recoverability and value of the Group's assets and require an increase in the Group's level of provisions for bad and doubtful debts. Deterioration in the UK economy could reduce the profit margins for the Group's banking and financial services businesses.

The Group's business is affected by conditions in the global financial markets and economic conditions generally. Factors such as the liquidity of the global financial markets; the level and volatility of equity prices; interest rates and commodities prices; investor sentiment; inflation; and the availability and cost of credit can significantly affect the activity level of clients with respect to size, number and timing of transactions involving the Group and, more specifically, the Issuer's financial markets business.

A market downturn would likely lead to a decline in the volume of transactions that each member of the Group executes for its customers and, therefore, lead to a decline in the revenues. In addition, lower market volatility will reduce trading and arbitrage opportunities, which could lead to lower trading revenues.

Risks associated with liquidity and funding are inherent to the Group's business

Liquidity risks are inherent in the retail banking business. Whilst the Group has implemented liquidity management processes to mitigate and control these risks, unforeseen systemic market factors in particular make it difficult to eliminate these risks completely. Adverse and continued constraints in the supply of liquidity may adversely affect the cost of funding the business and extreme liquidity constraints may limit growth possibilities. Additionally, these events may have an adverse effect on the market value and liquidity of bonds issued by the Group in the secondary markets. An example of liquidity constraints was that during the second half of 2007, the residential mortgage securitisation and covered bond markets experienced significant disruption. These markets, which are important sources of funding for the Group, were effectively closed to new external issuances of securities. The persistence of adverse market conditions could have a material adverse effect on the Group's liquidity and funding.

Market risks associated with fluctuations in interest rates, foreign exchange rates, bond and equity prices and other market factors are inherent in the Group's business

The most significant market risks the Group faces are interest rate, foreign exchange and bond and equity price risks.

Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs. Prior to the six-month period ended 31st December 2007, the Group had experienced a reduction in its interest rate spread. Should interest rate spreads decrease again, this could adversely affect the Group's profit from banking operations.

Changes in currency rates, particularly in the Sterling U.S. dollar and Sterling Euro exchange rates, affect the value of assets and liabilities denominated in foreign currencies and affect earnings reported by the Group's non-UK businesses.

The performance of financial markets may cause changes in the value of the Group's investment and trading portfolios. In addition, the Group is exposed to changes in the equity markets through its final salary pension scheme (closed to new entrants in 2002) and its life assurance funds, including the requirement to maintain a minimum solvency margin.

Operational risks are inherent in the Group's business

The Group's businesses are dependent on the Group's ability to process a large number of increasingly complex transactions efficiently and accurately. If any of the Group's financial, accounting, or other data-processing systems fail or have other significant shortcomings, such failure may have a materially adverse effect on the Group's businesses. Losses can result from inadequate or failed internal control processes, people and systems, or from external events that interrupt normal business operations.

The Group may also be subject to disruptions of its operating systems arising from events that are wholly or partially beyond its control, which may include, for example, computer viruses or electrical or telecommunications outages or natural disasters or events arising from local or regional politics, including terrorist acts. Such disruptions may give rise to losses in service to customers and loss or liability to the Group. In an organisation as large and complex as the Group, lapses or deficiencies in internal control over financial reporting may occur from time to time, and there is no assurance that significant deficiencies or material weaknesses in internal controls may not occur in the future. In addition, there is the risk that the Group's controls and procedures, as well as business continuity and data security systems, prove to be inadequate. Any such failure could affect the Group's operations and could materially adversely affect its results of operations by requiring the Group to expend significant resources to correct the defect, as

well as by exposing the Group to litigation or losses not covered by insurance, and which could affect the Group's ability to meet its payment obligations under the Notes.

Although the Group has implemented risk controls and loss mitigation strategies and resources are devoted to developing efficient procedures, it is not possible to entirely eliminate all the operational risks which are inherent in the Group's business. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either the Issuer or the Group will be unable to comply with its obligations as a company with securities admitted to the Official List or as a supervised firm regulated by the Financial Services Authority.

The Group's businesses are subject to substantial legislation, regulatory and governmental oversight

The Group is subject to financial services laws, regulations, administrative actions and policies in each location in which the Group operates and in Spain, as a result of being a wholly-owned subsidiary of Banco Santander. Changes in supervision and regulation or the exercise of powers under financial services laws or regulations, in particular in the UK, could materially affect the Group's business, the products and services offered or the value of assets. Although the Group works closely with its regulators and continually monitors the situation, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Group.

The resolution of a number of issues affecting the UK financial services industry, including the Group, could have a negative impact on the Group's results on operations or on its relations with some of its customers and potential customers.

Risks associated with strategic decisions regarding organic growth, the competitive environment and potential acquisitions and disposals

The Group devotes substantial management and planning resources to developing strategic plans for organic growth and identifying possible acquisitions and disposals, including the restructuring of the Group's businesses. If the outcome of these plans do not match expectations, the Group's earnings may not develop as forecast. In addition, the market for UK financial services and the other markets within which the Group operates are highly competitive; the Group's ability to generate an appropriate return depends significantly upon management's response to the competitive environment.

Risks associated with increased competition in the financial services industry

The Group operates in a highly competitive environment and expects competitive conditions to continue to intensify as continued merger activity in the financial services industry produces larger, better capitalised and more geographically-diverse companies that are capable of offering a wider array of financial products and services at more competitive prices.

The Group also faces an increasing array of competitors. Competitors include other banks, building societies, investment banking companies, merchant banks, insurance companies, mutual fund companies, credit card companies, mortgage hedge funds, trust companies, automobile financing companies, securities processing companies, leasing companies, e-commerce and other Internet-based companies, and a variety of other financial services and advisory companies. Technological advances and the growth of e-commerce have made it possible for non-depository institutions to offer products and services that traditionally were banking products, and for financial institutions and other companies to provide electronic and Internet-based financial solutions, including electronic securities trading. The Group's businesses generally compete on the basis of the quality and variety of its products and services, transaction execution, innovation, technology, reputation and price. Ongoing or increased competition in any one or all of these areas may put downward pressure on prices for the Group's products and services or may cause the Group to lose market share. Increased competition may also require the Group to make additional capital investment in its businesses in order to remain competitive. These investments may increase expenses, or may require the Group to extend more of its capital on behalf of clients in order to execute larger, more competitive transactions. There can be no assurance that

the significant and increasing competition in the financial services industry will not materially adversely affect the Group's future results of operations.

There may be potential conflicts of interests as ANTS holds a variety of roles

ANTS is acting in a number of capacities (e.g. Calculation Agent, Issuer and Dealer) in connection with the transactions described in this Prospectus. ANTS, acting in such capacities in connection with such transactions, shall have only the duties and responsibilities expressly agreed to by it in its relevant capacity and shall not, by virtue of its acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. ANTS, in its various capacities in connection with the contemplated transactions, may enter into business dealings, including the acquisition of investment securities as contemplated by its constitutional and other corporate documents, from which it may derive revenues and profits in addition to the fees, if any, stated in its constitutional and other corporate documents, without any duty to account therefor.

There is no limitation or restriction on ANTS, or any of its respective Affiliates, with regard to acting as adviser (or in a similar role) to other parties or persons. This and other future activities of ANTS and/or its Affiliates may give rise to additional potential conflicts of interest.

ANTS in its capacity as Issuer and any Dealer may at the date hereof or at any time hereafter, be in possession of information in relation to a Relevant Asset that is or may be material in the context of the Notes and may or may not be publicly available to Noteholders. There is no obligation on the Issuer or any Dealer to disclose to Noteholders any such information.

ANTS in its capacity as Issuer and/or any of its Affiliates may have existing or future business relationships with any Reference Entities (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Noteholder.

Potential investors should consider the tax consequences of investing in the Notes

The appropriate characterisation of the Notes under various legal investment restrictions, and thus the ability of potential investors subject to those restrictions to purchase the Notes, may be subject to significant interpretative uncertainties. No representation is made as to the proper characterisation of the Notes for legal investment purposes, or for risk-weighting, Notes valuation, regulatory, accounting or other financial institution regulatory regimes of any regulatory body. Potential investors should consult with their own legal advisers in determining whether, and to what extent, the Notes will constitute legal investments for them and the consequences of such an investment.

The Issuer and/or its Affiliates make no representation and shall not provide any advice concerning the appropriate accounting treatment or possible tax consequences of an indicative transaction. Prior to purchasing the Notes, a potential investor should discuss with its professional advisers how such purchase would or could affect them. Potential investors with any questions regarding the impact of an investment in the Notes on their tax position should consult their tax adviser. Neither the Issuer nor any of its affiliates provides tax or legal advice.

3. General risks relating to investments in the Notes

The Notes are unsecured obligations of the Issuer and the Guarantor

All Notes will represent direct, unconditional and unsecured obligations of the Issuer. All Notes will rank *pari passu* and without any preference among themselves and subject to any applicable statutory provisions or judicial order, at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

The obligations of the Issuer are fully and unconditionally guaranteed by the Guarantor. It should however be noted that this Guarantee extends only to amounts which have become due and payable or obligations which are due to be performed in accordance with the General Terms and Conditions of the Notes. It is not an assurance that any amount will become due and payable or any other relevant obligation arise under the terms of the relevant Note (for example, in certain circumstances, interest and/or principal will cease to be payable, or the amount payable will be reduced, under the terms of the relevant Note).

The Notes may not be a suitable investment for all investors

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The Issuer and the Guarantor cannot assure a trading market for the Notes will ever develop or be maintained

The Issuer may issue Notes in different series with different terms in amounts that are to be determined. Such Notes may be unlisted or listed on a recognised stock exchange and there can be no assurance regarding the ability of Noteholders to sell their Notes or the price at which such holders may be able to sell their Notes. If a trading market were to develop, the Notes could trade at prices that may be higher or lower than the relevant initial issue price and this may result in a return that is greater or less than the interest or other additional amounts payable in respect of the Notes, depending on many factors, including:

- the Group's financial results;
- any change in the Issuer's or the Guarantor's creditworthiness;
- the market for similar securities or instruments;

- the complexity and volatility of the Relevant Assets (hereinafter defined) applicable to any Notes issued under the Programme;
- the method of calculating the principal, premium (of any), interest (if any) and other amounts payable in respect of the Notes;
- the time remaining to the maturity of the Notes;
- the outstanding amount of the Notes;
- the redemption features of the Notes; and
- the level, direction and volatility of market interest rates generally.

In addition, certain Notes have a more limited trading market and experience more price volatility because they were designed for specific investment objectives or strategies. There may be a limited number of buyers when an investor decides to sell such Notes. This may affect the price an investor receives for such Notes, or the ability of an investor to sell such Notes at all.

The Issue Price of the Notes may be more than the market value of such Notes as at the Issue Date, and the price of the Notes in secondary market transactions

The Issue Price in respect of any Notes specified in the relevant Final Terms may be more than the market value of such Notes as at the relevant Issue Date, and the price, if any, at which the relevant Dealer(s) or any other person willing to purchase such Notes in secondary market transactions may be lower than the Issue Price in respect of such Notes. In particular, the Issue Price in respect of any Notes may take into account amounts with respect to commissions relating to the issue and sale of such Notes as well as amounts relating to the hedging of the Issuer's obligations under such Notes, and secondary market prices are likely to exclude such amounts. In addition, pricing models of relevant market participants may differ or produce a different result.

The Notes are subject to selling and transfer restrictions that may be affected by the existence and liquidity of any secondary market in the Notes

The Notes have not been, and will not be, registered under the Securities Act or any other securities laws. Accordingly, the Notes are subject to certain restrictions on the resale and other transfer thereof as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*". As a result of such restrictions, the Issuer and the Guarantor cannot be certain of the existence of a secondary market for the Notes or the liquidity of such market if one develops. Consequently, a Noteholder must be able to bear the economic risk of an investment in such Notes for an indefinite period of time.

The Issuer and the Guarantor may rely on third parties and the Noteholders may be adversely affected if such third party fails to perform their obligations

The Issuer and the Guarantor may be a party to contracts with a number of other third parties that have agreed to perform services in relation to the Notes. For example, the Paying Agents have agreed to perform services in connection with the Notes; and Euroclear and Clearstream, Luxembourg have, in respect of Bearer Global Notes in NGN form, agreed, *inter alia*, to accept such Bearer Global Notes as eligible for settlement and to properly service the same, and to maintain up-to-date records in respect of the total amount outstanding of such Bearer Global Notes in NGN form. In the event that any relevant third party was to fail to perform its obligations under the respective agreements to which it is a party, the Noteholders may be adversely affected.

General considerations with respect to underlying Relevant Assets

The Notes involve a degree of risk, which may include interest rate, corporate, market, foreign exchange, time value and/or political risks, as well as other risks arising from fluctuations in the values of the relevant securities (or basket of securities), index (or basket of indices), commodity (or commodity index) or other underlying assets (each a "**Relevant Asset**") which may be specified in the applicable Final Terms, and general risks applicable to the stock market (or markets) and capital markets.

In order to realise a return upon an investment in a Note, it may be necessary that an investor must have correctly anticipated the timing and magnitude of an anticipated increase or the absence of a decrease in the value of the Relevant Asset(s) relative to the Issue Price, and must also be correct about when any change will occur. If the value of the Relevant Asset(s) does not increase, or decreases, as the case may be, before such Note is redeemed, part of the investor's investment in such Note may be lost on such redemption. Other than in respect of Notes which are redeemable prior to the Maturity Date at the option of the Noteholder, it is likely that the only means by which a Noteholder can realise value from its Notes prior to their Maturity Date is to sell such Notes at their then market price in the secondary market (if available) (see "*The Issuer and the Guarantor cannot assure a trading market for the Notes will ever develop or be maintained*" above).

In addition, the value of any Relevant Asset and/or obligation of an underlying obligor (a "**Reference Entity**") may depend on a number of interrelated factors, including economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Relevant Asset and/or obligation of a Reference Entity may be traded.

If the formula used to determine any amounts payable in respect of the Notes contains a multiplier or leverage factor, the effect of any fluctuation in the value of the Relevant Assets, the adjustments of the Reference Entity to which the Notes are linked or indexed will be magnified. In recent years, values of certain equities, bonds, notes or other financial instruments, indices and formulae have been volatile and such volatility may be expected in the future. However, past experience is not necessarily indicative of what may occur in the future. The historical experience of the Relevant Assets and/or Reference Entities should not be taken as an indication of future performance of such Relevant Assets and/or Reference Entities during the term of such Note. The price at which a Noteholder will be able to sell Notes prior to maturity may be at a discount, which could be substantial, to the market value of such Notes on the Issue Date, if, at such time, the market price of the Relevant Asset(s) and/or obligation(s) of a Reference Entity is below, equal to or not sufficiently above the market price of the Relevant Asset(s) and/or obligation(s) of a Reference Entity on the Issue Date. The historical market prices of any Relevant Asset and/or obligation of a Reference Entity should not be taken as an indication of such Relevant Asset's and/or obligation's future performance during the term of any Note.

No investigation or review of the Relevant Assets, including, without limitation, any public filings made by the issuer or obligor of the Relevant Assets, has been made by the Issuer or any of its Affiliates for the purposes of forming a view as to the merits of an investment linked to the Relevant Assets. Nor is any guarantee or express or implied warranty made in respect of the selection of the Relevant Assets or is any assurance or guarantee given as to the performance of the Relevant Assets. Potential investors should not conclude that the sale by the Issuer of the Notes is any form of investment recommendation by it or any of its affiliates.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Notes issued at a substantial discount or premium

The market value of Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.

Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

4. Risks associated with the redemption of the Notes

If the applicable Final Terms specify that the Notes are redeemable at the option of the Issuer, the Issuer may redeem such Notes at times when the prevailing interest rates may be relatively low. As a consequence, the yields (if any) received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. Accordingly, an investor generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate, if applicable, as high as that of the Notes.

Notes may also be redeemed early at the applicable Early Redemption Amount where an early redemption event is provided for in the relevant Final Terms. The Early Redemption Amount in respect of each Note may be less than the nominal amount of each Note and shall (unless otherwise specified in the applicable Final Terms) be an amount determined by the Calculation Agent as representing the fair market value of such Notes ignoring the circumstances leading to such Early Redemption, adjusted to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Notes). Following any such early redemptions, an investor generally would not be able to reinvest the redemption proceeds at any effective interest rate as high as the interest rate on the relevant Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time. Moreover, each interest-bearing Note may cease to bear interest from the interest payment date immediately preceding the date of occurrence of the event giving rise to early redemption of the Notes.

Settlement risks

The Issuer may (as specified in the applicable Final Terms) be entitled to redeem Notes either by payment of a cash amount ("**Cash-Settled Notes**") and/or by physical delivery of all or part of a Relevant Asset or some other asset or property ("**Physically-Settled Notes**"). In certain circumstances, the cash amount payable on Cash-Settled Notes, or the value of assets or property deliverable on Physically-Settled Notes, on redemption of such Notes (whether at maturity or otherwise) may be less than the principal amount of the Notes together with any accrued interest and may in certain circumstances be zero. In addition, in respect of any Physically-Settled Notes, risk of delivery of the relevant asset or property will be the risk of the Noteholders and where any settlement disruption or other intervening event occurs this may mean that physical settlement cannot be made.

The yield to maturity of the Notes may be adversely affected by redemptions by the Issuer

The yield to maturity of each series of Notes may depend on: (i) the amount and timing of the repayment of principal or other redemption amounts on the Notes or periodic payments, if any, on the Notes; and (ii) the price paid by the Noteholders of each series. The yield to maturity of the Notes may be adversely affected where such amounts paid by the Issuer to the Noteholders, in accordance with their terms, are lower than anticipated.

The Notes may be redeemed early if the Issuer's performance under such Notes has become unlawful or impractical in whole or in part for any reason or if certain regulatory event(s) occur, or in certain other circumstances

In the event that the Calculation Agent determines that the performance of the obligations of the Issuer, or the obligations of the Guarantor under the Notes, or any arrangements made to hedge the Issuer's obligations under the Notes, has or will become unlawful, illegal or otherwise prohibited in whole or in part or a relevant change in any applicable law or regulation has occurred or certain other events specified in the relevant Technical Annex (have occurred) the Issuer may redeem or cancel the Notes as at the Early Redemption Amount specified in the applicable Final Terms.

Time Lag After Redemption

Unless otherwise specified in the relevant Final Terms, in the case of Notes which the Issuer is required to redeem prior to the Maturity Date at the option of the Noteholder, there will be a time lag between the time a Noteholder gives the instruction to redeem and the time the applicable Optional Redemption Amount is determined by the Calculation Agent. Such time lag could be significantly longer, however, particularly in the case of a delay in the redemption of Notes due to there being a limit on the maximum number of Notes redeemable on any one day, following the imposition of any exchange controls or similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies), or following a determination by the Issuer, or the Calculation Agent, as applicable, that there should be a change or changes to the calculation of the Optional Redemption Amount, or to the terms of the Notes. The applicable Optional Redemption Amount may change significantly during any such period, and such movement or movements could decrease the Optional Redemption Amount, and may result in a Noteholder not realising a return or making a greater loss than would otherwise be the case on an investment in the Notes.

Hedging

In connection with the offering of the Notes, the Issuer, the Guarantor and/or any of their affiliates or other parties may enter into one or more hedging transactions with respect to the underlying equities, indices, commodity prices or such other Relevant Asset to which payments under the Notes are related. In connection with such hedging activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and/or any of their affiliates or other parties, the Issuer, the Guarantor and/or any of its affiliates or other parties may enter into transactions in the Relevant Asset(s) or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interest of the relevant Noteholders.

5. Risks associated with specific Types of Notes

Risks relating to Fixed Rate Notes and Floating Rate Notes

Investment in Fixed Rate Notes involves the risk that subsequent changes in the market interest rates may adversely affect the value of the Fixed Rate Notes.

Notes with floating interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market value may be more volatile than those for securities that do not include these features. An investor may receive substantially less or no interest at all on such Floating Rate Notes.

Risks relating to Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the then prevailing spreads on comparable floating rate notes relating to the same reference rate. In addition, the new floating rate at any time may be lower than the interest rates payable on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the then prevailing interest rates payable on its securities.

Risks relating to Inverse Floating Rate Notes

Inverse Floating Rate Notes may have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the London Interbank Offered Rate (LIBOR). The market value of Inverse Floating Rate Notes typically is more volatile than the market value of other more conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the

reference rate not only decreases the interest rate payable on the Notes, but may also reflect an increase in prevailing interest rates, which may further adversely affect the market value of the Notes.

Risks relating to Equity Linked Notes

The Issuer may issue Equity Linked Notes where the amount of principal and/or interest payable are dependent upon the price of or changes in the price of equity securities or a basket of equity securities or where, depending on the price of or change in the price of equity securities or the basket of equity securities, on redemption the Issuer's obligation is to deliver specified assets. Equity securities may include depositary receipts.

Potential investors in Equity Linked Notes should be aware that, depending on the terms of the Equity Linked Notes, (i) they may receive no interest or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected, and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of the equity security or basket of equity securities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices, and the timing of changes in the relevant price of the equity security or equity securities may affect the actual yield to investors, even if the average level is consistent with their expectations.

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the equity security or equity securities on principal or interest payable will be magnified.

A holder of the Notes will not be a beneficial owner of the underlying equity securities and therefore will not be entitled to receive any dividends or similar amounts paid on the underlying equity securities, nor will a Noteholder be entitled to purchase the underlying equity securities by virtue of their ownership of the Notes. Moreover, holders of the Notes will not be entitled to any voting rights or other control rights that holders of the underlying equity securities may have with respect to the issuer of such underlying equity securities. Unless otherwise specified in the applicable Final Terms, the Interest Amount and/or Final Redemption Amount will not reflect the payment of any dividends on the underlying equity securities. Accordingly, the return on the Notes will not reflect the return an investor would realise if it actually owned the underlying equity securities and received dividends, if any, paid on those securities. Therefore, the yield to maturity based on the methodology for calculating the Final Redemption Amount will not be the same yield as would be produced if the underlying equity securities were purchased directly and held for a similar period.

Equity Linked Notes may be subject to certain disruption provisions. In particular, the Calculation Agent may determine that an event giving rise to a Disrupted Day (as defined in the Equity Linked Conditions) has occurred at any relevant time. Any such determination may have an effect on the timing of valuation, and consequently the value of the Equity Linked Notes, and/or may delay settlement in respect of the Notes. In addition certain extraordinary events may lead to early redemption of the Notes. Prospective purchasers should review the Equity Linked Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

Where the Notes provide for physical delivery, the Calculation Agent may determine that a Settlement Disruption Event is subsisting. A Settlement Disruption Event is an event beyond the control of the Issuer as a result of which, in the opinion of the Calculation Agent, the Issuer cannot make delivery of the specified assets. Any such determination may affect the value of the Notes and/or may delay settlement in respect of the Notes.

The market price of Equity Linked Notes may be volatile and may be affected by the time remaining to the maturity date, the volatility of the equity security or equity securities, the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant equity security or equity securities as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such securities may be traded.

The Issuer may vary the manner in which a particular series of Notes are redeemed, if specified in the applicable Final Terms. At its sole and absolute discretion, it may elect not to pay the relevant Noteholders the Final

Redemption Amount or to deliver or procure delivery of the relevant Asset Amount, to the relevant Noteholders, as the case may be, and in lieu thereof, deliver or procure the delivery of the relevant Asset Amount or make payment of the Early Redemption Amount on the Scheduled Maturity Date to the relevant Noteholders. See Equity Linked Condition 11 (*Variation of Settlement*) herein.

Risks relating to Equity Index Linked Notes

The Issuer may issue Equity Index Linked Notes where the amount of principal and/or interest payable are dependent upon the level of an equity index or equity indices.

Potential investors in any such Notes should be aware that, depending on the terms of the Equity Index Linked Notes, (i) they may receive no interest or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected, and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the level of the index or indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices, and the timing of changes in the relevant level of the index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the index or the indices on principal or interest payable will be magnified.

Equity Index Linked Notes may be subject to certain disruption provisions. In particular, the Calculation Agent may determine that an event giving rise to a Disrupted Day (as defined in the Equity Index Linked Conditions) has occurred at any relevant time. Any such determination may have an effect on the timing of valuation, and consequently the value of the Notes, and/or may delay settlement in respect of the Notes. In addition certain extraordinary events may lead to early redemption of the Notes. Prospective purchasers should review the Equity Index Linked Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

The market price of Equity Index Linked Notes may be volatile and may depend on the time remaining to the maturity date and the volatility of the level of the index or indices. The level of the index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the index or indices may be traded.

Risks relating to Currency Linked Notes

The Issuer may issue Currency Linked Notes where the amount of principal and/or interest payable are dependent upon movements in currency exchange rates or are payable in one or more currencies which may be different from the currency in which the Notes are denominated.

Potential investors in Currency Linked Notes should be aware that, depending on the terms of the Currency Linked Notes, (i) they may receive no interest or a limited amount of interest, (ii) payment of principal or interest may occur at a different time or in a different currency than expected, and (iii) they may lose a substantial portion of their investment. In addition, movements in currency exchange rates may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices, and the timing of changes in the exchange rates may affect the actual yield to investors, even if the average level is consistent with their expectations.

Payments of principal and interest or other obligations of the Issuer in respect of any Series of Notes may be restricted upon the occurrence of certain disruption events described in the applicable Final Terms. A relevant disruption event may relate to the imposition of currency or exchange controls in any specified country or to a nationalisation, or any other circumstance as provided in the applicable Final Terms. Following a relevant disruption event, the Issuer shall be entitled to require the Calculation Agent to adjust the Notes or to redeem the Notes early or to postpone payments or deliveries in respect of the Notes so long as the relevant disruption event continues provided that

if the relevant disruption event continues for a period of two years the Notes shall expire worthless and shall be cancelled.

If the amount of principal and/or interest payable are dependent upon movements in currency exchange rates and are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the currency exchange rates on principal or interest payable will be magnified.

The market price of Currency Linked Notes may be volatile and, if the amount of principal and/or interest payable are dependent upon movements in currency exchange rates, may depend upon the time remaining to the redemption maturity date and the volatility of currency exchange rates. Movements in currency exchange rates may be dependent upon economic, financial and political events in one or more jurisdictions.

The value of any currency, including those currencies specified in any indicative transaction, may be affected by complex political and economic factors. The exchange rate of each currency referenced in a Currency Linked Note is at any moment a result of the supply and demand for the two currencies, and changes in the exchange rate result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in the originating country of each currency, including economic and political developments in other countries. Of particular importance are the relative rates of inflation, interest rate levels, the balance of payments and the extent of governmental surpluses or deficits in such countries, all of which are in turn sensitive to the monetary, fiscal and trade policies pursued by the governments of such countries and other countries important to international trade and finance. Foreign exchange rates can either be fixed by sovereign governments or floating. Exchange rates of most economically developed nations are permitted to fluctuate in value. However, governments sometimes do not allow their currencies to float freely in response to economic forces. Governments use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their respective currencies. They may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing the Notes is that the liquidity, trading value and amounts payable could be affected by the actions of the sovereign government which could change or interfere with theretofore freely determined currency valuation, fluctuations in response to other market forces and the movement of currencies across borders.

Risks relating to Commodity Linked Notes

The Issuer may issue Commodity Linked Notes where the amount of principal and/or interest payable are dependent upon the price or changes in the price of a commodity or basket of commodities or where, depending on the price or change in the price of the commodity or basket of commodities, on redemption the Issuer's obligation is to deliver specified assets.

Potential investors in Commodity Linked Notes should be aware that, depending on the terms of the Commodity Linked Notes, (i) they may receive no interest or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected, and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of the commodity or commodities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices, and the timing of changes in the relevant price of the commodity or the commodities may affect the actual yield to investors, even if the average level is consistent with their expectations.

Commodity Linked Notes may be subject to certain disruption provisions or extraordinary event provisions. Relevant events may relate to market disruptions, or other extraordinary events in relation to the relevant commodity or commodities. If the Calculation Agent determines that any such event has occurred this may delay valuations under and/or settlements in respect of the Notes and consequently adversely affect the value of the Notes. In addition certain extraordinary or disruption events may lead to early redemption of the Notes. Prospective investors should review the Commodity Linked Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Note.

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the commodity or commodities on principal, interest payable or the amount of specified assets deliverable will be magnified.

The market price of Commodity Linked Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the price of the commodities. The price of commodities may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any such commodities may be traded.

The prices of commodities may be volatile, and, for example, may fluctuate substantially if natural disasters or catastrophes, such as hurricanes, fires or earthquakes, affect the supply or production of such commodities. The prices of commodities may also fluctuate substantially if conflict or war affects the supply or production of such commodities. If any interest and/or the redemption amount payable in respect of a Commodity Linked Note is linked to the price of a commodity, any change in the price of such commodity may result in the reduction of the amount of interest and/or the redemption amount payable. The reduction in the amount payable on the redemption of the Commodity Linked Notes may result, in some cases, in a holder receiving a smaller sum on redemption of a Commodity Linked Note than the amount originally invested in such Commodity Linked Note.

Commodity Linked Notes which are linked to a commodity pool

Unlike an investment in the Notes, an investment in a collective investment vehicle that invests in futures contracts on behalf of its participants may be regulated as a commodity pool and its operator may be required to be registered with and regulated by the United States Commodity Futures Trading Commission ("CFTC") as a commodity pool operator. Because any Commodity Linked Notes issued will not be regulated by the CFTC as a commodity pool, the Issuer will not be registered with the CFTC as a commodity pool operator, and the Noteholders will not benefit from the CFTC's or any non-U.S. regulatory authority's regulatory protections afforded to persons who trade in futures contracts or who invest in regulated commodity pools.

Commodity indices to which Commodity Linked Notes may be indexed may include over-the-counter contracts (such as swaps and forward contracts) traded on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. As a result, trading in such contracts, and the manner in which prices and volumes are reported by the relevant trading facilities, may not be subject to the same provisions of, and the protections afforded by, the United States Commodity Exchange Act, as amended, or other applicable United States or foreign statutes and related regulations, that govern trading on regulated futures exchanges. In addition, many electronic trading facilities have only recently initiated trading and do not have significant trading histories. As a result, the trading of contracts on such facilities and the inclusion of such contracts in the relevant Commodity Index (as specified in the applicable Final Terms) may be subject to certain risks not presented by most exchange-related futures contracts, including risks related to the liquidity and price histories of the relevant contracts.

Risks relating to Fund Linked Notes

The Issuer may issue Fund Linked Notes where the amount of principal and/or interest payable are dependent upon the price or changes in the price of units or shares in a fund or funds or where, depending on the price or changes in the price of units or shares in such fund or funds, on redemption the Issuer's obligation is to deliver specified assets. Funds may include certain exchange traded funds ("ETFs").

Fund Linked Notes may be subject to certain disruption provisions or extraordinary event provisions. Relevant events may relate to market disruptions, or other extraordinary events in relation to the relevant fund or funds. If the Calculation Agent determines that any such event has occurred this may delay valuations under and/or settlements in respect of the Notes and consequently adversely affect the value of the Notes. In addition certain extraordinary or disruption events may lead to early redemption of the Notes. Prospective investors should review the Fund Linked Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Note.

Potential investors in Fund Linked Notes should be aware that, depending on the terms of the Fund Linked Notes, (i) they may receive no interest or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected, and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of units or shares in the fund or funds may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices, and the timing of changes in the relevant price of the units or shares in the fund or funds may affect the actual yield to investors, even if the average level is consistent with their expectations. In addition, the fund interests may be illiquid and this may adversely affect returns (if any) on the Notes.

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the units or shares of the fund or funds on principal or interest payable will be magnified.

The market price of Fund Linked Notes may be volatile and may depend on the time remaining to the maturity date and the volatility of the price of units or shares in the fund or funds. The price of units or shares in a fund may be affected by the economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) (if any) on which any units in the fund or funds may be traded.

Fund units, and investments in hedge funds generally, are speculative and involve a high degree of risk. Neither the Issuer nor the Guarantor gives any assurance as to the performance of fund units. Hedge funds generally do not make information about their operations and holdings public. Even if the Issuer or any of its affiliates may have arrangements with a fund manager to obtain information required to calculate the value of the fund, it may not have access to the activities of the fund on a continuous basis or at all. There may be no regulatory requirements compelling funds to release information of the kind that would allow the Issuer, or any affiliate to value a fund or to accurately determine the value of the fund units and, consequently, the amount of principal and/or interest payable on the relevant Notes.

The Issuer and certain of its Affiliates from time to time obtain information regarding specific hedge funds that may not be available to the general public. Any such information is obtained by the Issuer and certain of its affiliates in the ordinary course of their businesses, and not in connection with the offering of the Notes (including in respect of funds that are managed by managers affiliated with the Issuer). In connection with the ordinary course of their businesses, the Issuer and certain of its affiliates may recommend, or determine not to recommend, specific hedge funds to their clients. Hedge funds as to which the Issuer and certain of its affiliates have formed investment recommendations may now or may in the future be among the underlying funds used in the redemption formula of Notes. Any views that may be held by the Issuer and certain of its affiliates with respect to the expected future performance of one or more of the funds (including in respect of funds that are managed by managers affiliated with the Issuer) would not be an indication of the future expected performance of the fund, and neither the Issuer nor any of its affiliates has formed a view with respect to the expected future performance of a fund. The offering of the Notes does not constitute a recommendation by the Issuer or any of its affiliates with respect to an investment linked to an underlying fund (including in respect of funds that are managed by managers affiliated with the Issuer).

Investments made by the underlying funds can involve substantial risks. The nature of these investments means that the value of the fund units may fluctuate significantly during a day or over longer periods. Consequently, the performance of the fund units over a given period will not necessarily be indicative of future performance. A fund and any fund components in which it may invest may utilise, *inter alia*, strategies such as short-selling, leverage, securities lending and borrowing, investment in sub-investment grade or non-readily realisable investments, uncovered options transactions, options and futures transactions and foreign exchange transactions and the use of concentrated portfolios, each of which could, in certain circumstances, magnify adverse market developments and losses. Funds, and any fund components in which it may invest, may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for positions therein to be opened or liquidated. No assurance can be given relating to the present or future performance of any fund and any fund component in which it may invest. The performance of each fund and any fund component in which it may invest is dependent on the performance of the fund managers in selecting fund

components and the management of the relevant component in respect of the fund components. No assurance can be given that these persons will succeed in meeting the investment objectives of the relevant fund, that any analytical model used thereby will prove to be correct or that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investment in which a fund has or may invest will prove accurate.

The underlying funds may have recourse to leverage, i.e., borrow amounts that represent more than 100 per cent. of the value of their assets to invest further in assets that involve further risks. Accordingly, a small downward movement in the value of a fund's assets may result in a significantly larger loss of the fund.

Fund managers may be eligible to earn incentive compensation. The potential for a fund manager to earn performance based compensation may encourage such fund manager to trade in a more speculative manner than it otherwise would.

Fund managers' investments are not verified. Neither the Issuer nor any of its affiliates is or will be responsible for verifying or ensuring that the fund's managers comply with its stated trading strategy.

Fund managers (including a manager that is affiliated with the Issuer) do not have any obligations to the Noteholders, or other role in connection with, the Notes, including any obligation to take the needs of the Noteholders into consideration for any reason. Fund managers are not responsible for, and have not endorsed or participated in, the offering, placement, sale, purchase or transfer of the Notes. The fund's managers are not responsible for, and will not participate in, the determination or calculation of the amounts receivable by Noteholders.

Hedge funds, including the underlying funds, are not subject to the same regulatory regime, or regulated to the same extent as, mutual funds or registered securities or securities offerings. Changes to the current regulatory environment could affect the investment, operations and structure of the underlying funds and could adversely affect the performance of the underlying funds. The underlying funds may invest in assets that involve further risks.

Fees, deductions and charges may reduce the amount of principal and/or interest payable under the Notes. Fund fees will be deducted from the net asset value of the fund, reducing the value of the fund units. Accordingly, to the extent that the amount of principal and/or interest payable under the Notes is linked to the net asset value of a fund, the relevant amount(s) payable to Noteholders will be less than it would have been absent these fees, deductions and charges, but the Issuer or one of its affiliates may be the beneficiary of such fees or obtain rebate on such fees from third parties.

Additional investments in, or withdrawals of amounts previously invested in, the fund may adversely affect the value of the fund units. The Issuer or one of its affiliates, in order to hedge its obligations under the Notes, may enter into a hedging transaction which may directly or indirectly involve investing in units of the underlying funds. Prospective investors should be aware that, as a result of hedging decisions by the hedging counterparty, transfers into or out of the fund by the hedging counterparty may affect the value of the fund units and, in turn, the Final Redemption Amount of the Notes.

The valuation of a fund is generally controlled by the relevant fund manager or the investment adviser (as the case may be) of the fund. Valuations are performed in accordance with the terms and conditions governing the fund. Such valuations may be based upon the unaudited financial records of the fund and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset values of the fund and accounts. The fund may hold a significant number of investments which are illiquid or otherwise not actively traded and in respect of which reliable prices may be difficult to obtain. In consequence, the relevant fund manager or the investment adviser may vary certain quotations for such investments held by the fund in order to reflect its judgement as to the fair value thereof. Therefore, valuations may be subject to subsequent adjustments upward or downward. Uncertainties as to the valuation of the fund assets and/or accounts may have an adverse effect on the net asset value of the relevant fund where such judgements regarding valuations prove to be incorrect.

There are numerous additional risks relating to Notes linked to hedge funds and other types of fund, and the applicable Final Terms in respect of such Notes may include additional risk factors.

Risks relating to Credit Linked Notes

The Issuer may issue Credit Linked Notes where the amount of principal and/or interest payable are dependent upon whether certain events have occurred in respect of a specified entity (a "**Reference Entity**") and, if so, on the value of certain specified assets ("**Reference Obligations**") of the Reference Entity or where, if such events have occurred, on redemption the Issuer's obligation is to deliver certain specified assets ("**Deliverable Obligations**").

Potential investors in Credit Linked Notes should be aware that, depending on the terms of the Credit Linked Notes, (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected, and (iii) they may lose all or a substantial portion of their investment.

There may exist at times only small or no markets for the Notes and for the obligations of the Reference Entity to which the Notes are linked, resulting in low or non-existent volumes of trading in the Notes and such obligations, and therefore a lack of liquidity and price volatility of the Notes and such obligations.

In selecting any Reference Obligations hereunder, the Calculation Agent is under no obligation to the Noteholders or any other person and, provided that the obligation selected meets the applicable criteria (if any), is entitled, and indeed will endeavour, to select obligations with the lowest or highest price (depending on who is the buyer) of any obligations which meet such criteria. In making any selection, the Calculation Agent will not be liable to account to the Noteholders or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from any such selection.

In selecting any substitute Reference Entity, any Valuation Date, any Quotation Amount or any Quotation Time or in making any other selection in accordance with the terms of the Notes, the Calculation Agent is under no obligation to the Noteholders or any other person and provided that the relevant selection meets the criteria specified, the Calculation Agent will not be liable to account to the Noteholders or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from any such selection.

In addition, the Issuer, the Guarantor and their affiliates may, for their own account and for the account of customers, engage in any kind of transactions and other business directly or indirectly involving a Reference Entity and may act with respect to such business in the same manner as it would if the Notes had not been issued, regardless of whether any such action might have an adverse effect directly or indirectly on a Reference Entity. The Issuer and its affiliates may on the Issue Date of the Notes or at any time thereafter be in possession of information in relation to a Reference Entity that is or may be material in the context of the issue of Notes and that may not be publicly available or known to the purchasers. There is no obligation on the part of the Issuer, the Guarantor or their affiliates to disclose to the Noteholders any such relationship or information.

Upon the occurrence of a Credit Event, there is a risk of the loss of a substantial portion, or all, of the principal amount of the Notes. If a Credit Event Notice is served in connection with a Credit Event of a Reference Entity, the Notes may be subject to redemption at a price which may be at a considerable discount to par and could be zero. Prospective investors therefore risk losing all principal and interest on the Notes. Noteholders will have no right to vote or exercise any other right or remedy with respect to the Reference Entity(ies) or any of its obligations.

Not all of the Credit Events require an actual default with respect to the Reference Entity's(ies)' obligations. Thus, Noteholders could bear losses based on deterioration in the credit of the Reference Entity(ies) short of a default, subject to the provisions set out in the applicable Final Terms. Also, not all of the Credit Events are triggered by events which are easily ascertainable and disputes can and have arisen as to whether a specific event with respect to a Credit Event did or did not constitute a Credit Event. The Calculation Agent's good faith, reasonable determination that a Credit Event has or has not occurred will be binding on the Noteholders. The Calculation Agent's view of whether a

Credit Event has occurred may be different from the view of the Noteholders or other financial institutions, rating agencies or commentators.

In the event of a Credit Event, Noteholders may receive Deliverable Obligations which may be in default. In this case a Credit Event, under the terms of the applicable Final Terms, the Issuer will be free to deliver any obligations of the Reference Entity in respect of which such Credit Event has occurred (whether as principal, guarantor or otherwise) which satisfy the requirements for a Deliverable Obligation. Such obligations are likely to be in default at the time of delivery. Further, in selecting such obligations the Issuer will not be required to consider the interests of the Noteholders or mitigate the Noteholders' losses. The Issuer may have complete discretion to select the cheapest obligations of the Reference Entity so long as such obligations satisfy the requirements for a Deliverable Obligation.

The market price of Credit Linked Notes may be volatile and will be affected by, amongst other things, the time remaining to the maturity date and the creditworthiness of the Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions.

Where the Notes provide for physical delivery, the Issuer may determine that the Deliverable Obligations are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver on the Settlement Date, or (b) assets which the Issuer and/or any affiliate has not received under the terms of any transaction entered into by the Issuer and/or such affiliate to hedge the Issuer's obligations in respect of the Notes. Any such determination may delay settlement in respect of the Notes and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the Notes and, in the case of payment of a cash amount, will affect the timing of the valuation of such Notes and, as a result, the amount of the relevant amount payable on redemption. Prospective purchasers should review the Conditions of the Notes and the applicable Final Terms to ascertain whether and how such provisions should apply to the Notes.

Upon the occurrence of a Credit Event, the Issuer may, at its option, redeem the relevant Credit Linked Notes in which case the Issuer's obligation to pay principal may be replaced by an obligation to pay other amounts calculated by reference to the value of the Reference Obligation(s) and/or to deliver the Deliverable Obligation(s) and, upon the payment of such amounts or the delivery of such Deliverable Obligation(s), any claims or rights of the Noteholders relating to payment shall be extinguished. The Issuer's obligations in respect of Credit Linked Notes are not dependent on the existence of credit exposure of the Issuer to a Reference Entity and the Issuer need not itself suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

If so specified in the applicable Final Terms the Issuer may issue certain Portfolio Credit Linked Notes, Portfolio Maturity Settled Credit Linked Notes or first to default Credit Linked Notes. For each such type of Note more than one Reference Entity will be specified and a Noteholder takes credit risk in relation to each such Reference Entity. In the case of Portfolio Credit Linked Notes and Portfolio Maturity Settled Credit Linked Notes a relevant portion of each such Note will be affected by the occurrence of a Credit Event in relation to a relevant Reference Entity and interest, if any, in respect of the Notes will reduce as a result. In the case of Portfolio Credit Linked Notes a partial redemption in cash or by delivery of relevant deliverable obligations may be made as each relevant Credit Event occurs, while in the case of Portfolio Maturity Settled Credit Linked Notes amounts in respect of each Credit Event, if any, will be payable at maturity. In the case of first to default Credit Linked Notes, the first Reference Entity in respect of which a Credit Event occurs will lead to redemption of the Notes on the basis described above as though such Notes were Credit Linked Notes relating to a single Reference Entity.

The Issuer's obligations in respect of Credit Linked Notes are irrespective of the existence or amount of the Issuer's and/or any affiliates' credit exposure to a Reference Entity and the Issuer and/or any affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

The Issuer may vary the manner in which a particular series of Notes are redeemed, as specified in the applicable Final Terms. At its sole and absolute discretion, it may elect not to pay the relevant Noteholders the Credit Event Redemption Amount, as the case may be, or to deliver or procure delivery of the relevant Deliverable Obligations to the relevant Noteholders, as the case may be, and, in lieu thereof, deliver or procure the delivery of the relevant Deliverable Obligations or make payment of the Credit Event Redemption Amount on the Credit Event Redemption Date to the relevant Noteholders. See General Condition 7 (*Redemption*) below.

Risks relating to Inflation Linked Notes

The Issuer may issue Inflation Linked Notes where the amount of principal and/or interest payable are dependent upon the level of an inflation/consumer price index or indices.

Potential investors in any such Notes should be aware that depending on the terms of the Inflation Linked Notes (i) they may receive no interest or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the level of the inflation/consumer price index or indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations.

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the inflation/consumer price index or the indices on principal or interest payable will be magnified.

A relevant consumer price index or other formula linked to a measure of inflation to which the Notes are linked may be subject to significant fluctuations that may not correlate with other indices. Any movement in the level of the index may result in a reduction of the interest payable on the Notes (if applicable) or, in the case of Notes with a redemption amount linked to inflation, in a reduction of the amount payable on redemption which in some cases could be less than the amount originally invested.

The timing of changes in the relevant consumer price index or other formula linked to the measure of inflation comprising the relevant index or indices may affect the actual yield to investors on the Notes, even if the average level is consistent with their expectations.

An index to which interest payments and/or the redemption amount of Inflation Linked Notes are linked is only one measure of inflation for the relevant jurisdiction, and such Index may not correlate perfectly with the rate of inflation experienced by Noteholders in such jurisdiction.

Inflation Linked Notes may be subject to certain disruption provisions or extraordinary event provisions. Relevant events may relate to market disruptions, or other extraordinary events in relation to the relevant level of inflation/consumer price index or indices. If the Calculation Agent determines that any such event has occurred this may delay valuations under and/or settlements in respect of the Notes and consequently adversely affect the value of the Notes. In addition certain extraordinary or disruption events may lead to early redemption of the Notes. Prospective investors should review the Inflation Linked Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Note.

The market price of Inflation Linked Notes may be volatile and may depend on the time remaining to the maturity date and the volatility of the level of the index or indices. The level of the inflation/consumer price index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the inflation/consumer price index or indices may be traded.

Risks relating to Property Linked Notes

The Issuer may issue Property Linked Notes where the amount of principal and/or interest payable are dependent upon the level of a property index or indices.

Potential investors in any such Notes should be aware that depending on the terms of the Property Linked Notes (i) they may receive no interest or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the level of the property index or indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations.

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the property index or the indices on principal or interest payable will be magnified.

Property Linked Notes may be subject to certain disruption provisions or extraordinary event provisions. Relevant events may relate to market disruptions, or other extraordinary events in relation to the relevant property index or indices. If the Calculation Agent determines that any such event has occurred this may delay valuations under and/or settlements in respect of the Notes and consequently adversely affect the value of the Notes. In addition certain extraordinary or disruption events may lead to early redemption of the Notes. Prospective investors should review the Property Linked Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Note.

The market price of Property Linked Notes may be volatile and may depend on the time remaining to the maturity date and the volatility of the level of the index or indices. The level of the property index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the property index or indices may be traded.

Risks relating to Dual Currency Notes

Investment in Dual Currency Notes may be negatively affected by changes in exchange rates and exchange controls

With respect to an investment in Dual Currency Notes that are denominated and/or payable in a Specified Currency, there will be significant risks associated with such an investment, including the possibility of material changes in the exchange controls by the applicable governments. The Issuer and the Guarantor have no control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for the applicable currencies. Moreover, if payments on Dual Currency Notes are determined by reference to a formula containing a multiplier or leverage factor, the effect of any change in the exchange rates between the applicable currencies will be magnified. In recent years, exchange rates between certain currencies have been highly volatile and volatility between such currencies or with other currencies may be expected in the future. Fluctuations between currencies in the past are not necessarily indicative, however, of fluctuations that may occur in the future. Depreciation of the payment currency would result in a decrease in the equivalent yield of the Dual Currency Notes, in the equivalent value of the principal generally, and in the equivalent market value of the Dual Currency Notes. Governmental exchange controls could affect exchange rates and the availability of the payment currency on a required payment date. Even if there are no exchange controls, it is possible that the payment currency will not be available on a required payment date due to circumstances beyond the Issuer's or the Guarantor's control.

It may not be possible to use the Notes as a perfect hedge against the market risk associated with investing in a Relevant Asset or Reference Entity

Prospective purchasers intending to purchase Notes to hedge against the market risk associated with investing in a Relevant Asset or Reference Entity should recognise the complexities of utilising Notes in this manner. For

example, the value of the Notes may not exactly correlate with the value of the Relevant Asset. Due to fluctuating supply and demand for the Notes, there is no assurance that their value will correlate with movements of the Relevant Asset. For these reasons, among others, it may not be possible to purchase or liquidate Notes in a portfolio at the prices used to calculate the value of any relevant index or basket.

6. Other risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

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

The General Terms and Conditions of the Notes also provide that the Issuer may, without the consent of Noteholders, agree to (i) certain modifications of the Notes, or (ii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in certain circumstances.

EU Savings Directive

If, following implementation of this Directive, a payment were to be made or collected through a Member State which has opted for a withholding system, and an amount of, or in respect of tax, were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of this Directive, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

7. Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on

the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes, and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

There may be potential conflicts of interests if intermediaries are appointed in connection with the offer or placement of the Notes

Given that the intermediaries appointed from time to time as distributors and the other entities acting in connection with the offer or placement of the Notes act in their institutional capacity pursuant to a mandate granted by the Issuer and receive fees on the basis of the placement activity carried out and its outcome, such intermediaries generally act in a situation that may give rise to a potential conflict of interest.

Notes where denominations involve integral multiples: Definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time, may not receive Notes in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

FORM OF THE NOTES

The Notes of each Series will be in bearer form or registered (or inscribed) form. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**") and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A under the Securities Act.

Bearer Notes

Each Tranche of Bearer Notes will be initially represented by either a temporary bearer global note (a "**Temporary Bearer Global Note**") or a permanent bearer global note (a "**Permanent Bearer Global Note**" and, together with the Temporary Bearer Global Note, the "**Bearer Global Notes**") as indicated in the applicable Final Terms of the Notes, which, in either case, will:

- (xv) if the Bearer Global Notes are intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"); and
- (xvi) if the Bearer Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note (if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

In respect of each Tranche of Notes in respect of which a Temporary Bearer Global Note is issued, on and after the date (the "**Exchange Date**") which is 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein for either:

- (i) interests in a Permanent Bearer Global Note of the same Series; or
- (ii) Definitive Bearer Notes (as defined in the General Terms and Conditions of the Notes) of the same Series (as defined in the General Terms and Conditions of the Notes) with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms).

In each case such exchange shall be made against certification of beneficial ownership as described above, unless such certification has already been given. Purchasers in the United States and certain U.S. persons will not be able to receive Definitive Bearer Notes or interests in a Permanent Bearer Global Note. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due presentation and certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for Definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the

Permanent Bearer Global Note (if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either:

- (1) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent, or
- (2) only upon the occurrence of an Exchange Event (as defined below).

No Definitive Bearer Notes will be sent by post or otherwise delivered to any location in the United States or its possessions in connection with such exchange.

For these purposes, "**Exchange Event**" means that:

- (1) an Event of Default (as defined in General Condition 10 (*Events of Default*)) has occurred and is continuing;
- (2) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no alternative clearing system satisfactory to the Issuer and the Principal Paying Agent is available; or
- (3) the Issuer or the Guarantor has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form.

The Issuer will promptly give notice to the Noteholders in accordance with General Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (3) above, the Issuer or the Guarantor may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

In relation to any Tranche of Notes under the Programme, the Issuer may issue Notes of a minimum authorised denomination of €50,000 and integral multiples of €1,000 (or such other amount as is specified in the applicable Final Terms) in excess thereof up to and including €99,000 (or such other amount as is specified in the applicable Final

Terms). In such case, no Notes in definitive form will be issued with a denomination above €99,000 (or such other amount as is specified in the applicable Final Terms). So long as such Notes are represented by a Temporary Bearer Global Note or Permanent Bearer Global Note and the relevant clearing systems so permit, the Notes will be tradeable only in the minimum authorised denomination of €50,000 and higher integral multiples of €1,000 (or such other amount as is specified in the applicable Final Terms), notwithstanding that no Definitive Bearer Notes will be issued with a denomination above €99,000 (or such other amount as is specified in the applicable Final Terms).

If a Global Bearer Note is exchangeable for a Definitive Bearer Note at the option of the Noteholders, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (as defined in the General Terms and Conditions of the Notes) (or if more than one Specified Denomination, the lowest Specified Denomination).

Registered Notes

Registered Notes may be offered and sold in reliance on Regulation S or in reliance on Rule 144A.

Registered Notes offered and sold in reliance on Regulation S may only be offered and sold to non-U.S. persons outside the United States and will initially be represented by a global note in registered form, without receipts, interest coupons or talons (a "**Regulation S Global Note**") which will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. Prior to expiry of the Distribution Compliance Period (as defined in General Terms and Conditions of the Notes) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in General Condition 2 (*Transfers of Registered Notes*) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

Registered Notes offered and sold in reliance on Rule 144A may only be offered and sold in the United States or to U.S. persons in private transactions to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**") and will be represented by a global note in registered form, without receipts, interest coupons or talons (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, the "**Registered Global Notes**") which will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**").

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Registered Notes (as defined in the General Terms and Conditions of the Notes).

The Rule 144A Global Note will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person(s) shown on the Register on the relevant Record Date (each as defined in General Condition 6.4 (*Payments in respect of Registered Notes*)) as the registered holder(s) of the Registered Global Notes. None of the Issuer, the Guarantor, any Paying Agent and the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in General Condition 6.4 (*Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that General Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that:

- (1) an Event of Default (as defined in General Condition 10 (*Events of Default*)) has occurred and is continuing;
- (2) in the case of Notes represented by a Rule 144A Global Note only, DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system satisfactory to the Issuer, the Principal Paying Agent and the Registrar is available;
- (3) in the case of Notes represented by a Rule 144A Global Note only, DTC has ceased to constitute a clearing agency registered under the Exchange Act or in the case of Notes represented by a Regulation S Global Note only, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no alternative clearing system satisfactory to the Issuer, the Principal Paying Agent and the Registrar is available;
or
- (4) the Issuer or the Guarantor has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form.

The Issuer will promptly give notice to the Noteholders in accordance with General Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) and, in the event of the occurrence of an Exchange Event as described in (4) above, the Issuer or the Guarantor may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions*".**

General

Pursuant to the Agency Agreement (as defined under the General Terms and Conditions of the Notes), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period (as defined in the General Terms and Conditions of the Notes) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer and the Principal Paying Agent.

For so long as any of the Notes is represented by a Bearer Global Note or a Regulation S Global Note held on behalf of or, as the case may be, registered in the name of a common nominee for, Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the

records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Principal Payment Agent, the Paying Agents, the Transfer Agents and the Registrar as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Regulation S Global Note shall be treated by the Issuer, the Guarantor, the Principal Paying Agent, the Paying Agents, the Transfer Agents and the Registrar as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

For so long as any of the Notes is represented by a Rule 144A Global Note registered in the name of DTC or its nominee, each person who is for the time being shown in the records of DTC or such nominee as the holder of a particular nominal amount of such Notes shall be treated by the Issuer, the Guarantor, the Principal Paying Agent, the Paying Agents, the Registrar and the Transfer Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on, or voting, giving consents or making requests in respect of, such nominal amount of such Notes, for which purpose DTC or, in the case of payments only, its nominee shall be treated by the Issuer, the Guarantor, the Principal Paying Agent, the Paying Agents, the Registrar and the Transfer Agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of such Rule 144A Global Note; and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Any reference herein to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, except in relation to Notes issued in NGN form, be deemed to include a reference to any successor operator and/or successor clearing system and/or any additional or alternative clearing system specified in the applicable Final Terms.

Any reference herein to the common depositary shall, whenever the context so permits, be deemed to include references to any successor common depositary or any additional or alternative common depositary as is approved by the Issuer, the Guarantor, the Principal Paying Agent and the Registrar.

Any reference herein to the common nominee shall, whenever the context so permits, be deemed to include references to any successor common nominee or any additional or alternative common nominee as is approved by the Issuer, the Guarantor, the Principal Paying Agent and the Registrar.

FORM OF WHOLESALE FINAL TERMS

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least €50,000 (or its equivalent in another currency) pursuant to this Prospectus.

PLEASE CAREFULLY READ THE RISK FACTORS IN THE PROSPECTUS

[Date]

Abbey National Treasury Services plc

*Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
(the "Notes")*

Guaranteed by Abbey National plc

under the €2,000,000,000
Structured Note Programme
(the "Programme")

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions of the Notes (the "**General Conditions**") set forth in the Prospectus dated 20 March 2008 [and the supplement[s] to it dated [date(s)]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and must be read in conjunction with the Prospectus dated [current date] constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [original date] and are attached hereto. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus [and the supplement[s] to it] [is/are] available for viewing [during normal business hours at the specified office of Citibank, N.A., London Branch acting as Principal Paying Agent and copies may be obtained from, the registered office of the Issuer and the Guarantor]. In the event of any inconsistency between the Conditions and the Final Terms, these Final Terms prevail.

[The provisions of the [Equity / Equity Index / Credit / Fund/ Currency / other] Technical Annex [(other than clauses [specify any inapplicable clauses]) [and the Regional Annex]] apply to these Final Terms and such documents shall be read together.] In the event of any inconsistency between the [Equity / Equity Index / Credit / Fund / Currency / other] Technical Annex [or the Regional Annex] and these Final Terms, these Final Terms prevail.

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

[Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions, together with the applicable Technical Annexes (the "**Conditions**") set forth in the Prospectus dated [original date]. This document constitutes the Final Terms of the Notes 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 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 Prospectus dated [original date] and are attached hereto. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination

of these Final Terms and the Prospectuses dated [current date] and [original date]. Copies of such Prospectuses are available for viewing [during normal business hours at the registered office of the Issuer and the Guarantor].

[Include whichever of the following apply or specify as "Not applicable" or "N/A". Note that the numbering should remain as set out below, even if "Not applicable" or "N/A" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms.]

[When completing any Final Terms or 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 Prospectus under Article 16 of the Prospectus Directive.]

1. 1.1 Issuer: Abbey National Treasury Services plc

1.2 Guarantor: Abbey National plc

2. 2.1 Series Number: []

2.2 Tranche Number: []

(If fungible with an existing Series, insert details of that Series, including the date on which the Notes become fungible)

3. Specified Currency or Currencies: []

4. Aggregate Nominal Amount:

4.1 Series: []

4.2 Tranche: []

5. Issue Price of Tranche:¹ [] per cent. of the Aggregate Nominal Amount [plus accrued interest from and including [insert date] to but excluding the Issue Date (which is equal to [] days' accrued interest (if applicable)]

6. 6.1 Specified Denominations: []

[Where Bearer Notes and multiple denominations above €50,000 or its equivalent in another currency are being used, the following sample wording should be followed:

[[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination exceeding [€99,000].]²

(N.B. If an issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances

¹ Note that the "Issue Price" is the gross amount received by the Issuer in respect of the Notes being issued and should not be confused with "Offer Price" which may be a different amount depending upon the context in which the expression is used (for example, see Part B paragraph 10).

² Not Applicable in the case of Registered Notes

where a prospectus is not required to be published under the Prospectus Directive the €50,000 minimum denomination is not required.)

[In respect of Registered Notes, this means the minimum integral amount in which transfers can be made and in the case of any transaction in reliance on Rule 144A, shall be at least USD100,000 (or its currency equivalent)]

[In respect of Equity Linked Notes which are Physically Settled Notes and Credit Linked Notes only, a single denomination must be used]

6.2 Calculation Amount:

[]

(If only one Specified Denomination, insert the Specified Denomination.

If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.

Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for paying agents and/or ICSDs who should be consulted if such an amount is proposed.)

7. 7.1 Issue Date:

[specify date]

7.2 Interest Commencement Date (if different from the Issue Date):

[specify date] [Not Applicable]

(NB: An Interest Commencement Date will not be relevant for certain type of Notes such as a Zero Coupon Note)

8. Type of Notes:

[Fixed Rate Notes]
[Floating Rate Notes]
[Zero Coupon Notes]
[Equity Linked Notes]
[Equity Index Linked Notes]
[Dual Currency Notes]
[Inflation Linked Notes]
[Commodity Linked Notes]
[Currency Linked Notes]
[Fund Linked Notes]
[Property Linked Notes]
[Credit Linked Notes]
[Other (specify)]

9. Maturity Date:

Fixed Rate Note/any other Note other than a Floating Rate Note [specify date]

[Floating Rate Note — The Interest Payment Date falling in or nearest to [specify month and year/specify other]]

[For Credit Linked Notes, if applicable, insert: [] (the "**Scheduled Maturity Date**"), subject to the provisions of the Credit Technical Annex and these Final Terms]

[For Fund Linked Notes, if applicable, insert: [] (the "**Scheduled Maturity Date**"), subject to the provisions of the Funds Technical Annex and these Final Terms]

[For Currency Linked Notes, if applicable, insert: [] (the "**Scheduled Maturity Date**"), subject to the provisions of the Currency Technical Annex and these Final Terms]

10. Interest Basis

[[] per cent. Fixed Rate Note]

[[LIBOR/EURIBOR]+/-[] per cent. Floating Rate Note]

[Zero Coupon]

[Equity Index Linked Interest]

[Equity Linked Interest]

[Dual Currency Interest]

[Inflation Linked Interest]

[Commodity Linked Interest]

[Currency Linked Interest]

[Fund Linked Interest]

[Property Linked Interest]

[Non-interest bearing]

[specify other]

(further particulars specified below)

11. Redemption / Payment Basis:

[Redemption at par]

[Equity Index Linked Redemption]

[Equity Linked Redemption]

[Dual Currency Redemption]

[Inflation Linked Redemption]

[Commodity Linked Redemption]

[Currency Linked Redemption]

[Fund Linked Redemption]

[Property Linked Redemption]

[Credit Linked Redemption]

[Partly Paid]

[Instalment]

[specify other]

(further particulars specified below)

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

12. Change of Interest Basis or Redemption/
Payment Basis: [Applicable] / [Not Applicable]
[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
13. Put/Call Options: [Not Applicable] / [Investor Put] / [Issuer Call]
[(further particulars specified below)]
14. 14.1 Status of Notes: Senior
14.2 Status of Guarantee: Senior
15. Method of Distribution: [Syndicated] / [Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** [Applicable] / [Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- 16.1 Rate(s) of Interest: [] per cent. per annum [payable [annually / semi annually / quarterly/ other/ specify] in arrear]
(if payable other than annually consider amending General Condition 5)
- 16.2 Interest Payment Date[s]: [[] in each year up to and including the Maturity Date] / [specify other]
(NB: This will need to be amended in the case of long or short coupons)
- 16.3 Fixed Coupon Amount(s): [[] per Calculation Amount] / [Not Applicable]
(Applicable to Notes in definitive form)
- 16.4 Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [] / [Not Applicable]
(Applicable to Notes in definitive form)
[Insert particulars of any initial or final broken interest amounts per Calculation Amount which do not correspond with the Fixed Coupon Amount(s)]
- 16.5 Day Count Fraction: [Actual/Actual (ISMA)]/[Act/Act (ICMA)]
[Actual/Actual]
(ISDA)]/[Actual/Actual]/[Act/Act]/[Act/Act (ISDA)]
[Actual/365 (Fixed)]/[Act/365 (Fixed)]/[A/365 (Fixed)]/[A/365]
[Actual/360]/[Act/360]/[A/360]
[30/360]/[360/360]/[Bond Basis]
[30E/360]/[Eurobond Basis]
[30E/360 (ISDA)]

[specify other] [adjusted / unadjusted]

(N.B. If interest is not payable on a regular basis (for example, if there are Broken Amounts specified), Actual/Actual (ICMA) may not be a suitable Day Count Fraction)

16.6 Determination Date(s): [] in each year

(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)

N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration

N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))

16.7 Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]

17. **Floating Rate Note Provisions** [Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

17.1 Interest Period(s)/Interest Payment Dates: []

17.2 Business Day Convention: [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / [specify other]]

17.3 Additional Business Centre(s): []

17.4 Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination / ISDA Determination / specify other]

17.5 Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [See paragraph 39 below] / [specify other]

[Address]

17.6 Screen Rate Determination: [Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Reference Rate []
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
- (b) Interest Determination Date: []
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- (c) Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend fallback provisions appropriately)
- 17.7 ISDA Determination: [Applicable] / [Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Floating Rate Option: []
- (b) Designated Maturity: []
- (c) Reset Date: []
- 17.8 Margin(s): [+/-] [] per cent. per annum
- 17.9 Minimum Rate of Interest: [] per cent. per annum
- 17.10 Maximum Rate of Interest: [] per cent. per annum
- 17.11 Day Count Fraction: [Actual/Actual (ISDA)]/[Actual/Actual]
 [Actual/365 (Fixed)]
 [Actual/365 (Sterling)]
 [Actual/360]
 [30/360]/[360/360]/[Bond Basis]
 [30E/360]/[Eurobond Basis]
 [30E/360 (ISDA)]
 [specify other] [adjusted / unadjusted]
- 17.12 Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the General Conditions: []

18. **Zero Coupon Note Provisions** [Applicable] / [Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- 18.1 Accrual Yield: [] per cent. per annum
- 18.2 Reference Price: []
- 18.3 Any other formula / basis of determining amount payable: []
19. **Dual Currency Note Provisions** [Applicable] / [Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- 19.1 Rate(s) of Exchange / method of calculating Rate(s) of Exchange: []
- 19.2 Party, if any, responsible for calculating the principal and/or interest payable (if not the Principal Paying Agent): [See paragraph 40 below] / [specify other]
- [Address]
- 19.3 Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest payable where calculation by reference to Rate of Exchange impossible or impracticable: []
- [Need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- 19.4 Day Count Fraction: [Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30/360 / 30E/360 (ISDA) / Other]
- 19.5 If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- 19.6 Notice period (if other than as set out in the General Conditions): []

19.7 Person at whose option Specified []
Currency(ies) is/are payable:

20. **Other Variable Interest Rate Note Provisions** [Applicable] / [Not Applicable]

[Equity Index Linked Interest]
[Equity Linked Interest]
[Inflation Linked Interest]
[Commodity Linked Interest]
[Currency Linked Interest]
[Fund Linked Interest]
[Property Linked Interest]
[Other (*specify*)]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

20.1 Formula for calculating interest rate including provisions for determining coupon where calculation by reference to the underlying is impossible or impracticable and other back up provision: [Specify or give annex details]

20.2 Calculation Agent responsible for calculating the principal and/or interest due: [See paragraph 40 below] / [*specify other*]

[Address]

[Give name (and if the Notes and derivative securities to which Annex XII of the Prospectus Directive regulation applies, address)]

20.3 Specified Period(s) / Specified Interest Payment Dates: []

20.4 Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]

20.5 Additional Business Centre(s): []

20.6 Minimum Rate of Interest: [] per cent. per annum

20.7 Maximum Rate of Interest: [] per cent. per annum

20.8 Day Count Fraction: [Actual/Actual (ISDA)]/[Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]

[30/360]/[360/360]/[Bond Basis]
[30E/360]/[Eurobond Basis]
[30E/360 (ISDA)]
[specify other] [adjusted / unadjusted]

20.9 Other terms or special conditions: []

[For additional Currency Linked Interest provisions, insert: See [Paragraph 26] / [Currency Technical Annex (Currency Linked Conditions) contained herein]

[For additional Equity Linked Interest provisions, insert: See [Paragraph 27 below] / [Equity Technical Annex (Equity Linked Conditions) contained herein]

[For additional Equity Index Linked Interest provisions, insert: See [Paragraph 28] / [Equity Index Technical Annex (Equity Index Linked Conditions) contained herein]

[For additional Fund Linked Interest provisions, insert: See [Paragraph 29 below] / [Funds Technical Annex (Funds Linked Conditions) contained herein]

[For additional Commodity Linked Interest provisions, insert: See Paragraph 31 below]

[For additional Property Linked Interest provisions, insert: See Paragraph 32 below]

[For any other Interest provisions, insert: See Paragraph 23 below]

PROVISIONS RELATING TO REDEMPTION

21. Issuer Call [Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

21.1 Optional Redemption Date(s): []

21.2 Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount] / *[specify other]*

21.3 If redeemable in part:

(a) Minimum Redemption Amount: []

(b) Maximum Redemption Amount: []

21.4 Notice period (if other than as set out in the General Conditions): []

(N.B. If setting notice periods which are different from those provided in the General Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)

22. Investor Put: [Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

22.1 Optional Redemption Date(s): []

22.2 Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount] / [specify other]

22.3 Notice period (if other than as set out in the General Conditions) []

(N.B. If setting notice periods which are different from those provided in the General Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)

23. Final Redemption Amount: [[] per Calculation Amount] / [specify other]

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

24. Early Redemption Amount payable on redemption for illegality (General Condition 7.4 (*Redemption for illegality*), Regulatory Redemption Event (General Condition 7.5 (*Regulatory Redemption Event*)) on an Event of Default (General Condition 10 (*Events of Default*)) or in any other circumstances specified in the General Conditions: [Market Value / specify other / see Appendix] [*Specify other*]

25. Early Redemption Event(s), other than as specified in the General Conditions: [Applicable] / [Not Applicable]
- 25.1 Target Redemption Event: [Applicable] / [Not Applicable]
- [If applicable, give details, including early redemption amount]*
- 25.2 Knock-in Event: [Applicable] / [Not Applicable]
- [If applicable, give details, including early redemption amount] [If not applicable, delete the remaining subparagraphs]*
- (a) Knock-in Level: []
- (b) Early Redemption Date(s): []
- 25.3 Knock-out Event: [Applicable] / [Not Applicable]
- [If applicable, give details, including early redemption amount] [If not applicable, delete the remaining subparagraphs]*
- (a) Knock-out Level: []
- (b) Early Redemption Date(s): []
- 25.4 Other terms or special conditions: [] / [Not Applicable]
- [If applicable, give details]*
26. Currency Linked Redemption Notes: [Applicable/Not Applicable]
- (NB: complete also in relation to Currency Linked Interest Notes, if applicable) (if not applicable delete the remainder of this paragraph)*

- 26.1 Currency Linked Condition 1: [Applicable/Not Applicable]
- (Specify as "Applicable" if interest amounts and/or Final Redemption Amount are determined by reference to a currency rate(s) to which it is intended Currency Linked Condition 1 applies and in this case specify provisions for determination of each such interest amount or Final Redemption Amount and complete each applicable sub-paragraph below. Specify as "Not Applicable" if Currency Technical Annex is being used only for the purposes of adjustment and disruption provisions in Currency Linked Conditions 2, 3 and 4 and in this case complete each applicable sub-paragraph below except for item 26.2)*
- 26.2 Provisions for determining the Final Redemption Amount: [[] (Express per Calculation Amount)]/[Specify formula]
- [Omission / Postponement / Modified Postponement will apply]
- 26.3 Maturity Date Extension: [Applicable/Not Applicable]
- (If applicable insert all provisions for calculation of each Currency Pair, including each First Currency and Second Currency)*
- 26.4 Specified Rate(s) and Reference Currencies: [Applicable/Not Applicable]
- [Insert each Specified Rate in relation to each Valuation Date or Averaging Date or other relevant date and Valuation Time, including whether bid, offer or market average rate, if applicable - e.g. as set out below - and repeat as necessary in relation to each Specified Rate. If using any different formulation ensure consistency with Valuation Date and Averaging Date where Currency Reference Dealers may provide the quotations. "The Specified Rate in relation to the [specify Valuation Day, Averaging Date or other relevant date] means the rate at which the Reference Currency [NB set out definition] could be exchanged for the Specified Currency, expressed as the number of units of the Reference Currency (or part thereof) for which one unit of the Specified Currency could be exchanged as quoted by the relevant FX Price Source at or about the Valuation Time on such [specify relevant Valuation Day, Averaging Date or other relevant date], subject to Currency Linked Condition 2".*
- 26.5 NDF Currency(ies): [Applicable/Not Applicable]
- [If applicable, specify each relevant NDF currency. For example, ARS, BRL, CLP, COP, etc. If not applicable,*

delete the remaining sub-paragraphs of this paragraph. If applicable, insert: See Annex (Special Conditions) contained herein]

- (a) **Unscheduled Holiday:** *[Specify meaning in accordance with applicable emerging market trading association templates]*
- (b) **Specified NDF Maximum Days of Disruption:** *[]* calendar days
- (c) **First Fallback FX Price Source:** *[See item 26.8 below/Not Applicable]*
- (d) **Second Fallback FX Price Source:** *[Not Applicable]/[Give details]*
- (e) **Additional FX Market Disruption Event:** *[Not Applicable]/[Give details]*

26.6 **Key Dates:** *In relation to each of items 26.6(c), (d) and (f) (if applicable), add wording substantially as follows:*

[Each such date shall be deemed to be a [Valuation/Averaging] Date for the purposes of determining [any Maturity Date extension pursuant to Currency Linked Condition 1] [and/or] [the consequences of any such day not being an FX Business Day or an FX Market Disruption Event occurring in relation to a Specified Rate on any such day in accordance with Currency Linked Condition 4].

- (a) **Trade Date:** *[]*
- (b) **Valuation Date:** *[]*
- (c) **Initial Valuation Date:** *[]*
- (d) **Scheduled Observation Date(s):** *[]*
- (e) **Observation Period:** *[]*
- (f) **Final Valuation Date:** *[] [Not Applicable]*

26.7 **Averaging:** *Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [].]*

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]

26.8 **FX Price Source(s):** *[Specify in relation to each Specified Rate including Bloomberg Screen, Reuters Screen and/or Screen Page if applicable. Include each of (i) primary FX Price Source*

and (ii) the Fallback FX Price Source or First Fallback FX Price Source if relevant, making clear when fallback to (ii) occurs]

- 26.9 Valuation Time: [Specify in relation to each Specified Rate]
- 26.10 Principal Financial Centres: (For the purposes of determining the FX Business Day) [Specify for the purposes only of FX Business Day]
- 26.11 Additional Disruption Events: [Specify any other Additional Disruption Events not set out in the Currency Technical Annex]
- 26.12 Local Currency: [Specify each Local Currency, for purposes of General Inconvertibility, Specific Inconvertibility, General Non-Transferability or Specific Non-Transferability or Special Taxation Event.]
27. Equity Linked Redemption Notes [Applicable] / [Not Applicable]
- (NB: complete also in relation to Equity Linked Interest Notes, if relevant) (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- 27.1 Provisions for determining the Final Redemption Amount: []
- 27.2 Whether the Notes relate to a single share or a basket of shares (each a "Share"): [Single Share] / [Basket of Shares]
- 27.3 (Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Delivery or (c) Cash Settlement and/or Physical Settlement: [Cash Settlement] [and/or] [Physical Settlement]
- [In the event of both Cash Settlement or Physical Delivery describe triggers and at whose option]
- [Specify if Issuer has the option to vary Settlement and in this case complete both Cash and Physical Settlement provisions]
- 27.4 Share(s) and Share Company(ies): [Name of Share]
- (a) Bloomberg Code: []
- (b) ISIN Code: []
- (Give or annex details of the Share(s) and Share Company(ies))
- 27.5 Settlement Price: The Settlement Price will be calculated [insert calculation method, including any weightings and exchange rates] / [As set out in the General Conditions]
- 27.6 Key Dates:

- (a) Trade Date: []
- (b) Valuation Date: []
- (c) Initial Valuation Date: *(In relation to (c)-(f) below, add wording substantially as follows)*
- [Such date shall be deemed to be a [Valuation/Averaging] Date for the purposes of determining the consequences of any such day not being a Scheduled Trading Day or a Disrupted Day occurring on any such day in accordance with the Equity Linked Conditions.]
- []/Not Applicable
- (d) Scheduled Observation Date(s): []/Not Applicable
- (e) Observation Period: []/Not Applicable
- (f) Final Valuation Date: []/Not Applicable
- (g) Cut-off Date: []/Not Applicable
- [Specify calendar date (e.g. that is at least 10 Business Days prior to Scheduled Maturity Date)]*
- (h) Settlement Business Day: []
- 27.7 Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [].]
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement /Modified Postponement] will apply.]
- 27.8 Exchange(s): The relevant Exchange[s] [is/are] []
- 27.9 Related Exchange: *[specify]* / [All Exchanges]
- 27.10 Relevant Time: [Scheduled Closing Time]/[The relevant time is [], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.]
- (N.B. if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time).*
- 27.11 Additional Disruption Events: (a) [The following Additional Disruption Events apply to the Notes:]
- Specify any additional events not set out in the Equity*

Technical Annex and gave details:

(b) [[The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share] is []]

(NB: only applicable if Loss of Stock Borrow is required)

(c) [[The Initial Stock Loan Rate in respect of [specify in relation to each relevant Share] is [].]

(NB: only applicable if Increased Cost of Stock Borrow is required)

- 27.12 Additional Extraordinary Events: [Applicable] / [Not Applicable]
[If applicable, give details (e.g. De-Merger, Participation Event)]
- 27.13 Asset Amount and delivery provisions for Asset Amount (including details of who is to make such delivery): []/Not Applicable
(only relevant for Physical Delivery Notes)
[NB: Specify the number of shares per Calculation Amount to be delivered and any balancing cash portion that will be required to be paid]
- 27.14 Depository Receipts provisions: [Applicable] / [Not Applicable]
- (a) Details of Depository Receipt: *[specify name and ISIN code]*
- (b) Underlying Shares: *[specify the shares underlying the depository receipts]*
- (c) Underlying Share Issuer: *[specify the name of underlying issuer]*
- (d) Share Exchange: *[specify - exchange for underlying share]*
- 27.15 Adjustments for Dividend Amounts and Extraordinary Dividends (specify all that are applicable and insert all operative provisions required.): [Applicable] / [Not Applicable]
(if not applicable, delete the remaining sub-paragraphs below)
- (a) Dividend Amount: [Record Amount]/[Ex Amount]/[Paid Amount]/[Other - give details]
- (b) Dividend Payment Date: []
- (c) Dividend Period: [First Period]/[Second Period]
- (d) Extraordinary Dividend: []/[Not Applicable]
- (e) Excess Dividend Amount: [Extraordinary Dividend Ex Amount]/[Extraordinary Dividend Paid Amount]/[Extraordinary Dividend Record Amount]/[Other – give details]

27.16 Calculation Agent responsible for calculating the redemption amount due: [See paragraph 40 below] / [Principal Paying Agent] [specify other]

[Address]

27.17 Other terms or special conditions: []

28. Equity Index Linked Redemption Notes [Applicable] / [Not Applicable]

(NB: complete also in relation to Equity Index Linked Interest Notes, if relevant)

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

28.1 Provisions for determining the Final Redemption Amount: []

28.2 Whether the Notes relate to single index or a basket of indices and the identity of the relevant Index/Indices: [Single index] / [Basket of indices]
[Composite] / [Non-Composite]

(Give or annex details of index / indices)

28.3 Index Level: The Index Level will be calculated [insert calculation method including weightings if applicable] / [As set out in the General Conditions]

28.4 Key Dates: (In relation to (c) - (f) below, add wording substantially as follows)

[Each such date shall be deemed to be a [Valuation/Averaging] Date for the purposes of determining the consequences of any such day not being a Scheduled Trading Day or a Disrupted Day occurring in accordance with the Equity Index Linked Conditions.]

(a) Trade Date: []

(b) Valuation Date: []

(c) Initial Valuation Date: []/Not Applicable]

(d) Scheduled Observation Date(s): []/Not Applicable]

(e) Observation Period: []/Not Applicable]

(f) Final Valuation Date: []/Not Applicable]

28.5 Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [].]

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]

- 28.6 Index Sponsor: [The relevant Index Sponsor[s] [is/are] []]
- 28.7 Exchange(s) [The relevant Exchange[s] [is/are] []]
- 28.8 Related Exchange: [*specify*] / [All Exchanges]
- 28.9 Relevant Time: [Scheduled Closing Time]/[The relevant time is [], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.]

(N.B. if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time).

- 28.10 Additional Disruption Events:
- (a) [As per the Equity Index Linked Conditions]/[The following Additional Disruption Events apply to the Notes:] (give details)
- (b) [[The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share] is []]

(NB: only applicable if Loss of Stock Borrow is applicable)

- (c) [[The Initial Stock Loan rate in respect of [specify in relation to each relevant Share] is [].]

(NB: only applicable if Increased Cost of Stock Borrow is applicable)

- 28.11 Additional Index Adjustment Events: [If applicable, specify, otherwise delete this paragraph]
- 28.12 Calculation Agent responsible for calculating the relevant amount due: [See paragraph 40 below] / [Principal Paying Agent] / [*specify other*]

[Address]

- 28.13 Other terms or special conditions: []

29. Fund Linked Redemption Notes [Applicable] / [Not Applicable]

(NB: complete also in relation to Fund Linked Interest Notes, if relevant) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- 29.1 Provisions for determining the Final Redemption Amount: [Note: normally by reference to Settlement Price or Settlement Prices where Averaging Dates apply.] (*Express*

per Calculation Amount)

- 29.2 Maturity Date Extension: [Applicable/Not Applicable]
- 29.3 Reference Fund(s): [If more than one Reference Fund, insert the following:
[] ("Reference Fund 1")
[] ("Reference Fund 2")

[NB: *complete and number accordingly in relation to additional Reference Funds. Also repeat relevant information in 29.4 – 29.9 below inclusive and any other relevant item in respect of each Reference Fund. Specifying "In relation to Reference Fund [1]" or similar in relation to the relevant information.*

If more than three Reference Funds, annex the details.]
- 29.4 (a) Fund Interest: [Give details]
- (b) Fund Interest Unit(s): [Class [] shares] in [the Reference Fund] [Reference Fund 1]
[Class [] shares] in [Reference Fund 2]

[If more than three Fund Interest Units, annex the details.]
- 29.5 Reference Fund(s) Management and Administration
- (a) Fund Adviser: []
- (b) Fund Administrator(s): []
- (c) Fund Custodian: []
- (d) Other Fund Service Provider(s): [] / [Not Applicable]
- (e) Key Person(s): [] / [Not Applicable]
- 29.6 Fund Documents: []

[NB: *Specify details of the prospectus/See Fund Linked Condition 5 of the Funds Technical Annex*]
- 29.7 Key Dates:
- (a) Provisions for Valuation: *In relation to each of items 29.7(a)(i), (ii), (iii) and (v) (if applicable), add wording substantially as follows:*

[Each such date shall be deemed to be a

[Valuation/Averaging] Date for the purposes of determining [any Maturity Date extension pursuant to Fund Linked Condition 2.] [and/or] [the consequences of any such day not being a Fund Business Day]

- (i) Valuation Date: []
- (ii) Initial Valuation Date: [] / [Not Applicable]
- (iii) Scheduled Observation Date(s): [] / [Not Applicable]
- (iv) Observation Period: [] / [Not Applicable]
- (v) Final Valuation Date: [] / [Not Applicable]
- (b) Other Dates:
 - (i) Trade Date: [Issue Date]
 - (ii) Reference Fund Subscription Date: []
 - (iii) Subscription Notice Date: [] / [Not Applicable]
 - (iv) Fund Valuation Date: [] [specify in relation to Valuation Date or Averaging Date]
 - (v) Fund Reporting Date(s): [] / [Generally expected to fall on the last Fund Business Day of the calendar month]
 - (vi) Redemption Notice Date: [] [specify in relation to Valuation Date or Averaging Dates]
 - (vii) Scheduled Redemption Payment Date: [Specify/Not Applicable]
 - (viii) Cut-off Period/Final Cut-Off Date: [] [Specify Cut-Off Period and Final Cut-off Date, if any]

29.8 Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [].]

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]

29.9 Valuation Method: [Deemed Payout Method]/[Reported Value Method]

29.10 Valuation Time: [Not Applicable/give details]

- 29.11 Provisions for Settlement:
- (a) Settlement Price: [As per the Fund Linked Conditions]/[Specify if other than as set out in Fund Linked Conditions. Expressed as price per Fund Interest Unit.]
- (b) Settlement Cycle [As per the Fund Linked Conditions]/[Other-give details]
- 29.12 Fund Business Day: [As per the Fund Linked Conditions]/[Other-give details]
- 29.13 Currency Business Day: [As per the Fund Linked Conditions]/[Other-give details]
- 29.14 Calculation Agent: [See paragraph 40 below] / [*specify other*]
- 29.15 Additional Extraordinary Fund Events: [Applicable / Not Applicable]
- (a) NAV Trigger Event: [Applicable / Not Applicable] (*If applicable specify NAV Trigger Percentage and NAV Trigger Period*)
- (b) Notice Period Extension: [Applicable / Not Applicable]
- (c) Related Agreement Termination: [Applicable / Not Applicable]
- (d) Other Additional Extraordinary Fund Event(s): [Specify] / [Not Applicable]
- 29.16 Extraordinary Dividend: [Applicable / Not Applicable]
- 29.17 Hypothetical Investor Jurisdiction: [As set out in the Fund Linked Conditions/other (give details)]
- 29.18 Hypothetical Investor: [As set out in the Fund Linked Conditions/other (give details)]
- 29.19 Redemption Fees: [Specify if applicable where Reported Value Method applies]
- 29.20 Additional Fund Representations: [Applicable] / [Not Applicable]
[*If applicable, specify all operative details*]
- 29.21 Other terms or special conditions: []
30. Credit Linked Redemption Notes: [Applicable] / [Not Applicable]
- (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- 30.1 Final Redemption Amount: [] (*Express per Calculation Amount*)
- 30.2 Trade Date: []
- 30.3 Effective Date: []

- 30.4 Specified Business Centre(s): []
- 30.5 Calculation Agent responsible for making determinations under the relevant Technical Annex: [See paragraph 40 below] / [Principal Paying Agent]
[specify other]
[Address]
- 30.6 Calculation Agent City: [London] / [specify other]

Credit Provisions

- 30.7 Whether the Notes relates to a single name or a portfolio of names:
- (a) Single name: [Applicable/Not Applicable]
- (b) First to Default: [Applicable] / [Not Applicable]
- (c) Portfolio Credit Linked Notes: [Applicable] / [Not Applicable]
- (d) Portfolio Maturity Settled Credit Linked Notes: [Applicable] / [Not Applicable]
- 30.8 Reference Entity(ies): [Specify name]
- [If more than one Reference Entity, insert the following:
- [] ("**Reference Entity 1**")
- [] ("**Reference Entity 2**")
- [In the case of Portfolio Credit Linked Notes or Portfolio Maturity Settled Credit Linked Notes, specify Reference Amount in respect of each Reference Entity]
- [NB: complete and number accordingly in relation to additional Reference Entities. Also repeat relevant information in 30.9 – 30.16 below inclusive in respect of each Reference Entity. Specifying "In relation to Reference Entity [1]" or similar in relation to the relevant information.*
- If more than three Reference Entities or if required annex the details or insert a table.]*

- 30.9 Reference Obligation[s]: []
- The obligation(s) identified as follows:* [If more than three Reference Obligations, annex the details]
- [(a)] Primary Obligor: []
- Guarantor: []

Maturity: []

Coupon: []

CUSIP / ISIN: []

[(b)] *(repeat above headings if more than one reference obligation)*

30.10 Substitute Reference Obligation[s]: [As per the definition contained in the Credit Technical Annex] / *[give details]*

30.11 All Guarantees: [Applicable] / [Not Applicable]

[Provisions relating to Qualifying Guarantee and Underlying Obligation (Credit Linked Condition 14): [Applicable] / [Not Applicable]

30.12 Credit Events: [Bankruptcy]

[Failure to Pay]

Grace Period Extension: [Applicable] / [Not Applicable]

[If Applicable:

Grace Period: [30 calendar days] / *[other]*]

Payment Requirement: [] (or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay)

[Obligation Default]

[Obligation Acceleration]

[Repudiation / Moratorium]

[Restructuring]

Provisions relating to Restructuring Credit Event (Credit Linked Condition 11): [Applicable] / [Not Applicable]

Provisions relating to Multiple Holder Obligation (Credit Linked Condition 12): [Applicable] / [Not Applicable]

[Restructuring Maturity Limitation and Fully Transferable Obligation: [Applicable] / [Not Applicable]

[Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: [Applicable] / [Not Applicable]

Default Requirement: [] (or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event)

Notice Delivery Period: []

30.13 Additional Credit Event(s): [] [Specify – e.g. any trigger event]

30.14 Additional Termination Event(s): [Applicable] / [Not Applicable]

[If applicable, give details including all operative provisions]

30.15 Conditions to Settlement: Notice of Publicly Available Information: [Applicable] / [Not Applicable]

[If Applicable:

Public Source(s): []

Specified Number: [2] / [other]]

30.16 Obligation(s):

(a) Obligation Category: [Payment]

(select one only) [Borrowed Money]

[Reference Obligations only]

[Bond]

[Loan]

[Bond or Loan]

(b) Obligation Characteristics: [Not Subordinated]

(select all of which apply) [Specified Currency:

[Standard Specified Currencies / *[(specify currency)]*

[Not Sovereign Lender]

[Not Domestic Currency]

[Domestic Currency means: *(specify currency)*]

- [Not Domestic Law]
- [Listed]
- [Not Domestic Issuance]
- (c) Additional Obligation[s]: []
- (d) Excluded Obligation[s]: []
- 30.17 Accrual of Interest upon a Credit Event: [Applicable] / [Not Applicable] / [*specify any further details*]
- 30.18 Merger Event: [Applicable] / [Not Applicable]
- [*If applicable:*
- Merger Event Redemption Date: []
- 30.19 Unwind Costs: [Standard Unwind Costs] / [*specify other*] / [Not Applicable]
- 30.20 Provisions relating to Monoline Insurer as Reference Entity: Credit Linked Condition 14: [Applicable] / [Not Applicable]
- Credit Linked Condition 15: [Applicable] / [Not Applicable]
- (NB: *If applicable, only one of Credit Linked Condition 14 and Credit Linked Condition 15 should be specified but not both*)
- 30.21 Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Delivery [Cash Settlement / Physical Delivery]
- [*Specify if Issuer has the option to vary settlement and in this case complete both Cash and Physical Settlement provisions*]
- (*If cash settlement applies, complete the following section*) (*If not applicable, delete the remaining sub-paragraphs of this cash settlement paragraph*)
- (a) Credit Event Redemption Amount: [*Express per Calculation Amount*]
- (b) Credit Event Redemption Date: [] Business Days
- (c) Valuation Date: [Single Valuation Date:
- [] Business Days]
- [Multiple Valuations Dates:
- [] Business Days' and each

[] Business Day thereafter.

Number of Valuation Dates: []

- (d) Valuation Time: []
- (e) Quotation Method: [Bid] / [Offer] / [Mid-market]
- (f) Quotation Amount: [] / [Representative Amount]
- (g) Minimum Quotation Amount: []
- (h) Quotation Dealers: []
- (i) Quotations: [Include Accrued Interest] / [Exclude Accrued Interest]
- (j) Valuation Method: [Market / Highest]
[Average Market / Highest / Average Highest]
[Blended Market / Blended Highest]
[Average Blended Market / Average Blended Highest]
- (k) Other terms or special conditions: []

(If physical delivery applies, complete the following section)

(If not applicable, delete the remaining sub-paragraphs of this physical delivery paragraph)

- (a) Physical Settlement Period: [[] Business Days] / [Not Applicable]
- (b) Asset Amount: [Include Accrued Interest] / [Exclude Accrued Interest]
- (c) Specified Currency: []
- (d) Deliverable Obligations:
 - Deliverable Obligation [Payment]
 - Category
 - (select one only)* [Borrowed Money]
 - [Reference Obligations only]
 - [Bond]
 - [Loan]
 - [Bond or Loan]
 - Deliverable Obligation [Not Subordinated]
 - Characteristics:

(select all of which apply)

[Specified Currency:

(specify currency)] / [Standard Specified Currencies]

[Not Sovereign Lender]

[Not Domestic Currency]

[Domestic Currency means: (specify currency)]

[Not Domestic Law]

[Listed]

[Not Contingent]

[Not Domestic Issuance]

[Assignable Loan]

[Consent Required Loan]

[Direct Participation Loan]

[Qualifying Participation Seller: [] (insert details)]

[Transferable]

[Maximum Maturity: []]

[Accelerated or Matured]

[Not Bearer]

(e) Additional Deliverable Obligation[s]:

[] / [Not Applicable]

(f) Excluded Deliverable Obligation[s]:

[] / [Not Applicable]

(g) Indicative Quotations:

[Applicable] / [Not Applicable]

(h) Cut-Off Date:

[] / [Not Applicable] (N.B. This is a date by which Asset Transfer Notices are required for timely settlement)

(i) Delivery provisions for Asset Amount (including details of who is to make such delivery) if different from the General Conditions:

[] / [Not Applicable]

(j) Other terms or special conditions: []

30.22 Other terms or special conditions: []

31. Commodity Linked Redemption Notes [Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, insert: provisions here)

32. Inflation Linked Redemption Notes [Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, insert provisions here)

33. Property Linked Redemption Notes [Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, insert provisions here)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

34. Form of Notes:

34.1 Form: [Bearer Notes:

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event at the expense of the Issuer]].

[Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date.]

[Permanent Bearer Global Note exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event at the expense of the Issuer]].

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]." Furthermore, such Specified Denomination construction is not permitted in

relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.

“[€50,000 and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].” Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

[Registered Notes:

[Regulation S Global Note (U.S.\$[] of the nominal amount registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]])/Rule 144A Global Note (U.S.\$[] of the nominal amount registered in the name of a nominee for [DTC/ a common depository for Euroclear and Clearstream, Luxembourg]])]

[Swedish Notes:

[The Swedish Notes are in uncertificated and dematerialised book-entry form issued in accordance with the provisions of the Swedish Financial Instruments Accounts Act (SFS 1998:1479) (Sw. Lagen (1998:1479) om kontoföring av finansiella instrument). No global or definitive Swedish Notes will be issued. The provisions of the Regional Annex shall apply to the Swedish Notes]]

34.2 New Global Note: [Yes] / [No]

35. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable] / [give details]

36. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes] / [No]

[If yes, give details: e.g. Talons will be issued if required and mature as of the date on which the last Receipt and/or Coupons on any definitive Note falls due]

37. Details relating to Partly Paid Notes: [Not Applicable] / [give details]

amount of each payment comprising the Issue Price and date on which each payment is to be [N.B. *new form of temporary Global Note and/or permanent Global Note may be required for Partly Paid*

made and consequences of failure to pay, *issue*] including any right of the Issuer to forfeit the Notes and interest due on late payment:

37.1 Part Payment Date(s): []

37.2 Part Payment Amount(s): []

38. Details relating to Instalment Notes: [Not Applicable] / [give details]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

38.1 Instalment Amount(s): []

38.2 Instalment Date(s): []

39. Redenomination, renominatisation and Redenomination [not] applicable reconventioning provisions:

[If applicable,

The provisions annexed to this Final Terms apply.]

(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))

40. Calculation Agent: [Abbey National Treasury Services plc

2 Triton Square
Regent's Place
London NW1 3AN
United Kingdom]

[specify other]

CUSIP: []

41. Any Terms and Conditions additional to, or modified from, those set forth in the Prospectus: [] / [Not Applicable]

(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

DISTRIBUTION

42. 42.1 If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable] / [give names and addresses of each entity acting as underwriter and its respective underwriting commitments]]*

(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and

names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)

42.2 Date of Subscription Agreement: []

(The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies).

42.3 Stabilising Manager(s) (if any): [Not Applicable] / [give name]

43. If non-syndicated, name and address of relevant Dealer: [Not Applicable] / [give name and address]

[In connection with the issue of any Tranche of Notes, the Relevant Dealer (if any) named as the stabilising manager (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms or Prospectus (as the case may be) (the "**Stabilising Manager**") may over-allot Notes (provided that, in the case of any Tranche of Notes to be admitted to trading on the London Stock Exchange's Regulated Market and/or any other regulated market (within the meaning of FSMA) in the European Economic Area, the aggregate nominal amount of Notes allotted does not exceed 105.00 per cent. of the aggregate nominal amount of the Tranche of Notes) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Tranche of Notes and 60 days after the date of the allotment of the Tranche of Notes.

44. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA D / TEFRA C / TEFRA not applicable]:

45. Additional selling restrictions: [Not Applicable] / [give details]

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required for issue and admission to trading on [specify relevant regulated market (for example the London Stock Exchange's Regulated Market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] of Notes described herein pursuant to the €2,000,000,000 Structured Note Programme of Abbey National Treasury Services plc.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. Relevant third party information, for example, in compliance with Annex XII to the Prospectus Directive Regulation in relation to each Relevant Asset (as defined in the General Conditions) or its components] has been extracted from [specify source]. The Issuer and the Guarantor each confirm that such information has been accurately reproduced and that, so far as they are aware and is/are able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer and the Guarantor:

By:

Duly authorised

Part B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

1.1 Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market and to be listed the Official List of the UK Listing Authority with effect on or about [the Issue Date].

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market and to be listed on the Official List of the UK Listing Authority with effect on or about [the Issue Date].]

[Not Applicable.]

1.2 Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings: [The Notes to be issued have been rated:]/[The Notes are to be issued under the Programme which has been rated:]

[Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.: [AA]

An obligation rated 'AA' differs from the highest-rated obligations only in small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.]

[Moody's Investor's Service, Inc.: [Aa3]

Obligations rated 'Aa' are judged to be of high quality and are subject to very low credit risk. Moody appends numerical modifiers 1,2 and 3 to each generic rating classification from 'Aa' through 'Caa'. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of the generic rating category.]

[Fitch Ratings: [AA-]

Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is

not significantly vulnerable to foreseeable events. "+" or "-" denotes relative status within major rating categories.

[The information regarding ratings above has been extracted from the websites of Fitch Ratings, Moody's Investors Services and Standard & Poor's, as applicable. 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 Fitch Ratings, Moody's Investors Services and Standard & Poor's, no facts have been omitted which would render the reproduced inaccurate or misleading.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[For non-capital protected Notes insert: None. The Notes have not been individually rated.]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Dealer], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. (Amend as appropriate if there are other interests)]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

4.1 Reasons for the offer: [General corporate purposes]

(See "Use of Proceeds" wording in Prospectus - if reasons for offer differ from general corporate purposes and/or making profit and/or hedging certain risks, you will need to include those reasons here.)

4.2 Estimated net proceeds: []

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

4.3 Estimated total expenses: []

[Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".]

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies 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.)

5. YIELD – Fixed Rate Notes Only

Indication of Yield []

[Calculated as [include details of method of calculation in summary form] on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC RATES OF INTEREST - Floating Rate Notes Only

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters and/or Bloomberg].

7. PERFORMANCE OF REFERENCE ASSET [RATE(S)] OF EXCHANGE / FORMULA / CURRENCIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [RELEVANT ASSET] [THE [EXCHANGE RATE(S)/FORMULA/CURRENCIES]] – Variable Interest Rate Notes and Variable Redemption Notes

[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include 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.]

(N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

[Need to include details of where past and future performance and volatility of the Relevant Asset can be obtained]. [Need to include 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. Need to include any adjustment rules in relation to events concerning the underlying (if applicable)]

[Where the underlying is an index you need to include the name of [the/each] index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about [the/each] index can be obtained.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

8. PERFORMANCE OF THE RATES OF EXCHANGE AND, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT - Dual Currency Notes Only

If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include 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]

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained and a clear explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

9. OPERATIONAL INFORMATION

9.1 ISIN Code: []

9.2 Common Code: []

(insert here any other relevant codes such as CUSIP and CINS numbers)

9.3 Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable] / [give name(s) and number(s)]

9.4 Delivery: Delivery [against / free of] payment

9.5 Names and addresses of additional Paying Agent(s) (if any): []

9.6 Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] / [No]

[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositories ("ICSDs") as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

(include this text if "yes" selected in which case the Notes must be issued in NGN form.)

- 9.7 Governing law: English
- 9.8 Additional investment considerations: [Applicable. See Annex [] contained herein]
[Not Applicable]
- [If applicable, set out in an annex all additional risk factors or other investment considerations applicable to the particular Tranche of Notes to be issued.]*

10. TERMS AND CONDITIONS OF THE OFFER

[Applicable] / [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
[The Notes will be offered to the public in each of *[insert jurisdictions where the Base Prospectus has been approved and published and jurisdictions into which it has been passported ("Public Offer Jurisdictions")*] in accordance with the arrangements listed below.]

- 10.1 Offer Price: [Not Applicable] / *[give details]*
- 10.2 [Conditions to which the offer is subject:] [Not Applicable] / *[give details]*
- [Offers of the Notes are conditions on their issue and are subject to such conditions as are set out in the [Distribution Agreement]. As between Dealers and their customers (including Financial Intermediaries) or between Financial Intermediaries and their customers, offers of the Notes are further subject to such conditions as may be agreed between them and/or as is specified in any arrangements in place between them.]*
- 10.3 [Description of the application process: [Not Applicable] / *[give details]*
- 10.4 Time period, including any possible amendments, during which the offer will be open: [[] [a.m.] [p.m.] on [] to [] [a.m.] [p.m.] on []]
- 10.5 [Details of the minimum and/or maximum amount of application]: [Not Applicable] / *[give details]*
- 10.6 [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants]: [Not Applicable] / *[give details]*
- 10.7 [Details of the method and time limits for paying up and delivering the Notes:] [Not Applicable] / *[give details]*
- [NB: Under normal circumstances, on the Issue Date, allocated Notes will be made available to the Dealer(s) / Financial Intermediaries in such account as may be held by them directly or indirectly at Euroclear or Clearstream. Luxembourg.]*

- 10.8 [Manner in and date on which results of the offer are to be made public:] [Not Applicable] / [give details]
[If applicable (i) specify date on which the final size of the issue will be made public and (ii) insert specific details in respect of the method of publication (including, where relevant, details of any advertisements to be published).]
- 10.9 [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] [Not Applicable] / [give details]
- 10.10 [Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:] [Not Applicable] / [give details]
 [Offers or solicitations may be made by the Dealer(s) in *[insert relevant Public Offer Jurisdictions]* for the period set out in paragraph 10.4 above, to any person *[insert suitability criteria, if any are deemed appropriate pursuant to any applicable conduct of business rules]*. No offer or solicitation in respect of the Notes shall be made by the Dealer(s) except pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus (a) in any other EEA country or (b) after the period set out in paragraph 10.4 above has ended.]
- 10.11 Indication of the expected price at which the Notes will be offered or the method of determining the price and the process for its disclosure: [Not Applicable] [The Issuer has offered and will sell the Notes to the Dealer(s) (and no one else) at the Issue Price of [] [less a total commission of []]. The Dealer(s) and Financial Intermediaries will offer and sell the Notes to their customers in accordance with the arrangements in place between each such Dealer and its customers (including the Financial Intermediaries) or each such Financial Intermediary and its customers by reference to the Issue Price and the market conditions prevailing at the time.]
- 10.12 [Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:] [Not Applicable] / [give details]
 [Prospective Noteholders will be notified by the relevant Dealer(s) and Financial Intermediary in accordance with the arrangements in place between such Dealer(s) or Financial Intermediary and its customers. Any dealings in the Notes, which take place will be at the risk of the prospective Noteholders.]
- 10.13 Details of any tranche(s) reserved for specific country: [Not Applicable] / [give details]
- 10.14 [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] [Not Applicable] / [give details]

- 10.15 Additional information applicable to the terms and conditions of the offer, if any: [Not Applicable] / [give details]
- 10.16 [Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.] [None known to the Issuer] / [give details]

The Issuer is only offering to and selling to the Dealer(s) pursuant to and in accordance with the terms of the [Distribution Agreement] [Programme Agreement]³. All sales to persons other than the Dealer(s) will be made by the Dealer(s) or persons to whom they sell, and/or otherwise make arrangements with, including the Financial Intermediaries. The Issuer shall not be liable for any offers, sales or purchases of Notes to persons (other than in respect of offers and sales to, and purchases of, Notes by the Dealer(s) and only then pursuant to the [Distribution Agreement] [Programme Agreement], which are made by the Dealer(s) or Financial Intermediaries in accordance with the arrangements in place between any such Dealer or any such Financial Intermediary and its customers.

[Each [of] the Dealer(s) has acknowledged and agreed, and any Financial Intermediary will be required by the Dealer(s) to acknowledge and agree, that for the purpose of offer(s) of the Notes, the Issuer has passported the Base Prospectus in each of the Public Offer Jurisdictions and will not passport the Base Prospectus into any other European Economic Area Member State; accordingly, the Notes may only be publicly offered in Public Offer Jurisdictions or offered to Qualified Investors (as defined in the Prospectus Directive) in any other European Economic Area Member States and that all offers of Notes by it will be made only in accordance with the selling restrictions set forth in the Prospectus and the provisions of these Final Terms and in compliance with all applicable laws and regulations.]

³ Delete as applicable depending on whether syndicated trade or not.

FORM OF RETAIL FINAL TERMS

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than €50,000 (or its equivalent in another currency) pursuant to this Prospectus.

PLEASE CAREFULLY READ THE RISK FACTORS IN THE PROSPECTUS

[Date]

Abbey National Treasury Services plc

*Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
(the "Notes")*

Guaranteed by Abbey National plc

under the €2,000,000,000
Structured Note Programme
(the "**Programme**")

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (i) below, any offer of any Notes in any Member States of the European Economic Area (each, a "**Relevant Member State**") which has implemented the Prospectus Directive (2003/71/EC) (the "**Prospectus Directive**") 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 Notes. Accordingly, any person making or intending to make an offer of the Notes may only do so:

- (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 45 of Part A below, provided such person is one of the persons mentioned in Paragraph 45 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]⁴

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area (the "**Prospectus Directive**") (each, a "**Relevant Member State**") which has implemented the Prospectus Directive (2003/71/EC) 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 Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]⁵

⁴ Consider including this legend where a non-exempt offer of Notes is anticipated.

⁵ Consider including this legend where only an exempt offer of Notes is anticipated.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions of the Notes (the "**General Conditions**") set forth in the Prospectus dated 20 March 2008 [and the supplement[s] to it dated [date(s)]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and must be read in conjunction with the Prospectus dated [current date] and constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [original date] and are attached hereto. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus [and the supplement[s] to it] [is/are] available for viewing [during normal business hours at the specified office of Citibank, N.A., London Branch acting as Principal Paying Agent and copies may be obtained from, the registered office of the Issuer and the Guarantor]. In the event of any inconsistency between the Conditions and the Final Terms, these Final Terms prevail.

[The provisions of the [Equity / Equity Index / Credit / Fund/ Currency / other] Technical Annex [(other than clauses [specify any inapplicable clauses])] [and the Regional Annex]] apply to these Final Terms and such documents shall be read together.] In the event of any inconsistency between the [Equity / Equity Index / Credit / Fund / Currency / other] Technical Annex [or the Regional Annex] and these Final Terms, these Final Terms prevail.

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

[Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions, together with the applicable Technical Annexes (the "**Conditions**") set forth in the Prospectus dated [original date]. This document constitutes the Final Terms of the Notes 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 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 Prospectus dated [original date] and are attached hereto. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectuses dated [current date] and [original date]. Copies of such Prospectuses are available for viewing [during normal business hours at the registered office of the Issuer and the Guarantor].

[Include whichever of the following apply or specify as "Not applicable" or "N/A". Note that the numbering should remain as set out below, even if "Not applicable" or "N/A" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms.]

[When completing any Final Terms or 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 Prospectus under Article 16 of the Prospectus Directive.]

- | | | | |
|----|-----|-----------------|--------------------------------------|
| 1. | 1.1 | Issuer: | Abbey National Treasury Services plc |
| | 1.2 | Guarantor: | Abbey National plc |
| 2. | 2.1 | Series Number: | [] |
| | 2.2 | Tranche Number: | [] |

(If fungible with an existing Series, insert details of that Series, including the date on which the Notes become fungible)

3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
- 4.1 Series: []
- 4.2 Tranche: []
5. Issue Price of Tranche:⁶ [] per cent. of the Aggregate Nominal Amount [plus accrued interest from and including [insert date] to but excluding the Issue Date (which is equal to [] days' accrued interest (*if applicable*))]
6. 6.1 Specified Denominations: []
- [This form of Retail Final Terms is not recommended for use with Registered Notes or Credit Linked Notes and Fund Linked Notes where physical settlement is envisaged]*
- 6.2 Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination.*
- If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.*
- Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for paying agents and/or ICSDs who should be consulted if such an amount is proposed.)*
7. 7.1 Issue Date: [specify date]
- 7.2 Interest Commencement Date (if [specify date] [Not Applicable] different from the Issue Date):
- (NB: An Interest Commencement Date will not be relevant for certain type of Notes such as a Zero Coupon Note)*
8. Type of Notes:
- [Fixed Rate Notes]
[Floating Rate Notes]
[Zero Coupon Notes]
[Equity Linked Notes]
[Equity Index Linked Notes]
[Dual Currency Notes]
[Inflation Linked Notes]

⁶ Note that the "Issue Price" is the gross amount received by the Issuer in respect of the Notes being issued and should not be confused with "Offer Price" which may be a different amount depending upon the context in which the expression is used (for example, see Part B paragraph 10).

- [Commodity Linked Notes]
 [Currency Linked Notes]
 [Fund Linked Notes]
 [Property Linked Notes]
 [Credit Linked Notes]
 [Other (*specify*)]
9. Maturity Date: [Fixed Rate Note/any other Note other than a Floating Rate Note [specify date]
- [Floating Rate Note — The Interest Payment Date falling in or nearest to [specify month and year/specify other]]
- [For Credit Linked Notes, if applicable insert: [] (the "**Scheduled Maturity Date**"), subject to the provisions of the Credit Technical Annex and these Final Terms]
- [For Fund Linked Notes, if applicable, insert: [] (the "**Scheduled Maturity Date**"), subject to the provisions of the Funds Technical Annex and these Final Terms]
- [For Currency Linked Notes, if applicable, insert: [] (the "**Scheduled Maturity Date**"), subject to the provisions of the Currency Technical Annex and these Final Terms]
10. Interest Basis
- [[] per cent. Fixed Rate Note]
 [[LIBOR/EURIBOR]+/-[] per cent. Floating Rate Note]
 [Zero Coupon]
 [Equity Index Linked Interest]
 [Equity Linked Interest]
 [Dual Currency Interest]
 [Inflation Linked Interest]
 [Commodity Linked Interest]
 [Currency Linked Interest]
 [Fund Linked Interest]
 [Property Linked Interest]
 [Non-interest bearing]
 [*specify other*]
 (further particulars specified below)
11. Redemption / Payment Basis:
- [Redemption at par]
 [Equity Index Linked Redemption]
 [Equity Linked Redemption]
 [Dual Currency Redemption]
 [Inflation Linked Redemption]
 [Commodity Linked Redemption]
 [Currency Linked Redemption]
 [Fund Linked Redemption]
 [Property Linked Redemption]
 [Credit Linked Redemption]
 [Partly Paid]

[Instalment]
[specify other]
(further particulars specified below)

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

12. Change of Interest Basis or Redemption/
Payment Basis:

[Applicable] / [Not Applicable]

[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]

13. Put/Call Options:

[Not Applicable] / [Investor Put] / [Issuer Call]
[(further particulars specified below)]

14. 14.1 Status of Notes:

Senior

14.2 Status of Guarantee:

Senior

15. Method of Distribution:

[Syndicated] / [Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions**

[Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

16.1 Rate(s) of Interest:

[] per cent. per annum [payable [annually / semi annually / quarterly/ other/ specify] in arrear]

(if payable other than annually consider amending General Condition 5)

16.2 Interest Payment Date[s]:

[[] in each year up to and including the Maturity Date] / [specify other]

(NB: This will need to be amended in the case of long or short coupons)

16.3 Fixed Coupon Amount(s):
(Applicable to Notes in definitive form)

[[] per Calculation Amount] / [Not Applicable]

16.4 Broken Amount(s):
(Applicable to Notes in definitive form)

[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [] / [Not Applicable]

[Insert particulars of any initial or final broken interest amounts per Calculation Amount which do not correspond with the Fixed Coupon Amount(s)]

- 16.5 Day Count Fraction: [Actual/Actual (ISMA)]/[Act/Act (ICMA)]
[Actual/Actual]
(ISDA)]/[Actual/Actual]/[Act/Act]/[Act/Act (ISDA)]
[Actual/365 (Fixed)]/[Act/365 (Fixed)]/[A/365
(Fixed)]/[A/365]
[Actual/360]/[Act/360]/[A/360]
[30/360]/[360/360]/[Bond Basis]
[30E/360]/[Eurobond Basis]
[30E/360 (ISDA)]

[specify other] [adjusted / unadjusted]

(N.B. If interest is not payable on a regular basis (for example, if there are Broken Amounts specified), Actual/Actual (ICMA) may not be a suitable Day Count Fraction)

- 16.6 Determination Date(s): [] in each year

(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)

N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration

N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))]

- 16.7 Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]

17. **Floating Rate Note Provisions** [Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- 17.1 Interest Period(s)/Interest Payment Dates: []

- 17.2 Business Day Convention: [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / [specify other]]

- 17.3 Additional Business Centre(s): []

- 17.4 Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination / ISDA Determination / specify other]
- 17.5 Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [See paragraph 39 above] / [*specify other*]
[Address]
- 17.6 Screen Rate Determination: [Applicable] / [Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Reference Rate []
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
- (b) Interest Determination Date: []
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- (c) Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend fallback provisions appropriately)
- 17.7 ISDA Determination: [Applicable] / [Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Floating Rate Option: []
- (b) Designated Maturity: []
- (c) Reset Date: []
- 17.8 Margin(s): [+/-] [] per cent. per annum
- 17.9 Minimum Rate of Interest: [] per cent. per annum
- 17.10 Maximum Rate of Interest: [] per cent. per annum

- 17.11 Day Count Fraction: [Actual/Actual (ISDA)]/[Actual/Actual]
 [Actual/365 (Fixed)]
 [Actual/365 (Sterling)]
 [Actual/360]
 [30/360]/[360/360]/[Bond Basis]
 [30E/360]/[Eurobond Basis]
 [30E/360 (ISDA)]
 [specify other] [adjusted / unadjusted]
- 17.12 Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the General Conditions: []
18. **Zero Coupon Note Provisions** [Applicable] / [Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- 18.1 Accrual Yield: [] per cent. per annum
- 18.2 Reference Price: []
- 18.3 Any other formula / basis of determining amount payable: []
19. **Dual Currency Note Provisions** [Applicable] / [Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- 19.1 Rate(s) of Exchange / method of calculating Rate(s) of Exchange: []
- 19.2 Party, if any, responsible for calculating the principal and/or interest payable (if not the Principal Paying Agent): [See paragraph 40 above] / [specify other]
 [Address]
- 19.3 Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest payable where calculation by reference to Rate of Exchange impossible or impracticable: []
[Need to include a description of market disruption or settlement disruption events and adjustment provisions]

- 19.4 Day Count Fraction: [Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30/360 / 30E/360 (ISDA) / Other]
- 19.5 If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- 19.6 Notice period (if other than as set out in the General Conditions): []
- 19.7 Person at whose option Specified Currency(ies) is/are payable: []
20. **Other Variable Rate Interest Note Provisions** [Applicable] / [Not Applicable]
- [Equity Index Linked Interest]
 [Equity Linked Interest]
 [Inflation Linked Interest]
 [Commodity Linked Interest]
 [Currency Linked Interest]
 [Fund Linked Interest]
 [Property Linked Interest]
 [Other (*specify*)]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- 20.1 Formula for calculating interest rate including provisions for determining coupon where calculation by reference to the underlying is impossible or impracticable and other back up provision: [*Specify or give annex details*]
- 20.2 Calculation Agent responsible for calculating the principal and/or interest due: [See paragraph 40 above] / [*specify other*]
- [Address]
- [*Give name (and if the Notes and derivative securities to which Annex XII of the Prospectus Directive regulation applies, address)*]
- 20.3 Specified Period(s) / Specified Interest Payment Dates: []

- 20.4 Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- 20.5 Additional Business Centre(s): []
- 20.6 Minimum Rate of Interest: [] per cent. per annum
- 20.7 Maximum Rate of Interest: [] per cent. per annum
- 20.8 Day Count Fraction: [Actual/Actual (ISDA)]/[Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360]/[360/360]/[Bond Basis]
[30E/360]/[Eurobond Basis]
[30E/360 (ISDA)]
[specify other] [adjusted / unadjusted]
- 20.9 Other terms or special conditions: []
- [For additional Currency Linked Interest provisions, insert: See [Paragraph 26] / [Currency Technical Annex (Currency Linked Conditions) contained herein]*
- [For additional Equity Linked Interest provisions, insert: See [Paragraph 27 above] / [Equity Technical Annex (Equity Linked Conditions) contained herein]*
- [For additional Equity Index Linked Interest provisions, insert: See [Paragraph 27] / [Equity Index Technical Annex (Equity Index Linked Conditions) contained herein]*
- [For additional Fund Linked Interest provisions, insert: See [Paragraph 29 above] / [Funds Technical Annex (Funds Linked Conditions) contained herein]*
- [For additional Commodity Linked Interest provisions, insert: See Paragraph 31 above]*
- [For additional Property Linked Interest provisions, insert: See Paragraph 32 above]*
- [For any other Interest provisions, insert: See Paragraph 23 above]*

PROVISIONS RELATING TO REDEMPTION

21. Issuer Call [Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- 21.1 Optional Redemption Date(s): []
- 21.2 Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount] / *[specify other]*
- 21.3 If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- 21.4 Notice period (if other than as set out in the General Conditions): []

(N.B. If setting notice periods which are different from those provided in the General Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)

22. Investor Put: [Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- 22.1 Optional Redemption Date(s): []
- 22.2 Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount] / *[specify other]*
- 22.3 Notice period (if other than as set out in the General Conditions) []

(N.B. If setting notice periods which are different from those provided in the General Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)

23. Final Redemption Amount: [[] per Calculation Amount] / *[specify other]*

(N.B. If the Final Redemption Amount is other than 100

per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

24. Early Redemption Amount payable on redemption for illegality (General Condition 7.4 (*Redemption for illegality*), Regulatory Redemption Event (General Condition 7.5 (*Regulatory Redemption Event*)) on an Event of Default (General Condition 10 (*Events of Default*)) or in any other circumstances specified in the General Conditions: [Market Value / specify other / see Appendix] [*Specify other*]
25. Early Redemption Event(s), other than as specified in the General Conditions: [Applicable] / [Not Applicable]
- 25.1 Target Redemption Event: [Applicable] / [Not Applicable]
- [*If applicable, give details, including early redemption amount*]
- 25.2 Knock-in Event: [Applicable] / [Not Applicable]
- [*If applicable, give details, including early redemption amount*] [*If not applicable, delete the remaining subparagraphs*]
- (a) Knock-in Level: []
- (b) Early Redemption Date(s): []
- 25.3 Knock-out Event: [Applicable] / [Not Applicable]
- [*If applicable, give details, including early redemption amount*] [*If not applicable, delete the remaining subparagraphs*]
- (a) Knock-out Level: []
- (b) Early Redemption Date(s): []
- 25.4 Other terms or special conditions: [] / [Not Applicable]
- [*If applicable, give details*]
26. Currency Linked Redemption Notes: [Applicable/Not Applicable]
- (NB: complete also in relation to Currency Linked Interest Notes, if applicable) (*if not applicable delete the remainder of this paragraph*)

- 26.1 Currency Linked Condition 1: [Applicable / Not Applicable]
- (Specify as "Applicable" if interest amounts and/or Final Redemption Amount are determined by reference to a currency rate(s) to which it is intended Currency Linked Condition 1 applies and in this case specify provisions for determination of each such interest amount or Final Redemption Amount and complete each applicable sub-paragraph below. Specify as "Not Applicable" if Currency Technical Annex is being used only for the purposes of adjustment and disruption provisions in Currency Linked Conditions 2, 3 and 4 and in this case complete each applicable sub-paragraph below except for item 26.2)*
- 26.2 Provisions for determining the Final Redemption Amount [[] (Express per Calculation Amount)/[Specify formula]
- [Omission / Postponement / Modified Postponement will apply]
- 26.3 Maturity Date Extension: [Applicable/Not Applicable]
- (If applicable insert all provisions for calculation of each Currency Pair, including each First Currency and Second Currency)*
- 26.4 Specified Rate(s) and Reference Currencies: [Applicable/Not Applicable]
- [Insert each Specified Rate in relation to each Valuation Date or Averaging Date or other relevant date and Valuation Time, including whether bid, offer or market average rate, if applicable - e.g. as set out below - and repeat as necessary in relation to each Specified Rate. If using any different formulation ensure consistency with Valuation Date and Averaging Date where Currency Reference Dealers may provide the quotations. "The Specified Rate in relation to the [specify Valuation Day, Averaging Date or other relevant date] means the rate at which the Reference Currency [NB set out definition] could be exchanged for the Specified Currency, expressed as the number of units of the Reference Currency (or part thereof) for which one unit of the Specified Currency could be exchanged as quoted by the relevant FX Price Source at or about the Valuation Time on such [specify relevant Valuation Day, Averaging Date or other relevant date], subject to Currency Linked Condition 2".*
- 26.5 NDF Currency(ies): [Applicable/Not Applicable]
- [Specify each relevant NDF Currency] *[If applicable, specify each relevant NDF currency. For example, ARS,*

BRL, CLP, COP, etc. If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, insert: See Annex (Special Conditions) contained herein]

- (a) **Unscheduled Holiday:** [*Specify meaning in accordance with applicable emerging market trading association templates*]
- (b) **Specified NDF Maximum Days of Disruption:** [] calendar days
- (c) **First Fallback FX Price Source:** [See item 26.8 below/Not Applicable]
- (d) **Second Fallback FX Price Source:** [Not Applicable]/[*Give details*]
- (e) **Additional FX Market Disruption Event:** [Not Applicable]/[*Give details*]

26.6 **Key Dates:** *In relation to each of items 26.6(c), (d) and (f) (if applicable), add wording substantially as follows:*

[Each such date shall be deemed to be a [Valuation/Averaging] Date for the purposes of determining [any Maturity Date extension pursuant to Currency Linked Condition 1] [and/or] [the consequences of any such day not being an FX Business Day or an FX Market Disruption Event occurring in relation to a Specified Rate on any such day in accordance with Currency Linked Condition 4].

- (a) **Trade Date:** []
- (b) **Valuation Date:** []
- (c) **Initial Valuation Date:** []
- (d) **Scheduled Observation Date(s):** []
- (e) **Observation Period:** []
- (f) **Final Valuation Date:** [] [Not Applicable]

26.7 **Averaging:** Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [].]

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]

26.8 **FX Price Source(s):** [*Specify in relation to each Specified Rate including Bloomberg Screen, Reuters Screen and/or Screen Page if*

applicable. Include each of (i) primary FX Price Source and (ii) the Fallback FX Price Source or First Fallback FX Price Source if relevant, making clear when fallback to (ii) occurs]

- 26.9 Valuation Time: [Specify in relation to each Specified Rate]
- 26.10 Principal Financial Centres: *(For the purposes of determining the FX Business Day)* [Specify for the purposes only of FX Business Day]
- 26.11 Additional Disruption Events: [Specify any other Additional Disruption Events not set out in the Currency Technical Annex]
- 26.12 Local Currency: [Specify each Local Currency, for purposes of General Inconvertibility, Specific Inconvertibility, General Non-Transferability or Specific Non-Transferability or Special Taxation Event.]
27. Equity Linked Redemption Notes [Applicable] / [Not Applicable]
- (NB: complete also in relation to Equity Linked Interest Notes, if relevant)* *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- 27.1 Provisions for determining the Final Redemption Amount: []
- 27.2 Whether the Notes relate to a single share or a basket of shares (each a "Share"): [Single Share] / [Basket of Shares]
- 27.3 (Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Delivery or (c) Cash Settlement and/or Physical Settlement: [Cash Settlement] [and/or] [Physical Settlement]
- [In the event of both Cash Settlement or Physical Delivery describe triggers and at whose option]
- [Specify if Issuer has the option to vary Settlement and in this case complete both Cash and Physical Settlement Provisions]
- 27.4 Share(s) and Share Company(ies): [Name of Share]
- (a) Bloomberg Code: []
- (b) ISIN Code: []
- (Give or annex details of the Share(s) and Share Company(ies))*
- 27.5 Settlement Price: The Settlement Price will be calculated [insert calculation method, including any weightings and exchange rates] / [As set out in the General Conditions]

27.6 Key Dates:

(a) Trade Date: []

(b) Valuation Date: []

(In relation to (c)-(f) below, add wording substantially as follows)

[Such date shall be deemed to be a [Valuation/Averaging] Date for the purposes of determining the consequences of any such day not being a Scheduled Trading Day or a Disrupted Day occurring on any such day in accordance with the Equity Linked Conditions.]

(c) Initial Valuation Date: []/Not Applicable

(d) Scheduled Observation Date(s): []/Not Applicable

(e) Observation Period: []/Not Applicable

(f) Final Valuation Date: []/Not Applicable

(g) Cut-off Date: []/Not Applicable

[Specify calendar date (e.g. that is at least 10 Business Days prior to Scheduled Maturity Date)]

(h) Settlement Business Day: []

27.7 Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [].]

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement /Modified Postponement] will apply.]

27.8 Exchange(s): The relevant Exchange[s] [is/are] []

27.9 Related Exchange: [*specify*] / [All Exchanges]

27.10 Relevant Time: [Scheduled Closing Time]/[The relevant time is [], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.]

(N.B. if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time).

27.11 Additional Disruption Events: (a) [The following Additional Disruption Events apply to the Notes:]

Specify any additional events not set out in the Equity Technical Annex and give details:

(b) [[The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share] is []]

(NB: only applicable if Loss of Stock Borrow is required)

(c) [[The Initial Stock Loan Rate in respect of [specify in relation to each relevant Share] is [].]

(NB: only applicable if Increased Cost of Stock Borrow is required)

- 27.12 Additional Extraordinary Events: [Applicable] / [Not Applicable]
[If applicable, give details (e.g. De-Merger, Participation Event)]
- 27.13 Asset Amount and delivery provisions for Asset Amount (including details of who is to make such delivery): []/Not Applicable
(only relevant for Physical Delivery Notes)
[NB: Specify the number of shares per Calculation Amount to be delivered and any balancing cash portion that will be required to be paid]
- 27.14 Depository Receipts provisions: [Applicable] / [Not Applicable]
- (a) Details of Depository Receipt: *[specify name and ISIN code]*
- (b) Underlying Shares: *[specify the shares underlying the depository receipts]*
- (c) Underlying Share Issuer: *[specify the name of underlying issuer]*
- (d) Share Exchange: *[specify - exchange for underlying share]*
- 27.15 Adjustments for Dividend Amounts and Extraordinary Dividends (specify all that are applicable and insert all operative provisions required). [Applicable] / [Not Applicable]
(if not applicable, delete the remaining sub-paragraphs below)
- (a) Dividend Amount: [Record Amount]/[Ex Amount]/[Paid Amount]/[Other - give details]
- (b) Dividend Payment Date: []
- (c) Dividend Period: [First Period]/[Second Period]
- (d) Extraordinary Dividend: []/[Not Applicable]
- (e) Excess Dividend Amount: [Extraordinary Dividend Ex Amount]/[Extraordinary

- Dividend Paid Amount]/[Extraordinary Dividend Record Amount]/[Other – give details]
- 27.16 Calculation Agent responsible for calculating the redemption amount due: [See paragraph 40 above] / [Principal Paying Agent] [specify other]
[Address]
- 27.17 Other terms or special conditions: []
28. Equity Index Linked Redemption Notes [Applicable] / [Not Applicable]
- (NB: complete also in relation to Equity Index Linked Interest Notes, if relevant)*
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- 28.1 Provisions for determining the Final Redemption Amount: []
- 28.2 Whether the Notes relate to single index or a basket of indices and the identity of the relevant Index/Indices: [Single index] / [Basket of indices]
[Composite] / [Non-Composite]
(Give or annex details of index / indices)
- 28.3 Index Level:: The Index Level will be calculated [insert calculation method including weightings if applicable] / [As set out in the General Conditions]
- 28.4 Key Dates: *(In relation to (c)-(f) below, add wording substantially as follows)*

[Each such date shall be deemed to be a [Valuation/Averaging] Date for the purposes of determining the consequences of any such day not being a Scheduled Trading Day or a Disrupted Day occurring in accordance with the Equity Index Linked Conditions.]
- (a) Valuation Date: []
- (b) Trade Date: []
- (c) Initial Valuation Date: []/Not Applicable]
- (d) Scheduled Observation Date(s): []/Not Applicable]

- (e) Observation Period: []/Not Applicable]
- (f) Final Valuation Date: []/Not Applicable]
- 28.5 Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [].]
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- 28.6 Index Sponsor: [The relevant Index Sponsor[s] [is/are] []]
- 28.7 Exchange(s) [The relevant Exchange[s] [is/are] []]
- 28.8 Related Exchange: [*specify*] / [All Exchanges]
- 28.9 Relevant Time: [Scheduled Closing Time]/[The relevant time is [], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.]
- (N.B. *if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time*).
- 28.10 Additional Disruption Events:
- (a) [As per the Equity Index Linked Conditions]/[The following Additional Disruption Events apply to the Notes:] (give details)
- (b) [[The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share] is []]
- (NB: *only applicable if Loss of Stock Borrow is applicable*)
- (c) [[The Initial Stock Loan rate in respect of [specify in relation to each relevant Share] is [].]
- (NB: *only applicable if Increased Cost of Stock Borrow is applicable*)
- 28.11 Additional Index Adjustment Events: [If applicable, specify, otherwise delete this paragraph]
- 28.12 Calculation Agent responsible for calculating the relevant amount due: [See paragraph 40 above] / [Principal Paying Agent] / [*specify other*]
- [Address]
- 28.13 Other terms or special conditions: []

29. Fund Linked Redemption Notes [Applicable] / [Not Applicable]
- (NB: complete also in relation to Fund Linked Interest Notes, if relevant)* *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- 29.1 Provisions for determining the Final Redemption Amount: [Note: normally by reference to Settlement Price or Settlement Prices where Averaging Dates apply.] *(Express per Calculation Amount)*
- 29.2 Maturity Date Extension: [Applicable/Not Applicable]
- 29.3 Reference Fund(s): [If more than one Reference Fund, insert the following:
 ("Reference Fund 1")
 ("Reference Fund 2")
- [NB: complete and number accordingly in relation to additional Reference Funds. Also repeat relevant information in 29.4 – 29.9 below inclusive and any other relevant item in respect of each Reference Fund. Specifying "In relation to Reference Fund [1]" or similar in relation to the relevant information.*
- If more than three Reference Funds, annex the details.]*
- 29.4 (a) Fund Interest: [Give details]
- (b) Fund Interest Unit(s): [Class shares] in [the Reference Fund] [Reference Fund 1]
[Class shares] in [Reference Fund 2]
- [If more than three Fund Interest Units, annex the details.]*
- 29.5 Reference Fund(s) Management and Administration
- (a) Fund Adviser:
- (b) Fund Administrator(s):
- (c) Fund Custodian:
- (d) Other Fund Service Provider(s): / [Not Applicable]
- (e) Key Person(s): / [Not applicable]
- 29.6 Fund Documents:
- [NB: Specify details of the prospectus-See Fund Linked*

Condition 5 of the Funds Technical Annex]]

29.7 Key Dates:

(a) Provisions for Valuation: *In relation to each of items 29.7(a)(i), (ii), (iii) and (v) (if applicable), add wording substantially as follows:*

[Each such date shall be deemed to be a [Valuation/Averaging] Date for the purposes of determining [any Maturity Date Extension pursuant to Fund Linked Condition 2.] [and/or] [the consequences of any such day not being a Fund Business Day]

- (i) Valuation Date: []
- (ii) Initial Valuation Date: [] / [Not Applicable]
- (iii) Scheduled Observation Dates: [] / [Not Applicable]
- (iv) Observation Period: [] / [Not Applicable]
- (v) Final Valuation Date: [] / [Not Applicable]

(b) Other Dates:

- (i) Trade Date: [Issue Date]
- (ii) Reference Fund Subscription Date: []
- (iii) Subscription Notice Date: [] / [Not Applicable]
- (iv) Fund Valuation Date: [] [specify in relation to Valuation Date or Averaging Date]
- (v) Fund Reporting Date(s): [] / [Generally expected to fall on the last Fund Business Day of the calendar month]
- (vi) Redemption Notice Date: [] [specify in relation to Valuation Date or Averaging Dates]
- (vii) Scheduled Redemption Payment Date: [Specify/Not Applicable]
- (viii) Cut-off Period/Final Cut-Off Date: [] [Specify Cut-Off Period and Final Cut-off Date, if any]

29.8 Averaging:

Averaging (applies/does not apply) to the Notes. [The Averaging Dates are [].]

		[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
29.9	Valuation Method:	[Deemed Payout Method-]/[Reported Value Method]
29.10	Valuation Time:	[Not Applicable/give details]
29.11	Provisions for Settlement:	
	(a) Settlement Price:	[As per the Fund Linked Conditions]/[Specify if other than as set out in Fund Linked Conditions. Expressed as price per Fund Interest Unit.]
	(b) Settlement Cycle	[As per the Fund Linked Conditions]/[-Other-give details]
29.12	Fund Business Day:	[As per the Fund Linked Conditions]/[-Other-give details]
29.13	Currency Business Day:	[As per the Fund Linked Conditions]/[Other-give details]
29.14	Calculation Agent:	[See paragraph 40 above] / [<i>specify other</i>]
29.15	Additional Extraordinary Fund Events:	[Applicable / Not Applicable]
	(a) NAV Trigger Event:	[Applicable / Not Applicable] (<i>If applicable specify NAV Trigger Percentage and NAV Trigger Period</i>)
	(b) Notice Period Extension:	[Applicable / Not Applicable]
	(c) Related Agreement Termination:	[Applicable / Not Applicable]
	(d) Other Additional Extraordinary Fund Event(s):	[Specify] / [Not Applicable]
29.16	Extraordinary Dividend:	[Applicable / Not Applicable]
29.17	Hypothetical Investor Jurisdiction:	[As set out in the Fund Linked Conditions/other (give details)]
29.18	Hypothetical Investor:	[As set out in the Fund Linked Conditions/other (give details)]
29.19	Redemption Fees:	[Specify if applicable where Reported Value Method applies]
29.20	Additional Fund Representations:	[Applicable] / [Not Applicable] [<i>If applicable, specify all operative details</i>]
29.21	Other terms or special conditions:	[]
30.	Credit Linked Redemption Notes:	[Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- 30.1 Final Redemption Amount: [] (*Express per Calculation Amount*)
- 30.2 Trade Date: []
- 30.3 Effective Date: []
- 30.4 Specified Business Centre(s): []
- 30.5 Calculation Agent responsible for making determinations under the relevant Technical Annex: [See paragraph 40 below] / [Principal Paying Agent] *[specify other]*

[Address]

- 30.6 Calculation Agent City: [London] / [*specify other*]

Credit Provisions

- 30.7 Whether the Notes relate to a single name or a portfolio of names:
- (a) Single name: [Applicable/Not Applicable]
 - (b) First to Default: [Applicable] / [Not Applicable]
 - (c) Portfolio Credit Linked Notes: [Applicable] / [Not Applicable]
 - (d) Portfolio Maturity Settled Credit Linked Notes: [Applicable] / [Not Applicable]

Credit Linked Notes: [If applicable, specify Reference Amount in respect of each Reference Entity]

- 30.8 Reference Entity(ies): [If more than one Reference Entity, insert the following:

[] ("**Reference Entity 1**")

[] ("**Reference Entity 2**")

[NB: complete and number accordingly in relation to additional Reference Entities. Also repeat relevant information in 30.8 – 30.15 below inclusive in respect of each Reference Entity. Specifying "In relation to Reference Entity [1]" or similar in relation to the relevant information.

If more than three Reference Entities or if required, annex the details or insert a table.]

- 30.9 Reference Obligation[s]: []

<i>The obligation(s) identified as follows:</i>	<i>[If more than three Reference Obligations, annex the details]</i>
[(a)] Primary Obligor:	[]
Guarantor:	[]
Maturity:	[]
Coupon:	[]
CUSIP / ISIN:	[]
[(b)] <i>(repeat above headings if more than one reference obligation)</i>	
30.10 Substitute Reference Obligation[s]:	[As per the definition contained in the Credit Technical Annex] / <i>[give details]</i>
30.11 All Guarantees:	[Applicable] / [Not Applicable] [Provisions relating to Qualifying Guarantee and Underlying Obligation (Credit Linked Condition 14): [Applicable] / [Not Applicable]]
30.12 Credit Events:	[Bankruptcy] [Failure to Pay] Grace Period Extension: [Applicable] / [Not Applicable] <i>[If Applicable:</i> Grace Period: [30 calendar days] / <i>[other]</i>] Payment Requirement: [] (or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay) [Obligation Default] [Obligation Acceleration] [Repudiation / Moratorium] [Restructuring] Provisions relating to Restructuring Credit Event (Credit Linked Condition 11): [Applicable] / [Not Applicable] Provisions relating to Multiple Holder Obligation

(Credit Linked Condition 12): [Applicable] / [Not Applicable]

[Restructuring Maturity Limitation and Fully Transferable Obligation: [Applicable] / [Not Applicable]

[Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: [Applicable] / [Not Applicable]

Default Requirement: [] (or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event)

[Notice Delivery Period: []

30.13 Additional Credit Event(s): [] [Specify – e.g. any trigger event]

30.14 Additional Termination Event(s): [Applicable] / [Not Applicable]

[If applicable, give details including all operative provisions]

30.15 Conditions to Settlement: Notice of Publicly Available Information: [Applicable] / [Not Applicable]

[If Applicable:

Public Source(s): []

Specified Number: [2] / [other]]

30.16 Obligation(s):

(a) Obligation Category: [Payment]

(select one only) [Borrowed Money]

[Reference Obligations only]

[Bond]

[Loan]

[Bond or Loan]

(b) Obligation Characteristics: [Not Subordinated]

(select all of which apply) [Specified Currency:

[Standard Specified Currencies / [(specify currency)]]

[Not Sovereign Lender]

[Not Domestic Currency]

[Domestic Currency means: *(specify currency)*]

[Not Domestic Law]

[Listed]

[Not Domestic Issuance]

(c) Additional Obligation[s]: []

(d) Excluded Obligation[s]: []

30.17 Accrual of Interest upon a Credit Event: [Applicable] / [Not Applicable] / *[specify any further details]*

30.18 Merger Event: [Applicable] / [Not Applicable]

[If applicable:

Merger Event Redemption Date: []

30.19 Unwind Costs: [Standard Unwind Costs] / *[specify other]* / [Not Applicable]

30.20 Provisions relating to Monoline Insurer as Reference Entity: Credit Linked Condition 14: [Applicable] / [Not Applicable]

Credit Linked Condition 15: [Applicable] / [Not Applicable]

(NB: If applicable, only one of Credit Linked Condition 14 and Credit Linked Condition 15 should be specified but not both)

30.21 Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Delivery [Cash Settlement / Physical Delivery]
[Specify if Issuer has the option to vary settlement and in this case complete both Cash and Physical Settlement provisions]

(If cash settlement applies, complete the following section)

(If not applicable, delete the remaining sub-paragraphs of this cash settlement paragraph)

(a) Credit Event Redemption Amount: *[Express per Calculation Amount]*

(b) Credit Event Redemption Date: [] Business Days

(c) Valuation Date: [Single Valuation Date:

Business Days]

[Multiple Valuations Dates:

Business Days' and each

Business Day thereafter.

Number of Valuation Dates: []]

- (d) Valuation Time: []
- (e) Quotation Method: [Bid] / [Offer] / [Mid-market]
- (f) Quotation Amount: [] / [Representative Amount]
- (g) Minimum Quotation Amount: []
- (h) Quotation Dealers: []
- (i) Quotations: [Include Accrued Interest] / [Exclude Accrued Interest]
- (j) Valuation Method: [Market / Highest]
[Average Market / Highest / Average Highest]
[Blended Market / Blended Highest]
[Average Blended Market / Average Blended Highest]
- (k) Other terms or special conditions: []

(If physical delivery applies, complete the following section)

(If not applicable, delete the remaining sub-paragraphs of this physical delivery paragraph)

- (l) Physical Settlement Period: [[] Business Days] / [Not Applicable]
- (m) Asset Amount: [Include Accrued Interest] / [Exclude Accrued Interest]
- (n) Specified Currency: []
- (o) Deliverable Obligations:
- | Deliverable Category | Obligation |
|--------------------------|------------------------------|
| | [Payment] |
| <i>(select one only)</i> | [Borrowed Money] |
| | [Reference Obligations only] |
| | [Bond] |

		[Loan]
		[Bond or Loan]
Deliverable	Obligation	[Not Subordinated]
Characteristics:		
(select all of which apply)		[Specified Currency: (specify currency)] / [Standard Specified Currencies]
		[Not Sovereign Lender]
		[Not Domestic Currency]
		[Domestic Currency means: (specify currency)]
		[Not Domestic Law]
		[Listed]
		[Not Contingent]
		[Not Domestic Issuance]
		[Assignable Loan]
		[Consent Required Loan]
		[Direct Participation Loan]
		[Qualifying Participation Seller: [] (insert details)]
		[Transferable]
		[Maximum Maturity: []]
		[Accelerated or Matured]
		[Not Bearer]
(p)	Additional Deliverable Obligation[s]:	[] / [Not Applicable]
(q)	Excluded Deliverable Obligation[s]:	[] / [Not Applicable]
(r)	Indicative Quotations:	[Applicable] / [Not Applicable]
(s)	Cut-Off Date:	[] / [Not Applicable] (N.B. This is a date by which Asset Transfer Notices are required for timely settlement)

(t) Delivery provisions for Asset Amount (including details of who is to make such delivery) if different from the General Conditions: [] / [Not Applicable]

(u) Other terms or special conditions: []

30.22 Other terms or special conditions: []

31. Commodity Linked Redemption Notes [Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, insert: provisions here)

32. Inflation Linked Redemption Notes [Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, insert provisions here)

33. Property Linked Redemption Notes [Applicable] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, insert provisions here)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

34. Form of Notes:

34.1 Form: [Bearer Notes:

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event at the expense of the Issuer]].

[Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date.]

[Permanent Bearer Global Note exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event at the expense of the Issuer]].

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified

Denomination of the Notes in paragraph 6 includes language substantially to the following effect: “[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000].” Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.:

“[€50,000 and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].” Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

[Registered Notes:

[Regulation S Global Note (U.S.\$[] of the nominal amount registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg])/Rule 144A Global Note (U.S.\$[] of the nominal amount registered in the name of a nominee for [DTC/ a common depositary for Euroclear and Clearstream, Luxembourg])]

[Swedish Notes:

[The Swedish Notes are in uncertificated and dematerialised book-entry form issued in accordance with the provisions of the Swedish Financial Instruments Accounts Act (SFS 1998:1479) (Sw. Lagen (1998:1479) om kontoföring av finansiella instrument). No global or definitive Swedish Notes will be issued. The provisions of the Regional Annex shall apply to the Swedish Notes]]

34.2 New Global Note: [Yes] / [No]

35. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable] / [give details]

36. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes] / [No]

[If yes, give details: e.g. Talons will be issued if required and mature as of the date on which the last Receipt and/or

Coupons on any definitive Note falls due]

37. Details relating to Partly Paid Notes: [Not Applicable] / [give details]
- amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [N.B. *new form of temporary Global Note and/or permanent Global Note may be required for Partly Paid issue*]
- 37.1 Part Payment Date(s): []
- 37.2 Part Payment Amount(s): []
38. Details relating to Instalment Notes: [Not Applicable] / [give details]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- 38.1 Instalment Amount(s): []
- 38.2 Instalment Date(s): []
39. Redenomination, renominalisation and reconventioning provisions: Redenomination [not] applicable
- [If applicable,
- The provisions annexed to this Final Terms apply.]
- (If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))*
40. Calculation Agent: [Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London NW1 3AN
United Kingdom]
[specify other]
- CUSIP: []
41. Any Terms and Conditions additional to, or modified from, those set forth in the Prospectus: [] / [Not Applicable]
- (When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*

DISTRIBUTION

42. 42.1 If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable] / [give names and addresses of each entity acting as underwriter and its respective underwriting commitments]]*
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- 42.2 Date of Subscription Agreement: []
- (The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies).*
- 42.3 Stabilising Manager(s) (if any): [Not Applicable] / [give name]
43. If non-syndicated, name and address of relevant Dealer: [Not Applicable] / [give name and address]
- [In connection with the issue of any Tranche of Notes, the Relevant Dealer (if any) named as the stabilising manager (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms or Prospectus (as the case may be) (the "**Stabilising Manager**") may over-allot Notes (provided that, in the case of any Tranche of Notes to be admitted to trading on the London Stock Exchange's regulated market and/or any other regulated market (within the meaning of FSMA) in the European Economic Area, the aggregate nominal amount of Notes allotted does not exceed 105.00 per cent. of the aggregate nominal amount of the Tranche of Notes) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Tranche of Notes and 60 days after the date of the allotment of the Tranche of Notes.
44. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA D / TEFRA C / TEFRA not applicable]:
45. Non exempt Offer: [Not Applicable] / [An offer of the Notes may be made by any Dealer [and [specify names of other financial

*intermediaries/placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by any Dealer") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Dealer(s), the "**Financial Intermediaries**") other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] ("**Public Offer Jurisdictions**") during the period from [Insert, for example, one business day after satisfaction of all regulatory requirements of such Member State(s)] until [specify date or a formula such as "the Issue Date" or "the date which falls [] Business Days thereafter"] ("**Offer Period**"). Copies of these Final Terms will be provided to the competent authorities in the Public Offer Jurisdictions. See further Paragraph 10 of Part B above.*

46. Additional Selling restrictions: [Not Applicable]/[give details]

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required for issue and admission to trading on [specify relevant regulated market (for example the London Stock Exchange's Regulated Market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] of Notes described herein pursuant to the €2,000,000,000 Structured Note Programme of Abbey National Treasury Services plc.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. Relevant third party information, for example, in compliance with Annex XII to the Prospectus Directive Regulation in relation to each Relevant Asset (as defined in the General Conditions) or its components] has been extracted from [specify source]. The Issuer and the Guarantor each confirm that such information has been accurately reproduced and that, so far as they are aware and is/are able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer and the Guarantor:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's Regulated Market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's Regulated Market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] with effect from [].] [Not applicable.]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings: [The Notes to be issued have been rated:]/[The Notes are to be issued under the Programme which has been rated:]

[Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.: [AA]

An obligation rated 'AA' differs from the highest-rated obligations only in small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.]

[Moody's Investor's Service, Inc.: [Aa3]

Obligations rated 'Aa' are judged to be of high quality and are subject to very low credit risk. Moody appends numerical modifiers 1,2 and 3 to each generic rating classification from 'Aa' through 'Caa'. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of the generic rating category.]

[Fitch Ratings: [AA-]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the Dealer, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. *(Amend as appropriate if there are other interests)*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: [General corporate purposes]

(See "Use of Proceeds" wording in 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: []

[Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".]

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies 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.)

5. YIELD (FIXED RATE NOTES ONLY)

Indication of yield: []

A5.4.9

[Calculated as [include details of method of calculation in summary form] on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC RATES OF INTEREST (FLOATING RATE NOTES ONLY)

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters and/or Bloomberg].

7. PERFORMANCE OF [RATE(S) OF EXCHANGE/FORMULA/CURRENCIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE [EXCHANGE RATE(S)/FORMULA/CURRENCIES]] (CURRENCY LINKED NOTES ONLY)

[Need to include details of where past and future performance and volatility of the [relevant rates/formula/currencies] can be obtained.] [Need to include 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.]

8. PERFORMANCE OF [THE COMMODITY], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY]] (COMMODITY LINKED NOTES ONLY)

[Need to include details of where past and future performance and volatility of [the Commodity] can be obtained.] [Need to include 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.]

9. PERFORMANCE OF [INDEX/BASKET OF INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE [INDEX/BASKET OF INDICES]] (EQUITY INDEX LINKED NOTES ONLY)

[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include 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.]

(N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

[Need to include details of where past and future performance and volatility of the [index/basket of indices] can be obtained]. [Need to include 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.]

[Where the underlying is an index need to include the name of [the/each] index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about [the/each] index can be obtained.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [*does not intend to provide post-issuance information*].

10. PERFORMANCE OF [THE EQUITY/BASKET OF EQUITIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE EQUITY/BASKET OF EQUITIES]] (EQUITY LINKED NOTES ONLY)

[Need to include details of where past and future performance and volatility of the [equity/basket of equities] can be obtained.] [Need to include 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.]

11. INFORMATION IN RELATION TO THE REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY] (CREDIT LINKED NOTES ONLY)

[Need to include details of the Reference Entity and of where information on the Reference Entity can be obtained.] [Need to include 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.]

12. OPERATIONAL INFORMATION

- (i) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes/No]
[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]
(include this text if "yes" selected in which case the Notes must be issued in NGN form.)
- (ii) ISIN Code: []
- (iii) Common Code:
(insert here any other relevant codes such as CUSIP and CINS numbers) []
- (iv) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not applicable/give name(s) and number(s)]
- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of additional Paying Agent(s) (if any): []
- (vii) Common Depository: [] [Insert details]

13. TERMS AND CONDITIONS OF THE OFFER

[Applicable] / [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
[The Notes will be offered to the public in each of [insert jurisdictions where the Base Prospectus has been approved and published and jurisdictions into which it has been passported ("**Public Offer Jurisdictions**")]] in accordance with the arrangements listed below.]

13.1 Offer Price: [Not Applicable] / [give details]

13.2 [Conditions to which the offer is subject:] [Not Applicable] / [give details]

[Offers of the Notes are conditions on their issue and are subject to such conditions as are set out in the [Distribution Agreement]. As between Dealers and their customers (including Financial Intermediaries) or between Financial Intermediaries and their customers, offers of the Notes are further subject to such conditions as may be agreed between

them and/or as is specified in any arrangements in place between them.]

- 13.3 [Description of the application process:] [Not Applicable] / [give details]
- 13.4 Time period, including any possible amendments, during which the offer will be open: [[] [a.m.] [p.m.] on [] to [] [a.m.] [p.m.] on []]
- 13.5 [Details of the minimum and/or maximum amount of application:] [Not Applicable] / [give details]
- 13.6 [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:] [Not Applicable] / [give details]
- 13.7 [Details of the method and time limits for paying up and delivering the Notes:] [Not Applicable] / [give details]
[NEA.5.5.1.6 *normal circumstances, on the Issue Date, allocated Notes will be made available to the Dealer(s) / Financial Intermediaries in such account as may be held by them directly or indirectly at Euroclear or Clearstream. Luxembourg.*]
- 13.8 [Manner in and date on which results of the offer are to be made public:] [Not Applicable] / [give details]
[If applicable (i) specify date on which the final size of the issue will be made public and (ii) insert specific details in respect of the method of publication (including, where relevant, details of any advertisements to be published).]
- 13.9 [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] [Not Applicable] / [give details]
- 13.10 [Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:] [Not Applicable] / [give details]
[Offers or solicitations may be made by the Dealer(s) in [insert relevant Public Offer Jurisdictions] for the period set out in paragraph 10.4 above, to any person [insert suitability criteria, if any are deemed appropriate pursuant to any applicable conduct of business rules]. No offer or solicitation in respect of the Notes shall be made by the Dealer(s) except pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus (a) in any other EEA country or (b) after the period set out in paragraph 10.4 above has ended.]
- 13.11 Indication of the expected price at which the Notes will be offered or [Not Applicable] [The Issuer has offered and will sell the Notes to the Dealer(s) (and no one else) at the Issue Price of

- the method of determining the price and the process for its disclosure: [] [less a total commission of []]. The Dealer(s) and Financial Intermediaries will offer and sell the Notes to their customers in accordance with the arrangements in place between each such Dealer and its customers (including the Financial Intermediaries) or each such Financial Intermediary and its customers by reference to the Issue Price and the market conditions prevailing at the time.]
- 13.12 [Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:] [Not Applicable] / [give details]
[Prospective Noteholders will be notified by the relevant Dealer(s) and Financial Intermediary in accordance with the arrangements in place between such Dealer(s) or Financial Intermediary and its customers. Any dealings in the Notes, which take place will be at the risk of the prospective Noteholders.]
- 13.13 Details of any tranche(s) reserved for specific country: [Not Applicable] / [give details]
- 13.14 [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] [Not Applicable] / [give details]
- 13.15 Additional information applicable to the terms and conditions of the offer, if any: [Not Applicable] / [give details]
- 13.16 [Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.] [None known to the Issuer] / [give details]

The Issuer is only offering to and selling to the Dealer(s) pursuant to and in accordance with the terms of the [Distribution Agreement] [Programme Agreement]⁷. All sales to persons other than the Dealer(s) will be made by the Dealer(s) or persons to whom they sell, and/or otherwise make arrangements with, including the Financial Intermediaries. The Issuer shall not be liable for any offers, sales or purchases of Notes to persons (other than in respect of offers and sales to, and purchases of, Notes by the Dealer(s) and only then pursuant to the [Distribution Agreement] [Programme Agreement]), which are made by the Dealer(s) or Financial Intermediaries in accordance with the arrangements in place between any such Dealer or any such Financial Intermediary and its customers.

[Each [of] the Dealer(s) has acknowledged and agreed, and any Financial Intermediary will be required by the Dealer(s) to acknowledge and agree, that for the purpose of offer(s) of the Notes, the Issuer has passported the Base Prospectus in each of the Public Offer Jurisdictions and will not passport the Base Prospectus into any other European Economic Area Member State; accordingly, the Notes may only be publicly offered in Public Offer Jurisdictions or offered to Qualified Investors (as defined in the Prospectus Directive) in any other European Economic Area Member States and that all offers of Notes by it will be made only in accordance with the selling restrictions set forth in the Prospectus and the provisions of these Final Terms and in compliance with all applicable laws and regulations.]

⁷ Delete as applicable depending on whether syndicated trade or not.

General Conditions

GENERAL TERMS AND CONDITIONS OF THE NOTES

*The following general terms and conditions (the "**General Conditions**"), together with the Technical Annex(es) (if applicable), are the terms and conditions (collectively, the "**Conditions**") of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms in relation to any Tranche of Notes will complete and supplement the Conditions in relation to each Tranche of Notes and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, together with the Technical Annex(es) (if applicable), replace or modify the following Conditions for the purpose of such Notes. The applicable Final Terms, (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of the applicable Final Terms which will specify which of such terms are to apply in relation to the relevant Notes. References in these Conditions to "**Final Terms**" shall mean a tranche of Notes issued pursuant to this Prospectus.*

This Note is one of a Series of Notes issued by Abbey National Treasury Services plc (the "**Issuer**", which expression shall include any substitute pursuant to General Condition 15 (*Substitution*) below) pursuant to an Agency Agreement (as defined below).

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

1. in relation to any Note(s) represented by a global Note in bearer form (a "**Bearer Global Note**") or registered form (a "**Registered Global Note**") (a Bearer Global Note and a Registered Global Note, each a "**Global Note**"), units of each Specified Denomination in the Specified Currency of the applicable Notes, each as specified in the applicable Final Terms;
2. any Global Note;
3. any definitive Notes in bearer form ("**Definitive Bearer Notes**") issued in exchange for a Bearer Global Note; and
4. any definitive Notes in registered (or inscribed) form ("**Definitive Registered Notes**") (whether or not issued in exchange for a Registered Global Note).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement dated on or about the date of the Base Prospectus (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") made between the Issuer, Abbey National plc (the "**Guarantor**") as guarantor, Citibank, N.A., London as issuing and principal paying agent, agent bank and transfer agent (the "**Principal Paying Agent**", which expression shall include any additional or successor agent acting in such capacities) and exchange agent (the "**Exchange Agent**" which expression shall include any additional or successor exchange agents), Citigroup Global Markets Deutschland AG. & Co. KGaA. as registrar (the "**Registrar**", which expression shall include any additional or successor registrar) and as transfer agent (the "**Transfer Agent**", which expression shall include the Principal Paying Agent in its capacity as a transfer agent and any additional or successor transfer agents) and the other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**"). The Principal Paying Agent, the Registrar, the Paying Agents, the Transfer Agent, the Exchange Agent and the Calculation Agent are together referred to as the "**Agents**".

References to "**Calculation Agent**" are to the entity specified as such in the applicable Final Terms or any successor in such capacity.

The Issuer's obligations in respect of this Note have been guaranteed by the Guarantor pursuant to a guarantee (the "**Guarantee**") dated on or about the date of the Base Prospectus and executed by the Guarantor. The original Guarantee is held by the Principal Paying Agent at its specified office.

General Conditions

Interest bearing Definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference in these Conditions to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these General Terms and Conditions of the Notes (the "**Conditions**", which term shall include one or more Technical Annex(es) in the form annexed hereto (each a "**Technical Annex**") if specified as applicable in such Final Terms) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify the Conditions for the purposes of this Note. References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note and provisions relating to types of Variable Interest Rate Notes and Variable Redemption Notes for which no Technical Annex exists shall be set out, if required, in the applicable Final Terms.

Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the deed of covenant (the "**Deed of Covenant**") dated on or about the date of the Base Prospectus and made by the Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear and Clearstream, Luxembourg (each as defined herein).

Copies of the Agency Agreement (which contains the form of the Guarantee and the Deed of Covenant) are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing during normal business hours at the specified office of each of the Paying Agents and copies may be obtained from those offices save that, if the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Directive 2003/71/EC (the "**Prospectus Directive**"), the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms shall prevail. In the case of any inconsistency between any Technical Annex(es) specified as applicable in the applicable Final Terms and other parts of these Conditions, the provisions of the applicable Technical Annex(es) shall prevail. In the case of any inconsistency between the applicable Final Terms and the Conditions, the applicable Final Terms shall prevail.

General Conditions

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form ("**Bearer Notes**") or in registered (or inscribed) form ("**Registered Notes**") as specified in the applicable Final Terms in the Specified Currency and the Specified Denomination(s) and, in the case of definitive Notes, serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes or interests in Bearer Notes may not be exchanged for Registered Notes or interests in Registered Notes and *vice versa*. All Registered Notes shall have the same Specified Denomination.

A Note may be designated in the applicable Final Terms as either (i) a Fixed Rate Note, (ii) a Floating Rate Note, (iii) a Non-Interest Bearing Note, (iv) a Zero Coupon Note, (v) a Dual Currency Interest Note, or (vi) any one of an Equity Index Linked Interest Note, an Equity Linked Interest Note, a Commodity Linked Interest Note, an Inflation Linked Interest Note, a Property Linked Interest Note, a Fund Linked Interest Note, or a Currency Linked Interest Note (such Notes specified in this sub-paragraph (vi), collectively, "**Variable Interest Rate Notes**") or any other type of interest bearing Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

A Note may be designated in the applicable Final Terms as (i) an Instalment Note, (ii) a Dual Currency Redemption Note, (iii) a Partly Paid Note, or (iv) any one of an Equity Index Linked Redemption Note, an Equity Linked Redemption Note, a Commodity Linked Redemption Note, an Inflation Linked Redemption Note, a Property Linked Redemption Note, a Fund Linked Redemption Note, a Currency Linked Redemption Note, or a Credit Linked Redemption Note, (such Notes specified in this sub-paragraph (vi), collectively, "**Variable Redemption Notes**") or any other type of redeemable Notes or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons and, if applicable, Receipts attached, unless they are Zero Coupon Notes or Non-Interest Bearing Notes in which case references to Coupons and Couponholders in these Conditions are not applicable. The applicable Final Terms will specify whether settlement shall be by way of cash payment ("**Cash Settled Notes**") or by physical delivery ("**Physical Delivery Notes**"). Any reference in these Conditions to Physical Delivery Notes shall mean Notes in respect of which an asset amount (being the number of underlying equity, bond, security or such other asset as may be specified in the applicable Final Terms (the "**Relevant Asset(s)**") plus/minus any amount due to/from the Noteholder in respect of each Note) is deliverable and/or payable by reference to one or more Relevant Assets as the Issuer and the relevant Dealer(s) may agree and as set out in the applicable Final Terms.

Notes may, if specified in the applicable Final Terms, allow Noteholders upon redemption of such Notes to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those Notes where the Noteholder has elected for cash payment will be Cash Settled Notes and those Notes where the Noteholder has elected for physical delivery will be Physical Delivery Notes. The rights of a Noteholder as described in this paragraph may be subject to the Issuer's right to vary settlement upon redemption of Notes as indicated in the applicable Final Terms.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in the Register, which is kept by the Registrar, in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantor, and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Bearer Global Note or a Regulation S Global Note (as defined below) held on behalf of or, as the case may be, registered in the name of a common nominee for Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being

General Conditions

shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or, as the case may be, the registered holder of the relevant Regulation S Global Note shall be treated by the Issuer, the Guarantor and the Paying Agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

For so long as any of the Notes are represented by a Rule 144A Global Note (as defined below) registered in the name of The Depository Trust Company of New York ("**DTC**") or its nominee, each person who is for the time being shown in the records of DTC or such nominee as the holder of a particular nominal amount of such Notes shall be treated by the Issuer, the Guarantor and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on, or voting, giving consents or making requests in respect of, such nominal amount of such Notes, for which purpose DTC or, in the case of payments only, its nominee shall be treated by the Issuer, the Guarantor and the Paying Agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of such Registered Global Note (as defined below), and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Interests in a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any successor operator and/or successor clearing system and/or any additional or alternative clearing system specified in the applicable Final Terms or otherwise approved by the Issuer, the Guarantor, the Registrar and the Paying Agents (each a "**Relevant Clearance System**").

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Registered Notes or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Rule 144A Global Note shall be limited to transfers of such Rule 144A Global Note, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee. For purposes of these Conditions, a "**Rule 144A Global Note**" means a Registered Global Note representing Notes sold in the United States to "qualified institutional buyers" ("**QIBs**") pursuant to Rule 144A of the United States Securities Act of 1933, as amended (the "**Securities Act**").

2.2 Transfers of Definitive Registered Notes

Subject as provided in General Conditions 2.4 (*Costs of registration*), 2.5 (*Transfers of interests in Regulation S Global Notes*) and 2.6 (*Transfers of interests in Restricted Notes*) below, upon the terms and subject to the terms and conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in

General Conditions

whole or in part in the authorised denominations set out in the applicable Final Terms. In order to effect any such transfer:

- (A) the holder or holders must:
 - (i) surrender the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and
 - (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent; and
- (B) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 8 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three (3) business days (being for the purposes of these Conditions a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Definitive Registered Note for the same aggregate nominal amount as the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of a transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to such address as the transferor may request.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under General Condition 7 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by normal uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.5 Transfers of interests in Regulation S Global Notes

Prior to expiry of the period ending 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (the "**Distribution Compliance Period**"), transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person (as defined in the Securities Act) will only be made:

- (A) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate with the consent of the Issuer (a "**Transfer Certificate**"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a

General Conditions

person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A of the Securities Act; or

- (B) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of paragraph (A) above, such transferee may take delivery through a Rule 144A Global Note (or such Note issued in registered form in exchange or substitution therefor, together, a "**Restricted Note**") in global or definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Notes may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

For purposes of these Conditions, a "**Regulation S Global Note**", means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S of the Securities Act.

2.6 Transfers of interests in Restricted Notes

Transfers of Restricted Notes or beneficial interests therein may be made:

- (A) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (B) to a transferee who takes delivery of such interest through a Restricted Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (C) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Restricted Notes, or upon specific request for removal of any United States securities law legend enfacé on Restricted Notes, the Registrar shall deliver only Restricted Notes or refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither such legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

2.7 Exchanges and transfers of Registered Notes generally

Holders of Definitive Registered Notes may exchange such Notes for interests in a Registered Global Note of the same type at any time.

General Conditions

3. STATUS OF THE NOTES

The Notes and the related Receipts and Coupons (if any) are direct, unconditional and unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (subject to any applicable statutory provisions or judicial order) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

4. STATUS OF THE GUARANTEE

The obligations of the Guarantor under the Guarantee are direct, unconditional, unsecured and unsubordinated obligations of the Guarantor and rank *pari passu* with all present and future, unsecured and unsubordinated obligations (including those arising under deposits received in its banking business) of the Guarantor, without any preference among themselves and without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, except for obligations given priority by law.

Subject as provided below and in the Guarantee, the Guarantor has unconditionally and irrevocably:

- (a) guaranteed to each Noteholder all obligations of the Issuer in respect of such Noteholder's Notes as and when such obligations become due; and
- (b) agreed that if and each time that the Issuer fails to satisfy any obligation under such Notes as and when such obligation becomes due, the Guarantor will (without requiring the relevant Noteholder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligation punctually when and as the same shall become due and payable or due to be satisfied, as the case may be, as though the Guarantor were the principal obligor in respect of such obligation.

5. INTEREST

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note will bear interest from (and including) the Interest Commencement Date (which unless otherwise specified in the applicable Final Terms shall be the Issue Date) at the rate(s) per annum (expressed as a percentage) equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

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

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to the Calculation Amount and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit (as defined below) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention or as specified in the applicable Final Terms. Where the Specified Denomination of a Definitive Fixed Rate Note is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

General Conditions

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this General Condition 5.1:

- (A) if "**Actual/Actual (ICMA)**" or "**Act/Act (ICMA)**" is specified in the applicable Final Terms:
- (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period (as defined below) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year, assuming interest was to be payable in respect of the whole of that year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (a) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year, assuming interest was to be payable in respect of the whole of that year; and
 - (b) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year, assuming interest was to be payable in respect of the whole of that year;
- (B) if "**Actual/Actual (ISDA)**", "**Actual/Actual**", "**Act/Act**" or "**Act/Act (ISDA)**" is specified in the applicable Final Terms, the actual number of days in the Accrual Period divided by 365 (or, if any portion of that Accrual Period (as defined above) falls in a leap year, the sum of (A) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365);
- (C) if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified in the applicable Final Terms, the actual number of days in the relevant Fixed Interest Period, divided by 365;
- (D) if "**Actual/360**", "**Act/360**" or "**A/360**" is specified in the applicable Final Terms, the actual number of days in the relevant Fixed Interest Period, divided by 360;
- (E) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the relevant Fixed Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"**Y1**" is the year, expressed as a number, in which the first day of the Fixed Interest Period falls;

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

General Conditions

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

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

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

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Fixed Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (F) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Fixed Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_1 - D_2)}{360}$$

Where:

"**Y1**" is the year, expressed as a number, in which the first day of the Fixed Interest Period falls;

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

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

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

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

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Fixed Interest Period, unless such number would be 31, in which case D2 will be 30;

- (G) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Fixed Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_1 - D_2)}{360}$$

Where:

"**Y1**" is the year, expressed as a number, in which the first day included in the Fixed Interest Period falls;

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

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

General Conditions

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

"**D1**" is the first calendar day, expressed as a number, of the Fixed Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Fixed Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

In these Conditions:

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

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

5.2 Interest on Floating Rate Notes and Variable Interest Rate Notes

(A) *Interest Payment Dates*

Each Floating Rate Note and Variable Interest Rate Note will bear interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Interest Payment Date(s) in each year, as specified in the applicable Final Terms; or
- (ii) if no Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) in any case where Specified Periods are specified in accordance with Condition 5.2(A)(ii) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

General Conditions

- (b) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (c) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (d) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, "**Business Day**" means a day which is both:

- (1) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and
- (2) either (x) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre specified in the applicable Final Terms and which if the Specified Currency is Australian dollars or New Zealand dollars, shall be [Sydney] and [Auckland], respectively) or (y) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (or any successor thereto) (the "**TARGET System**") is open. Unless otherwise provided in the applicable Final Terms, or as above, the principal financial centre of any currency for the purpose of these Conditions shall be as provided in the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Associations, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**").

(B) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Variable Interest Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub paragraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or other person specified in the applicable Final Terms, under an interest rate swap transaction if the Principal Paying Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the applicable Final Terms;
- (b) the Designated Maturity is that period specified in the applicable Final Terms; and

General Conditions

- (c) the relevant Reset Date is either (1) if the applicable Floating Rate Option is based on the London inter bank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**"), the first day of that Interest Period or (2) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (i), (x) "**Euro-zone**" means the region comprised of member states of the European Union ("**Member States**") that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and the Treaty of Amsterdam and (y) "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(ii) *Screen Rate Determination for Floating Rate Notes*

- (a) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

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

(expressed as a percentage rate per annum) for the Reference Rate (as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11:00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date (as defined below) in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or other person as specified in the applicable Final Terms. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent (or other person as specified in the applicable Final Terms) for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (a) above, no such offered quotation appears or, in the case of (b) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

- (iii) If the Reference Rate from time to time in respect of Floating Rate Notes or Variable Interest Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(C) *Minimum Rate of Interest and/or Maximum Rate of Interest*

General Conditions

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (B) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If no other Minimum Rate of Interest for any Interest Period is specified in the applicable Final Terms, then the Minimum Rate of Interest in respect of such Interest Period shall be deemed to be zero and in no event shall the Rate of Interest for such calculation period in accordance with General Condition 5.2(B) above be less than zero.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (B) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(D) *Determination of Rate of Interest and calculation of Interest Amounts*

The Principal Paying Agent (or other person as specified in the applicable Final Terms), in the case of Floating Rate Notes, and the Calculation Agent, in the case of Variable Interest Rate Notes will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Variable Interest Rate Notes, the Calculation Agent will notify the Principal Paying Agent of the Interest Rate for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent (or other person as specified in the applicable Final Terms), in the case of Floating Rate Notes, and the Calculation Agent, in the case of Variable Interest Rate Notes, will calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant Interest Period by applying the Rate of Interest to the Calculation Amount and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this General Condition 5.2:

- (i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

General Conditions

- (v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_1 - D_2)}{360}$$

Where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

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

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

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

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

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_1 - D_2)}{360}$$

Where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

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

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

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

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

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (vii) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

General Conditions

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_1 - D_2)}{360}$$

Where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

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

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

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

"**D1**" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(E) *Notification of Rate of Interest and Interest Amounts*

The Principal Paying Agent (or other person as specified in the applicable Final Terms) will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange and/or market on which the relevant Notes are for the time being listed and/or admitted to trading and notice thereof to be published in accordance with General Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth (4th) London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange and/or market on which the relevant Notes are for the time being listed and/or admitted to trading and to the Noteholders in accordance with General Condition 14 (*Notices*). For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

(F) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this General Condition 5.2 (*Interest on Floating Rate Notes and Variable Interest Rate Notes*), whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Guarantor, the Principal Paying Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent (if applicable) in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

General Conditions

5.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

5.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

5.5 Accrual of interest

Subject as provided in any Technical Annex, each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (A) the date on which all amounts due in respect of such Note have been paid and/or all assets deliverable in respect of such Note have been delivered; and
- (B) five (5) days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and/or all assets in respect of such Note have been delivered and notice to that effect has been given to the Noteholders in accordance with General Condition 14 (*Notices*).

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

- (A) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency; and
- (B) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

In the case of Notes, payments in U.S. Dollars will be made by transfer to a U.S. Dollar account maintained by the payee with a bank outside of the United States (which expression, as used in this General Condition 6, means the United States of America, including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction), or by cheque drawn on a United States bank. In no event will payment in respect of Bearer Note be made by a cheque mailed to an address in the United States. All payments of interest in respect of Bearer Notes will be made to accounts located outside the United States except as may be permitted by United States tax law in effect at the time of such payment without detriment to the Issuer.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of General Condition 8 (*Taxation*).

6.2 Presentation of Definitive Bearer Notes, Receipts and Coupons

General Conditions

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in General Condition 6.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in General Condition 6.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in General Condition 6.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Definitive Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Variable Interest Rate Notes or Long Maturity Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten (10) years after the Relevant Date (as defined in General Condition 9 (*Prescription*)) in respect of such principal (whether or not such Coupon would otherwise have become void under General Condition 9 (*Prescription*)) or, if later, five (5) years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Note in definitive bearer form (other than a Fixed Rate Note which is not a Long Maturity Note) becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note. If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against presentation and surrender of the relevant Definitive Bearer Note.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes and otherwise in the manner specified in the relevant Bearer Global Note against presentation or surrender, as the

General Conditions

case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Bearer Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

No payments of principal, interest or other amounts due in respect of a Bearer Global Note will be made by mail to an address in the United States or by transfer to an account maintained in the United States.

6.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on the fifteenth (15th) calendar day before the relevant due date (the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the nominal amount of the Notes held by a holder is less than U.S.\$100,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank. For these purposes, "**Designated Account**" means the account maintained by a holder with a designated bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three (3) business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this General Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Rule 144A Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency for conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

General Conditions

None of the Issuer, the Guarantor or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to DTC, Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this General Condition 6.5, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (A) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (B) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (C) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

Any amount payable in respect of a Note which exceeds the sum subscribed represents an amount payable by the Issuer (i) as consideration for the use of the sum subscribed by the Issuer and (ii) as compensation for and in recognition that in certain circumstances the amount repayable on maturity may be less than the sum subscribed or that the amount paid in excess of the sum subscribed may have been less than the prevailing rate of interest (generally payable by the Issuer) at the time when the Notes were issued.

6.6 Payment Days

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to any further interest or other payment in respect of such delay. "**Payment Day**" means any day which (subject to General Condition 9 (*Prescription*)):

- (A) (i) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (a) the relevant place of presentation; and
 - (b) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the

General Conditions

place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be [Sydney] and [Auckland], respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET System is open; and

- (B) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

6.7 Interpretation of principal and interest

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

- (A) the Final Redemption Amount of the Notes;
- (B) the Early Redemption Amount of the Notes;
- (C) the Optional Redemption Amount(s) (if any) of the Notes;
- (D) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (E) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in General Condition 7.6 (*Early Redemption Amounts*)); and
- (F) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (unless otherwise specified in the applicable Final Terms or Technical Annex(es)) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

7.2 Redemption at the option of Noteholders (Investor Put)

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with General Condition 14 (*Notices*) not less than 15 nor more than 30 calendar days' notice, the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not, in the case of a Definitive Bearer Note, in part) such Note on the Optional Redemption Date (as specified in the applicable Final Terms) and at the Optional Redemption Amount (as specified in the applicable Final Terms) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this General Condition 7.2 in any multiple of their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

If this Note is in definitive form, to exercise the right to require redemption of this Note, the holder of this Note must deliver such Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed

General Conditions

notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this General Condition 7.2 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of this General Condition 7.2.

If this Note is represented by a Global Note or is in definitive form and held through DTC or Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of DTC or Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to DTC or Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent or, in the case of Registered Notes, the Registrar for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of DTC, Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this General Condition 7.2 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this General Condition 7.2 and instead to declare such Note forthwith due and payable pursuant to General Condition 10 (*Events of Default*).

7.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (a) not less than 15 nor more than 30 calendar days' notice to the Noteholders in accordance with General Condition 14 (*Notices*); and
- (b) not less than 15 calendar days before the giving of the notice referred to in (a) above, notice to the Principal Paying Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of DTC and/or Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 calendar days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with General Condition 14 (*Notices*) not less than 15 calendar days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this General Condition 7.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with General Condition 14 (*Notices*) at least five (5) days prior to the Selection Date.

7.4 Redemption for illegality

General Conditions

In the event that the Calculation Agent determines that the performance of the obligations of the Issuer under the Notes or the obligations of the Guarantor under the Guarantee, or any arrangements made to hedge the Issuer's obligations under the Notes, has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or the interpretation thereof, the Issuer may, having given not less than 10 nor more than 30 calendar days' notice to the Noteholders in accordance with General Condition 14 (*Notices*) (which notice shall be irrevocable), on the expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

7.5 Regulatory Redemption Event

In the event that the Calculation Agent determines that a change in applicable law or regulation has occurred which results, or will result, solely by reason of the Notes being outstanding, in the Issuer being required to be regulated by any additional jurisdiction or regulatory authority, or being subject to any additional legal requirement or regulation considered by the Issuer to be materially onerous to it, the Issuer having given not less than 10 nor more than 30 calendar days' notice to the Noteholders in accordance with General Condition 14 (*Notices*) (which notice shall be irrevocable) may, on the expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount. Payment shall be made in such manner as shall be notified to Noteholders in accordance with General Condition 14 (*Notices*).

7.6 Early Redemption Amounts

For the purpose of General Conditions 7.4 (*Redemption for illegality*), 7.5 (*Regulatory Redemption Event*), General Condition 10 (*Events of Default*) or in the case of any other early redemption of the Notes in an applicable Technical Annex, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, subject as provided below, the Final Redemption Amount thereof; or
- (b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, subject as provided below, the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price; and

AY means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms; or

General Conditions

- (d) if "**Market Value**" is specified as the Early Redemption Amount in the applicable Final Terms, in respect of each Note of nominal amount equal to the Calculation Amount, at an amount determined by the Calculation Agent, which, on the due date for the early redemption of the Note, shall represent the fair market value of the Note taking into account all factors which the Calculation Agent determines relevant including, but not limited to, interest rates, index levels, implied volatilities in the option markets and exchange rates, *less* Associated Costs. In respect of Notes bearing interest and unless otherwise specified in the applicable Final Terms, the Early Redemption Amount, as determined by the Calculation Agent, in accordance with this paragraph, shall include any accrued interest up to but excluding the relevant early redemption date and apart from any such interest included in the Early Redemption Amount, no interest, accrued or otherwise, or any other amount whatsoever will be payable by the Issuer or, as the case may be, the Guarantor in respect of such redemption. Where such interest calculation is to be made for a period of less than a full Interest Period, it shall be made on the basis of the Day Count Fraction, if applicable, specified in the applicable Final Terms, and shall include the interest accrued from and including the Interest Payment Date falling immediately prior to the due date for redemption, to but excluding the due date for redemption.

As used herein:

"**Associated Costs**" means an amount per nominal amount of the Note equal to the Calculation Amount equal to such Note's *pro rata* share (on the basis of the nominal amount of the Note the aggregate nominal amount of all Notes which have not been redeemed or cancelled as at the Early Redemption Date) of the total amount of any and all costs or expenses associated or incurred by the Issuer, any Affiliate and/or Hedging Party (as applicable) in connection with such early redemption, including, without limitation, any costs associated with unwinding the funding relating to the Notes and any costs associated with unwinding any hedge positions relating to the Notes, all as determined by the Calculation Agent in its sole and absolute discretion.

7.7 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to General Condition 7.6 (*Early Redemption Amounts*).

7.8 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 7 and the applicable Final Terms.

7.9 Purchases

The Issuer, the Guarantor or any of their respective Affiliates (as defined below) may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise, in accordance with applicable laws and regulations. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, surrendered to any Paying Agent for cancellation.

7.10 Cancellation

All Notes which are redeemed will forthwith be cancelled (together, in the case of Definitive Bearer Notes, with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to General Condition 7.9 (Purchases) above (together, in the case of Definitive Bearer Notes, with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

General Conditions

7.11 Late payment on Zero Coupon Notes

Except as provided in the applicable Final Terms, if the amount payable in respect of any Zero Coupon Note upon early redemption of such Zero Coupon Note pursuant to General Conditions 7.4 (*Redemption for illegality*) or 7.5 (*Regulatory Redemption Event*) above or upon its becoming due and repayable as provided in General Condition 10 (*Events of Default*) or otherwise pursuant to any Technical Annex is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in General Condition 7.6(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five (5) days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with General Condition 14 (*Notices*).

7.12 Other Relevant Definitions

For the purposes of the Conditions:

"Affiliate" means, in relation to any entity (the **"First Entity"**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes **"control"** means ownership of a majority of the voting power of an entity or person or, if the Calculation Agent determines appropriate, the power to direct or cause the direction of the management and policies of the First Entity, whether by contract, or otherwise.

"Hedging Party" means the Issuer and/or any Affiliate and/or any other party which conducts hedging arrangements in respect of the Issuer's obligations in respect of the Notes from time to time.

8. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer (or as the case may be, the Guarantor) will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the United Kingdom or the taxing authority of any territory in which the Issuer (or as the case may be, the Guarantor) is incorporated or resident for taxation purposes, or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer (or as the case may be, the Guarantor) will make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes, Receipts or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Notes, Receipts or Coupons.

9. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless presented for payment within a period of ten (10) years (in the case of principal) and five (5) years (in the case of interest) after the Relevant Date therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this General Condition 9 or General Condition 6.2 (*Payments - Presentation of Definitive Notes, Receipts and Coupons*) or any Talon which would be void pursuant to General Condition 6.2 (*Payments - Presentation of Definitive Notes, Receipts and Coupons*).

General Conditions

For the purposes of these Conditions, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with General Condition 14 (*Notices*).

10. EVENTS OF DEFAULT

If (a) any one or more of the following events shall occur and be continuing and (b) the holders of at least twenty-five per cent. (25%) in nominal amount of the Notes then outstanding so request the Issuer by notice in relation to the same event given in accordance with Condition 14 (*Notices*), then, upon the date of such notice requirement in (b) above being satisfied or, in the case of an event as described in (ii) below, on expiry of the relevant time period specified therein, the relevant event shall be treated as an "**Event of Default**" and all but not some only of the Notes shall forthwith become due and repayable at the Early Redemption Amount, without presentment, demand, protest or other notice of any kind. For the purposes of (a) above the relevant events are:

- (i) default is made for a period of 30 days or more in the payment of any principal or interest (including, for the avoidance of doubt, as applicable, delivery of assets) due in respect of the Notes or any of them. The Issuer and Guarantor shall not, however, be in default if such sums were not paid in order to comply with a mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer or, as the case may be, the Guarantor will not be in default if it acts on the advice given to it during such 30 day period by an independent legal adviser; or
- (ii) the Issuer or the Guarantor fails to perform or observe any of its other obligations under the Notes, the Guarantee or the Agency Agreement (as the case may be) and such failure continues for the period of 60 days next following the notice requirement as described in (b) above being satisfied; or
- (iii) an effective resolution is passed or an order is made for the winding-up or dissolution of the Issuer or the Guarantor (except for the purposes of a reconstruction or amalgamation where the entity resulting from such reconstruction or amalgamation assumes all the rights and obligations of, as the case may be, the Issuer (including its obligations under the Notes) or the Guarantor (including its obligations under the Guarantee)).

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note or, if applicable, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed it may be replaced, in the case of Bearer Notes, Receipts or Coupons, at the specified office of the Principal Paying Agent or, in the case of Registered Notes, at the specified office of the Registrar (or in any case such other place of which notice shall have been given to the Noteholders in accordance with General Condition 14 (*Notices*) upon payment in any such case by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or, if applicable, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. AGENTS

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

- (A) there will at all times be a Principal Paying Agent and a Registrar;
- (B) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

General Conditions

- (C) so long as any of the Registered Global Notes are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in London.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in General Condition 6.5 (*General provisions applicable to payments*). Any variation, termination, appointment or change in relation to any Series of Notes shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders of the relevant Series of Notes in accordance with General Condition 14 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents or, as the case may be, a registrar of the Issuer and the Guarantor, and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receipholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor Agent.

The Issuer undertakes that, it will ensure that it maintains a Paying Agent with a specified office in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th to 27th November 2000 or any law implementing, or complying with, or introduced in order to conform to, any such Directive, provided that under no circumstances shall the Issuer be obliged to maintain a Paying Agent with a specified office in such Member State unless at least one European Member State does not require a Paying Agent making payments through a specified office in that Member State to so withhold or deduct tax.

The Principal Paying Agent shall have no responsibility for errors or omissions in any calculations and determinations made hereunder, and all such calculations and determinations shall (save in the case of manifest error) be final and binding on the Issuer, the Guarantor, the Paying Agents, the Noteholders, the Receipholders and the Couponholders.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of General Condition 9 (*Prescription*).

14. NOTICES

All notices regarding the Notes will be deemed to be validly given if published in one leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the Financial Times in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Notes are for the time being listed or by which they have been admitted to listing. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, notice may be given (so long as any Global Notes representing the Notes are held in their entirety on behalf of DTC, Euroclear and/or Clearstream, Luxembourg (and so long as the rules of any stock exchange on which the Notes are listed, or the rules of any other relevant authority by which the Notes have been admitted to listing, permit)) by delivery of the relevant notice to DTC, Euroclear and/or Clearstream, Luxembourg (instead of by way of publication or mailing) for communication by them to the holders of the Notes provided that, in addition, for so long as any Notes are listed on a stock

General Conditions

exchange or admitted to listing by any other relevant authority and the rules of that stock exchange or other relevant authority so require, such notice will be published in a daily newspaper of general circulation in a place or places required by the rules of that stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be.

In the case of definitive Notes, notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, in writing or by facsimile or electronically or in such other manner as the Principal Paying Agent, the Registrar and DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. SUBSTITUTION

(a) Substitution of Issuer

The Issuer (or any previously substituted company from time to time) shall, without the consent of the Noteholders, be entitled at any time to substitute for the Issuer any other company (the "**Substitute**") as principal debtor in respect of all obligations arising from or in connection with the Notes provided that (i) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Notes represent valid, legally binding and enforceable obligations of the Substitute have been taken, fulfilled and done and are in full force and effect; (ii) the Substitute shall have assumed all obligations arising from or in connection with the Notes and shall have become a party to the Agency Agreement, with any consequential amendments; (iii) the obligations of the Substitute in respect of the Notes shall be unconditionally and irrevocably guaranteed by the Guarantor; (iv) each stock exchange or listing authority on which the Notes are listed shall have confirmed that following the proposed substitution of the Substitute the Notes would continue to be listed on such stock exchange; and (v) the Issuer shall have given at least 14 calendar days' prior notice of the date of such substitution to the Noteholders in accordance with General Condition 14 (*Notices*).

(b) Substitution of Branch

The Issuer shall have the right upon notice to the Noteholders in accordance with General Conditions 14 (*Notices*) to change the branch or office through which it is acting for the purpose of the Notes, the date of such change to be specified in such notice provided that no change can take place prior to the giving of such notice.

16. MEETINGS OF NOTEHOLDERS AND MODIFICATIONS

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in Schedule 6 of the Agency Agreement) of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or the Guarantor at any time and shall be convened by the Issuer at the request of Noteholders holding not less than five per cent. (5%) in nominal amount of the Notes for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing in the aggregate not less than fifty per cent. (50%) in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency in which payments under the Notes, Receipts and Coupons are to be made), the quorum shall be one or more persons holding or representing in the aggregate

General Conditions

not less than two-thirds, or at any adjourned such meeting one or more persons holding or representing in the aggregate not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

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

- (A) any modification of (except as mentioned above), the provisions of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (B) any modification of any of the provisions of these Conditions, the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or is an error which is proven or is to comply with mandatory provisions of applicable law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with General Condition 14 (*Notices*) as soon as practicable thereafter.

17. REDENOMINATION

17.1 Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders on giving prior notice to the Principal Paying Agent, Euroclear and Clearstream, Luxembourg and at least thirty (30) calendar days' prior notice to the Noteholders in accordance with General Condition 14 (*Notices*) elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with General Condition 17.2(d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer (i) in the case of Relevant Notes in the denomination of euro 50,000 and/or such higher amounts as the Agent may determine and notify to the Noteholders and any remaining amounts less than euro 50,000 shall be redeemed by the Issuer and paid to the Noteholders in euro in accordance with Condition 6 (*Payments*); and (ii) in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Principal Paying Agent may approve) euro 0.01 and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders;

General Conditions

- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:
 - (i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and
 - (ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount;and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding;
- (g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (h) such other changes shall be made to this Condition as the Issuer may decide, after consultation with the Principal Paying Agent, and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in euro.

17.2 Definitions

In the Conditions, the following expressions have the following meanings:

"Established Rate" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

"euro" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

General Conditions

"Redenomination Date" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of any other Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 17.1 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

"Relevant Notes" means all Notes where the applicable Final Terms provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 50,000 and which are admitted to trading on a regulated market in the European Economic Area; and

"Treaty" means the Treaty establishing the European Community, as amended.

18. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further Notes having terms and conditions the same as the Notes or the same in all respects save for the issue price and date of issue thereof and the amount and date of the first payment of interest thereon and so as to be consolidated and form a single Series with the outstanding Notes.

19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes by virtue of the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any kind which exists or is available apart from that Act.

20. SEVERABILITY

Should any of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not be affected in any way.

21. GOVERNING LAW

The Agency Agreement, the Guarantee, the Deed of Covenant, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons.

The Issuer and, where applicable, the Guarantor, have in the Agency Agreement, the Guarantee and the Deed of Covenant agreed to the jurisdiction of the English courts.

Currency Technical Annex

CURRENCY TECHNICAL ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR CURRENCY LINKED NOTES

The terms and conditions applicable to Currency Linked Notes shall comprise the Terms and Conditions of the Notes set out on page 149 (the "General Conditions") and the additional Terms and Conditions set out below (the "Currency Linked Conditions"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Currency Linked Conditions, the Currency Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Currency Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

References below to a numbered General Condition are to such numbered section of the General Conditions and references to a numbered Currency Linked Condition are to such numbered section as set out in this Technical Annex. Defined terms used in this Technical Annex where the same term may be used in another Technical Annex (e.g. Valuation Date or Averaging Date) shall have the meanings given in this Technical Annex or in the section of the Final Terms relating to Currency Linked Notes notwithstanding the same terms being used in another Technical Annex.

1. CURRENCY LINKED NOTES

(a) Currency Linked Interest Notes

Unless previously redeemed or purchased and cancelled in accordance with the General Conditions or as specified in the applicable Final Terms and subject to this Currency Technical Annex, each Currency Linked Interest Note will bear interest in the manner specified in, or determined as specified in the applicable Final Terms and the General Conditions.

(b) Currency Linked Redemption Notes

Unless previously redeemed or purchased and cancelled in accordance with the General Conditions or as specified in the applicable Final Terms and subject to this Currency Technical Annex, each Note will be redeemed by the Issuer at the Final Redemption Amount specified in, or determined in the manner specified in the applicable Final Terms on the Maturity Date.

If Maturity Date Extension is specified as applying in the applicable Final Terms then, if the last occurring Valuation Date or last occurring Averaging Date has not occurred on or prior to the second (2nd) FX Business Day preceding the Scheduled Maturity Date, the Maturity Date shall be postponed and shall occur on the third (3rd) FX Business Day following (i) the last occurring Valuation Date or (ii) last occurring Averaging Date.

2. FX MARKET DISRUPTION EVENT

If, in the determination of the Calculation Agent, as of any Valuation Date or Averaging Date an FX Market Disruption Event occurs in respect of any Specified Rate, the relevant Specified Rate in relation to such Valuation Date or Averaging Date shall be determined as provided in the definition of Valuation Date or Averaging Date, as applicable.

3. ADDITIONAL DISRUPTION EVENTS AND CURRENCY DISRUPTION EVENTS

If, in the determination of the Calculation Agent, on or prior to any Valuation Date or Averaging Date an Additional Disruption Event or Currency Disruption Event occurs, the Calculation Agent may:

- (a) determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any provision of the Conditions and/or the applicable Final Terms including, without limitation any amount payable by the Issuer pursuant to Currency Linked Conditions 1(a) and (b), as applicable,

Currency Technical Annex

and/or any other terms of the Conditions and/or the applicable Final Terms to account for such Additional Disruption Event or Currency Disruption Event, and determine the effective date of that adjustment; or

- (b) give notice to Noteholders in accordance with General Condition 14 (*Notices*) and redeem all, but not some only, of the Notes, at the Early Redemption Amount and payment will be made in such manner as shall be notified to Noteholders; or
- (c) give notice to the Noteholders in accordance with General Condition 14 (*Notices*) and designate the Notes as "**Suspended Notes**", giving notice of the effective date thereof (the "**Suspension Date**"). The Issuer shall have no obligation to make any payment or perform any other obligation in respect of the Notes while the Notes are Suspended Notes and, subject as provided below, any such payment or other performance shall be postponed to no later than the tenth (10th) Business Day following the Cessation Date (as defined below). No additional interest or any other payment or compensation shall be due to Noteholders as a result of any such delay. The Notes shall remain Suspended Notes until the relevant Additional Disruption Event or Currency Disruption Event ceases to exist and the Issuer notifies the cessation of such Additional Disruption Event or Currency Disruption Event to Noteholders in accordance with General Condition 14 (*Notices*) (the effective date of such notification the "**Cessation Date**") provided that if in the determination of the Calculation Agent the relevant Additional Disruption Event or Currency Disruption Event continues to exist on the second (2nd) anniversary of the Suspension Date (the "**Suspension Cut-Off Date**"), the Suspended Notes shall expire worthless and shall be cancelled by the Issuer in which case all obligations of the Issuer to the Noteholders in respect of the Notes shall be discharged and the Noteholders shall have no further recourse to the Issuer in respect of the Notes.

Without prejudice to the foregoing, following any Cessation Date the Issuer may require the Calculation Agent to determine in its sole and absolute discretion, any adjustment to any amount payable pursuant to Currency Linked Conditions 1(a) and 1(b) of this Currency Technical Annex and/or any other terms of these Currency Linked Conditions and/or the applicable Final Terms as necessary or appropriate in order to determine any such amounts or other obligations due or to be performed in respect of the Notes, taking into account, without limitation, the occurrence of the relevant Additional Disruption Event or Currency Disruption Event and the effect of any delay pursuant to this paragraph.

In the case of Physical Delivery Notes, if delivery of any assets is made later than the originally scheduled due date for delivery as a result of the occurrence of a Additional Disruption Event or Currency Disruption Event, until delivery is made to the Noteholders, none of the Issuer, the Guarantor, the Calculation Agent, any Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to the Noteholders or any subsequent transferee any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in respect of such assets, (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such assets or (iii) be under any liability to the Noteholders or any subsequent transferee in respect of any loss or damage which the Noteholders or subsequent transferees may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such assets until the date of delivery.

4. DEFINITIONS

"**Additional Disruption Event**" means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Force Majeure Event, Special Taxation Event and/or any other Additional Disruption Event specified in the applicable Final Terms.

Currency Technical Annex

"**Affiliate**" means in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "**control**" means ownership of a majority of the voting power of an entity or, if the Calculation Agent determines appropriate, the power to direct or cause the direction of the management and policies of such entity, whether by contract or otherwise.

"**Averaging Date**" means, in relation to any Specified Rate, each date specified as such in relation to such Specified Rate in the applicable Final Terms, or, if any such date is not an FX Business Day, the relevant Averaging Date shall (i) in the case of a Specified Rate which is determined by reference to an NDF Currency, be the immediately preceding FX Business Day, *provided however*, that, in the event of the originally scheduled Averaging Date being an Unscheduled Holiday, the Averaging Date shall be the immediately succeeding FX Business Day and (ii) in the case of a Specified Rate which is not determined by reference to an NDF Currency, be the immediately succeeding FX Business Day unless, in each case, in the opinion of the Calculation Agent, such relevant Averaging Date is a Disrupted Day in relation to any Specified Rate. If such relevant Averaging Date is a Disrupted Day, then in relation to each Specified Rate not affected by an FX Market Disruption Event the Averaging Date shall be the Scheduled Averaging Date and in relation to each Specified Rate affected by an FX Market Disruption Event:

- (a) If "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Specified Rate provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant rate on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant rate on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if "**Modified Postponement**" is specified as applying in the applicable Final Terms then the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive FX Business Days (with respect to a Specified Rate which is determined by reference to an NDF Currency) or consecutive calendar days (with respect to a Specified Rate which is not determined by reference to an NDF Currency) equal to (i) in the case of a Specified Rate which is not determined by reference to an NDF Currency, the Specified Maximum Days of Disruption or (ii) in the case of a Specified Rate which is determined by reference to an NDF Currency the Specified NDF Maximum Days of Disruption, in each case immediately following the Scheduled Averaging Date, then:
 - (A)
 - (x) in the case of a Specified Rate which is not determined by reference to an NDF Currency, that last such consecutive FX Business Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive FX Business Day is already an Averaging Date); and
 - (y) in the case of a Specified Rate which is determined by reference to an NDF Currency, the first FX Business Day immediately following that last consecutive calendar day, shall be deemed to be the Averaging Date (irrespective of whether that FX Business Day is already an Averaging Date); and
 - (B) the Calculation Agent shall determine the relevant rate for that Averaging Date in accordance with:

Currency Technical Annex

- (x) in the case of a Specified Rate which is not determined by reference to an NDF Currency, sub-paragraph (a)(ii) in of the definition of "Valuation Date" below; or
- (y) in the case of a Specified Rate which is determined by reference to an NDF Currency, sub-paragraph (b)(ii) in of the definition of "Valuation Date" below.

For the purposes of these Currency Linked Conditions "**Valid Date**" means an any FX Business Day (in the case of a Specified Rate which is not determined by reference to an NDF Currency) or calendar day (in the case of a Specified Rate which is determined by reference to an NDF Currency) that in each case is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur;

"**Bloomberg Screen**" shall mean, when used in connection with any designated page, specified in the applicable Final Terms, the display page so designated on the Bloomberg service (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, in all cases for the purpose of displaying comparable rates in succession thereto).

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the enactment, promulgation, execution, ratification or adoption of, or any change in or amendment to, any rule, law, regulation or statute (or in the applicability or interpretation of any rule, law, regulation or statute by any court, tribunal or regulatory authority with competent jurisdiction) or the issuance of any order or decree, or any action taken by a taxing authority, the Issuer determines in its sole and absolute discretion that it has become illegal or not reasonably practicable for any Hedging Party to hold, acquire or dispose of relevant hedge positions relating to any Reference Currency, the Specified Currency or other relevant currency(ies) in relation to the Notes.

"**Currency Disruption Event**" means any of:

- (a) "**General Inconvertibility**", being the occurrence of any event that, from a legal or practical perspective, generally makes it impossible or not reasonably practicable to convert the Local Currency into the Specified Currency in any relevant jurisdiction through customary legal channels;
- (b) "**Specific Inconvertibility**", being the occurrence of any event that, from a legal or practical perspective, has the direct or indirect effect of hindering, limiting, restricting, making it impossible or not reasonably practicable for any Hedging Party to convert the whole, or part thereof, of any relevant amount in the Local Currency into the Specified Currency in any relevant jurisdiction, (including, without limitation, by reason of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of the Local Currency into the Specified Currency) other than where such impossibility or impracticality is due solely to the failure by such Hedging Party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible or not reasonably practicable for such Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation);
- (c) "**General Non-Transferability**", being the occurrence of any event that generally makes it impossible or not reasonably practicable to deliver (a) the Specified Currency from accounts inside any relevant jurisdiction to accounts outside such relevant jurisdiction or (b) the Local Currency between accounts inside the relevant jurisdiction or to a party that is a non-resident of such relevant jurisdiction;
- (d) "**Specific Non-Transferability**", being the occurrence of any event that, from a legal or practical perspective, has the direct or indirect effect of hindering, limiting, restricting, making it impossible or not reasonably practicable for any Hedging Party to deliver (a) the Local Currency from accounts inside any relevant jurisdiction to accounts outside such relevant jurisdiction or (b) the Local

Currency Technical Annex

Currency between accounts inside any relevant jurisdiction or to a party that is a non-resident of such relevant jurisdiction (including, without limitation, by reason of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of the Local Currency into the Specified Currency), other than where such impossibility or impracticality is due solely to the failure by such Hedging Party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible or not reasonably practicable for such Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation);

- (e) "**Nationalisation**", being any expropriation, confiscation, requisition, nationalisation or other action is taken by a Governmental Authority which deprives any Hedging Party of all or substantially all of its assets in any relevant jurisdiction; and/or
- (f) "**Dual Exchange Rate**", being the occurrence of an event that splits any rate referred to in the definition of any applicable Specified Rate into dual or multiple currency exchange rates.

"**Currency Reference Dealers**" shall mean at any relevant time up to five dealers in the currency and foreign exchange markets, as selected by the Calculation Agent at such time, in its sole and absolute discretion.

"**Currency Reference Dealer Quotation**" shall mean, in relation to any FX Business Day and a relevant Specified Rate, a rate determined on the basis of five currency or foreign exchange rate quotations requested by the Calculation Agent at or about the Valuation Time on such FX Business Day from five Currency Reference Dealers expressed on the same basis as such Specified Rate in accordance with the following:

- (a) After disregarding the highest and lowest quotation provided by the Currency Reference Dealers (provided that, if two or more such quotations are the highest such quotations, then only one of such quotations shall be disregarded and if two or more such quotations are the lowest quotations then only one of such lowest quotations shall be disregarded), the applicable Currency Reference Dealer Quotation shall be determined by the Calculation Agent as the arithmetic mean (rounded to the nearest five decimal places, 0.000005 being rounded upwards) of the remaining three such quotations for such rate; or
- (b) If only four such quotations are provided as requested, (after disregarding the highest and lowest such quotations in the manner described above), the applicable Currency Reference Dealer Quotation shall be the arithmetic mean of the remaining two quotations for such rate (rounded as described above) as determined by the Calculation Agent; or
- (c) If only three or two quotations are provided as requested, the applicable Currency Reference Dealer Quotation shall be the arithmetic mean of such quotations (rounded as described above) as determined by the Calculation Agent; or
- (d) If only one or no such quotation is provided as requested, no applicable Currency Reference Dealer Quotation shall be determined.

"**Disrupted Day**" means:

- (i) any day on which an FX Market Disruption Event exists or has occurred; or
- (ii) with respect to an NDF Currency only, any relevant day on which an Unscheduled Holiday occurs.

"**Force Majeure Event**" means the occurrence, as determined in the sole and absolute discretion of the Calculation Agent, of an event resulting in the Calculation Agent being unable to make any determination under the Notes, including being unable to determine any amount, rate, level or other variable necessary to determine any payment due under the Notes as a result of market conditions, including, but not limited to, acts

Currency Technical Annex

of God, riots, civil commotion, insurrections, wars, actions of foreign or local governmental agencies, breakdowns in telecommunications or other electronic communication, blockades, boycotts, strikes, lockouts, industrial actions of whatever nature, bomb threats or terrorist actions or any other causes beyond its control.

"FX Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) or, but for an FX Market Disruption Event, would have settled payments and been open in such manner in each of the Principal Financial Centres specified in the applicable Final Terms.

"FX Market Disruption Event" means any FX Price Source Disruption and/or FX Trading Suspension or Limitation and/or any other event specified as such in the applicable Final Terms.

"FX Price Source" shall mean the information source(s) specified as such for the relevant Specified Rate in the applicable Final Terms.

"FX Price Source Disruption" means it becomes impossible or not reasonably practicable to obtain or determine a relevant Specified Rate by reference to a relevant FX Price Source.

"FX Trading Suspension or Limitation" means the suspension of and/or limitation of trading in any relevant market for the determination of a Specified Rate (which may be, without limitation, any over-the-counter or quotation-based market, whether regulated or unregulated) if, in any such case, such suspension or limitation is, in the determination of the Calculation Agent, material.

"Governmental Authority" means (i) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or (ii) any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in each case in any relevant jurisdiction.

"Hedging Disruption" means that any Hedging Party is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk, including but not limited to the currency risk, of the Issuer issuing and performing its obligations with respect to the Notes, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"Hedging Party" means the Issuer and/or any Affiliate and/or any other party which conducts hedging arrangements in respect of the Issuer's obligations in respect of the Notes from time to time.

"Increased Cost of Hedging" means that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Local Currency" means, in relation to General Inconvertibility, Specific Inconvertibility, General Non-Transferability, Specific Non-Transferability or Special Taxation Event, the currency specified as such in relation to such event in the applicable Final Terms and any successor currency as determined by the Calculation Agent.

"NDF Currency" shall mean each relevant currency specified as such in the applicable Final Terms.

"Principal Financial Centre" means the relevant financial centre(s) specified as such in the applicable Final Terms.

Currency Technical Annex

"Reference Currency" shall mean each relevant currency specified as such in the applicable Final Terms.

"Reuters Screen" shall mean, when used in connection with any designated page, specified in the applicable Final Terms, the display page so designated on the Reuters Money Market Rate Services or such other services or service as may be nominated as the information vendor for the purpose of displaying the specific page on that service or such other page as may replace that page on that service or such other service, in all cases for the purpose of displaying comparable rates in succession thereto.

"Scheduled Averaging Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Averaging Date.

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"Screen Page" means the page specified in the applicable Final Terms, or any successor page or service thereto.

"Special Taxation Event" means the occurrence, in the sole and absolute determination of the Calculation Agent of one or more of the following:

- (a) (i) the enactment, promulgation, execution, ratification or adoption of, or any change in or amendment to, any rule, law, regulation or statute (or in the applicability or official interpretation of any rule, law, regulation or statute) by any Governmental Authority, (ii) the issuance of any order or decree by any Governmental Authority, (iii) any action being taken by a taxing authority in a relevant jurisdiction, or (iv) the occurrence of any other act or event at any time relating to withholding or deduction for or on account of tax in relation to any Reference Currency specified in the applicable Final Terms, which (in the case of (i), (ii), (iii) or (iv) above) will (or there is a substantial likelihood that it will) adversely affect the economic value of the Notes;
- (b) the imposition of taxes on the transfer of any Local Currency or Reference Currency or any other currency out of any relevant jurisdiction; or
- (c) the imposition of any taxes on any conversion of any Local Currency into another currency.

"Specified Maximum Days of Disruption" means eight (8) FX Business Days or such other number of FX Business Days in the period from (but excluding) the Scheduled Valuation Date or Scheduled Averaging Date, as applicable, to (but excluding) the second (2nd) FX Business Day prior to any due date for any payment under the Notes for which valuation on the relevant Valuation Date or Averaging Date is relevant.

"Specified NDF Maximum Days of Disruption" means the maximum number of calendar days of postponement of the Scheduled Valuation Date or Scheduled Averaging Date, as applicable, as specified in the applicable Final Terms or, if shorter, such number of calendar days ending on (but excluding) the second (2) FX Business Day prior to any due date for any payment under the Notes for which valuation on the relevant Valuation Date or Averaging Date is relevant, all as determined by the Calculation Agent.

"Specified Rate" means, in relation to any Valuation Date or Averaging Date, each relevant currency or foreign exchange rate in relation to such Valuation Date or Averaging Date, as specified in the applicable Final Terms.

"Unscheduled Holiday" shall have the meaning specified in the applicable Final Terms;

"Valuation Date" means, in relation to any Specified Rate, each date specified as such in relation to such Specified Rate in the applicable Final Terms, or, if any such Valuation Date is not an FX Business Day, the relevant Valuation Date shall (i) in the case of a Specified Rate which is determined by reference to an NDF

Currency Technical Annex

Currency, be the immediately preceding FX Business Day, *provided however*, that, in the event of the originally scheduled Valuation Date being an Unscheduled Holiday, the Valuation Date shall be the immediately succeeding FX Business Day and (ii) in the case of a Specified Rate which is not determined by reference to an NDF Currency, be the immediately succeeding FX Business Day unless, in each case, in the opinion of the Calculation Agent, such relevant Valuation Date is a Disrupted Day in relation to any Specified Rate. If such relevant Valuation Date is a Disrupted Day, then in relation to each Specified Rate not affected by an FX Market Disruption Event the Valuation Date shall be the Scheduled Valuation Date and in relation to each Specified Rate affected by an FX Market Disruption Event:

- (a) in the case of a Specified Rate which is not determined by reference to an NDF Currency, the relevant Valuation Date shall be the first succeeding FX Business Day that is not a Disrupted Day, unless each of the number of consecutive FX Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case:
 - (i) the last such consecutive FX Business Day shall be deemed to be the relevant Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and
 - (ii) the Calculation Agent shall determine the relevant Specified Rate as:
 - (A) the Currency Reference Dealer Quotation for the last such consecutive FX Business Day for the relevant Specified Rate; or
 - (B) if only one or no quotations are provided by the Currency Reference Dealers for the last such consecutive FX Business Day or if it is not reasonably practicable for the Calculation Agent to request quotations from the Currency Reference Dealers for any reason, the relevant Specified Rate shall be determined by the Calculation Agent as of the Valuation Time on the last such consecutive FX Business Day as its good faith estimate of the Specified Rate which would have prevailed at such time but for the provisions of this sub-paragraph (a)(ii) applying by reference to such source(s) as it may determine appropriate and taking into account the unavailability of the relevant FX Price Source and market quotations at such time; or
- (b) in the case of a Specified Rate which is determined by reference to an NDF Currency, the relevant Valuation Date shall be the first succeeding calendar day that is not a Disrupted Day, unless each of the number of consecutive calendar days equal to the Specified NDF Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case:
 - (i) the FX Business Day immediately following such last consecutive calendar day shall be deemed to be the relevant Valuation Date, notwithstanding the fact that such day may be a Disrupted Day; and
 - (ii) the Calculation Agent shall determine the relevant Specified Rate as of the Valuation Time on such FX Business Day (x) as the Specified Rate determined on the basis of the Second Fallback FX Price Source, if any, being the FX Price Source or, if no such Second Fallback FX Price Source applies or if it applies but is unavailable or otherwise not reasonably practicable to use, (y) as its good faith estimate of the Specified Rate which would have prevailed at such time but for the provisions of this sub-paragraph (b)(ii) applying by reference to such source(s) as it may determine appropriate and taking into account any FX Market Disruption Event at such time.

"Valuation Time" shall mean, in relation to a Specified Rate the relevant time specified for such Specified Rate in the applicable Final Terms.

Equity Technical Annex

EQUITY TECHNICAL ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED NOTES

*The terms and conditions applicable to Equity Linked Notes shall comprise the General Terms and Conditions of the Notes set out on page 149 (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Equity Linked Conditions**" and, together with the General Conditions, the "**Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Equity Linked Conditions, the Equity Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Equity Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

References below to a numbered General Condition are to such numbered section of the General Conditions and references to a numbered Equity Linked Condition are to such numbered section as set out in this Technical Annex.

Defined terms used in this Technical Annex where the same term may be used in another Technical Annex (e.g. Valuation Date) shall have the meanings given in this Technical Annex or in the section of the Final Terms relating to Equity Linked Notes.

1. EQUITY LINKED NOTES

(a) Equity Linked Interest Notes

Unless previously redeemed or purchased and cancelled in accordance with the General Conditions or as specified in the applicable Final Terms and subject to this Equity Technical Annex, each Equity Linked Interest Note will bear interest in the manner specified in the applicable Final Terms and the General Conditions.

(b) Equity Linked Redemption Notes

Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer (A) if Cash Settlement is specified in the applicable Final Terms, by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms on the Maturity Date or (B) if Physical Delivery is specified in the applicable Final Terms by delivery of the Asset Amount on the Maturity Date (subject as provided below) or (C) if Cash Settlement and/or Physical Delivery is specified in the applicable Final Terms, by payment of the Final Redemption Amount and/or by delivery of the Asset Amount on the terms set out in the applicable Final Terms, in each case on the Maturity Date (subject as provided below).

2. DEPOSITARY RECEIPTS

(a) Application of Depositary Receipt provisions

If "Depositary Receipt provisions" are specified as applicable in the applicable Final Terms, for the purposes of these Equity Linked Conditions:

- (i) references to "**Share**" or "**Shares**" shall be deemed to include an ordinary share or ordinary shares or other relevant equity securities, as the case may be, of the Share Company to which the relevant Depositary Receipts specified in the applicable Final Terms relate;
- (ii) references to "**Exchange**" shall, in the context of the ordinary shares or other relevant equity securities of the Share Company, be deemed to be references to the Share Exchange specified in the applicable Final Terms;

Equity Technical Annex

- (iii) references to "**Share Company**" shall, in the context of a Depositary Receipt, be deemed to include references to the issuer or obligor of the Depositary Receipts; and
- (iv) with respect to Depositary Receipts only, the following events shall constitute Additional Disruption Events for the purposes of Equity Linked Condition 7:
 - (A) a Termination; and
 - (B) an Adjustment Event.

(b) **Definitions specific to Depositary Receipts**

"**Adjustment Event**" means (a) the terms and conditions of the Depositary Receipts have been altered or any adjustment or modification has been made pursuant to such terms and conditions (in each case whether by the Share Company or any party having influence over such terms and conditions) or the Depositary Receipts converted into other securities and/or (b) the aggregate amounts (or currency thereof) to which a holder is entitled under the Depositary Receipts are altered.

"**Depositary Receipt**" means a depositary receipt relating to ordinary shares or other relevant equity securities issued by a Share Company, as specified in the applicable Final Terms, subject to adjustment pursuant to the provisions specified in Equity Linked Conditions 4, 5 and 7.

"**Termination**" means, in relation to an issue of Depositary Receipts, such issue has been terminated, cancelled or otherwise ceased to be outstanding for any reason.

3. **MARKET DISRUPTION**

"**Market Disruption Event**" means, in relation to Notes relating to a single Share or a basket of Shares, in respect of a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent in its sole and absolute discretion, determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with General Condition 14 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date.

4. **POTENTIAL ADJUSTMENT EVENTS**

"**Potential Adjustment Event**" means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing Noteholders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing Noteholders of the relevant Shares of (A) such Shares or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to Noteholders of such Shares or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or certificates or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;

Equity Technical Annex

- (c) an Extraordinary Dividend (as defined in Equity Linked Condition 8) as determined by the Calculation Agent;
- (d) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (e) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, 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, certificates, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or any of the other terms of the Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. In its determinations of the existence and extent of any dilutive or concentrative effect on the theoretical value of the Shares relating to any Potential Adjustment Event, and any related adjustments to the terms of the Notes, the Calculation Agent may take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Potential Adjustment Event. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as reasonably practicable under the circumstances to (i) the Issuer and the Principal Paying Agent and (ii) the Noteholders in accordance with General Condition 14 (*Notices*), stating the adjustment to any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or any of the other terms of the Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event, *provided that* any failure to give, or non-receipt of, such notice will not affect the validity of the Potential Adjustment Event.

5. EXTRAORDINARY EVENTS

(a) Definitions applicable to Extraordinary Events

As used herein:

Equity Technical Annex

"Additional Extraordinary Event" means any of a De-Merger, a Participation Event or any other event but in each only if specified as applicable in the applicable Final Terms;

"De-Listing" means, in respect of any relevant Shares, the relevant Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union);

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (i) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them;

"Merger Date" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent;

"Merger Event" means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before (1) in the case of Cash Settled Notes, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date or (2) in the case of Physical Delivery Notes, the relevant Maturity Date;

"Nationalisation" means that all the Shares or all or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Basket Company or Share Company, as the case may be, 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; and

"Tender Offer Date" means, in respect of a Tender Offer, the date on which the voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained, as determined by the Calculation Agent,

Equity Technical Annex

and each of the above events, together with any other events specified as such in the applicable Final Terms, is an "**Extraordinary Event**".

As used herein:

"**De-Merger**" means, in respect of any relevant Shares, that the Basket Company or Share Company, as the case may be, is affected by a de-merger including, without limitation, a spin off, scission or any operation of a similar nature; and

"**Participation Event**" means that a Basket Company takes a stake exceeding 20.00 per cent. of another separate Basket Company comprised within the same basket of Shares;

(b) **Consequences of an Extraordinary Event**

If any Extraordinary Event occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), or (iii) below:

- (i) require the Calculation Agent to determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or any of the other terms of the Conditions and/or the applicable Final Terms to account for such Extraordinary Event, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes, or selecting a replacement share and making any relevant adjustments in relation thereto. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange and the Calculation Agent may take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Extraordinary Event; or
- (ii) on giving notice to Noteholders in accordance with General Condition 14 (*Notices*), redeem all but not some only of the Notes, each Note being redeemed at the Early Redemption Amount which shall be determined by taking into account the relevant Extraordinary Event all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 14 (*Notices*); or
- (iii) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or any of the other terms of the Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or any of the other terms of the Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for such Extraordinary Event, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

Upon the occurrence of an Extraordinary Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with General Condition 14 (*Notices*) stating the occurrence of the Extraordinary

Equity Technical Annex

Event giving details thereof and the action proposed to be taken in relation thereto, *provided that* any failure to give, or non-receipt of, such notice will not affect the validity of the Extraordinary Event or the proposed action.

6. CORRECTION OF SHARE PRICE

With the exception of any corrections published after the day which is three (3) Exchange Business Days prior to the Maturity Date, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes, is subsequently corrected and the correction published by the relevant Exchange within one Settlement Cycle after the original publication, the Calculation Agent may make any adjustments to the Conditions and/or adjust any subsequent payments under the Notes, as it may determine appropriate to take into account such correction(s). The price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three (3) Exchange Business Days prior to a due date for payment under the Notes calculated by reference to the price of a Share, will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

7. ADDITIONAL DISRUPTION EVENTS

"**Additional Disruption Event**" means any of Change of Law, Failure to Deliver, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing, Loss of Stock Borrow and/or any other event specified as such in the applicable Final Terms and/or, if applicable pursuant to Equity Linked Condition 2, a Termination or an Adjustment Event.

- (a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i), or (ii) below:
 - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or any of the other terms of the Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment. Without limitation, the Calculation Agent may take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Additional Disruption Event; or
 - (ii) redeem the Notes by giving notice to the Noteholders in accordance with General Condition 14 (*Notices*). If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him which amount shall be the Early Redemption Amount, determined by taking into account the Additional Disruption Event. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 14 (*Notices*).
- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with General Condition 14 (*Notices*) stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Extraordinary Event or the proposed action.

8. DEFINITIONS RELATING TO DIVIDENDS

The following definitions may be used in connection with Equity Linked Notes if so specified in the applicable Final Terms:

Equity Technical Annex

"Currency Business Day" means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the relevant currency. In respect of any relevant amount in euro, any day on which the TARGET System is open.

"Dividend Amount" means, in respect of the relevant Share, the related Dividend Period and the related Dividend Payment Date, the Record Amount, the Ex Amount or the Paid Amount, as specified in the applicable Final Terms or any other amount determined as provided in the applicable Final Terms, or included as part of an adjustment pursuant to Equity Linked Condition 4.

"Dividend Payment Date" means, in respect of a Dividend Period, each date specified or otherwise determined as provided in the applicable Final Terms or, if such date is not a Currency Business Day, the next following Currency Business Day. If no such date is specified in the applicable Final Terms the Dividend Payment Date shall be the Interest Payment Date relating to the Dividend Period.

"Dividend Period" means, the First Period or the Second Period, as specified in the applicable Final Terms, or such other period determined as provided in the applicable Final Terms. If no Dividend Period is specified in the applicable Final Terms, the Dividend Period will be the Second Period.

"Ex Amount" means, in relation to a Dividend Amount, 100 per cent. of the gross cash dividend per Share declared by the Share Company or Basket Company to holders of record of a Share where the date that the Shares have commenced trading ex-dividend on the Exchange occurs during the relevant Dividend Period.

"Excess Dividend Amount" means, in respect of a Dividend Period, the Extraordinary Dividend Record Amount, the Extraordinary Dividend Ex Amount or the Extraordinary Dividend Paid Amount, as specified in the applicable Final Terms, or any other amount determined as provided in the applicable Final Terms.

"Extraordinary Dividend" means an amount per Share specified or otherwise determined as provided in the applicable Final Terms. If no Extraordinary Dividend is specified in or otherwise determined as provided in the applicable Final Terms, the characterisation of a dividend or portion thereof as an Extraordinary Dividend shall be determined by the Calculation Agent acting in its sole and absolute discretion.

"Extraordinary Dividend Ex Amount" means, in relation to an Excess Dividend Amount, 100 per cent. of the Extraordinary Dividend per Share declared by the Share Company or Basket Company to holders of record of a Share where the date that the Shares have commenced trading ex-dividend on the relevant Exchange occurs during the relevant Dividend Period.

"Extraordinary Dividend Paid Amount" means, in relation to an Excess Dividend Amount 100 per cent. of the Extraordinary Dividend per Share paid by the Share Company or Basket Company during the relevant Dividend Period to holders of record of a Share.

"Extraordinary Dividend Record Amount" means, in relation to an Excess Dividend Amount 100 per cent. of the Extraordinary Dividend per Share declared by the Share Company or Basket Company to holders of record of a Share on any record date occurring during the relevant Dividend Period.

"First Period" means each period from, and including, one Interest Payment Date to, but excluding, the next following Interest Payment Date, except that (i) the initial Dividend Period will commence on, and include, the Clearance System Business Day that is one Settlement Cycle following the Trade Date and (ii) the final Dividend Period will end on, but exclude, the final Interest Payment Date.

"Paid Amount" means, in relation to a Dividend Amount, 100 per cent. of the gross cash dividend per Share paid by the Share Company or Basket Company during the relevant Dividend Period to holders of record of a Share.

Equity Technical Annex

Any "**gross cash dividend**" shall represent a sum before the withholding or deduction of taxes at the source by or on behalf of any applicable authority having power to tax in respect of such a dividend, and shall exclude any imputation or other credits, refunds or deductions granted by any applicable authority having power to tax in respect of such dividend and any taxes, credits, refunds or benefits imposed, withheld, assessed or levied thereon. In addition, "gross cash dividends" shall exclude Extraordinary Dividends and Excess Dividend Amounts, if any, unless otherwise provided in the applicable Final Terms.

"**Record Amount**" means, in relation to a Dividend Amount, 100 per cent. of the gross cash dividend per Share declared by the Share Company or Basket Company to holders of record of a Share on any record date occurring during the relevant Dividend Period.

"**Second Period**" means each period from, but excluding, one Valuation Date to, and including, the next Valuation Date, except that (i) the initial Dividend Period will commence on, but exclude, the Trade Date and (ii) the final Dividend Period will end on, and include, the final Valuation Date or, in respect of Physical Delivery Notes, the date that is one Settlement Cycle prior to the Maturity Date.

9. DEFINITIONS

Unless otherwise specified in the applicable Final Terms:

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

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if "**Modified Postponement**" is specified as applying in the applicable Final Terms then:
 - (i) where the Notes relate to a single share, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price

Equity Technical Annex

for that Averaging Date in accordance with sub-paragraph (a) of the definition of "Valuation Date" below; or

- (ii) where the Notes relate to a basket of Shares, the Averaging Date for each Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Share. If the first succeeding Valid Date in relation to such Share has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Share, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b) of the definition of "Valuation Date" below; and
- (iii) for the purposes of these Equity Linked Conditions, "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"**Basket Company**" means a company whose shares are included in the basket of Shares and "**Basket Companies**" means all such companies;

"**Bloomberg Screen**" shall mean, when used in connection with any designated page, specified in the applicable Final Terms, the display page so designated on the Bloomberg service (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, in all cases for the purpose of displaying comparable rates in succession thereto).

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Final Terms) (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (i) it has become illegal to hold, acquire or dispose of any relevant Share and/or (ii) the Hedging Party will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates or any Hedging Party), or (iii) the performance of the Guarantor under the Guarantee has become unlawful.

"**Clearance System**" shall mean any one of Euroclear, Clearstream, Luxembourg or any other relevant clearance systems specified as such in the applicable Final Terms or any successor to such clearance system.

"**Clearance System Business Day**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a settlement disruption event, would have been) open for acceptance and execution of settlement instructions.

"**Closing Price**" means, in relation to a Share:

- (a) if the relevant Exchange is the Tokyo Stock Exchange or the Osaka Securities Exchange, the last traded price of such Share for the day quoted by the Exchange, provided however, that if there is a closing special quote on such Shares quoted by the Exchange (*tokubetsu kehaine*), such quote shall be deemed to be the relevant Closing Price;

Equity Technical Annex

- (b) if the relevant Exchange is the Italian Stock Exchange, the *Prezzo di Riferimento*, which means the price as published by the Italian Stock Exchange at the close of trading and having the meaning ascribed thereto in the Rules of the Markets organised and managed by the Italian Stock Exchange, as such Rules may be amended by the Borsa Italiana S.p.a. from time to time; or
- (c) in any other case, the official closing price of such Share on the relevant Exchange.

"Disrupted Day" means any Scheduled Trading Day on which: (i) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or (ii) a Market Disruption Event has occurred.

"Early Closure" means the closure on any Exchange Business Day of relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"Exchange" means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).

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

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

"Failure to Deliver" means failure of the Hedging Party to deliver, when due, the Relevant Assets comprising the Asset Amount, where such failure to deliver is due to illiquidity in the market for such Shares.

"Hedging Disruption" means that the Hedging Party is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"Hedging Party" means at any relevant time, the Issuer or any of its Affiliates or any other party providing the Issuer directly or indirectly with hedging arrangements in relation to the Notes as the Issuer may select at such time.

"Hedging Shares" means the number of Shares that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes.

"Increased Cost of Hedging" means that the Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with

Equity Technical Annex

respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

"Increased Cost of Stock Borrow" means that the Hedging Party would incur a rate to borrow any Share that is greater than the Initial Stock Loan Rate.

"Initial Stock Loan Rate" means, in respect of a Share, the initial stock loan rate specified in relation to such Share in the applicable Final Terms.

"Insolvency Filing" means that a Share Company or Basket Company, as the case may be, institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing.

"Local Jurisdiction" has the meaning given in the definition of Offshore Investor.

"Local Taxes" shall mean taxes, duties, and similar charges imposed by the taxing authority of the country in which the Basket Company or the Share Company, as the case may be, has been incorporated or in which the relevant Exchange is located.

"Loss of Stock Borrow" means that the Hedging Party is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

"Maximum Stock Loan Rate" means, in respect of a Share, the Maximum Stock Loan Rate specified in the applicable Final Terms.

"Offshore Investor" shall mean a holder of Shares who is an institutional investor not resident in the country in which the Basket Company or the Share Company, as the case may be, has been incorporated or in which the relevant Exchange is located (the **"Local Jurisdiction"**), for the purposes of the tax laws and regulations of the Local Jurisdiction and, for the avoidance of doubt, whose jurisdiction of residence (i) shall be determined by the Calculation Agent in its sole and absolute discretion and (ii) may be the jurisdiction of a Hedging Party.

"Related Exchange" means, in relation to a Share, each exchange or quotation system on which option contracts or futures contracts relating to such Share are traded, or each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where **"All Exchanges"** is specified as the Related Exchange in the applicable Final Terms, Related Exchange shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share.

"Relevant Time" means, in relation to a Share, the time specified as such in the applicable Final Terms or, if not specified, the Scheduled Closing Time.

"Reuters Screen" shall mean, when used in connection with any designated page, specified in the applicable Final Terms, the display page so designated on the Reuters Money Market Rate Services or such other services

Equity Technical Annex

or service as may be nominated as the information vendor for the purpose of displaying the specific page on that service or such other page as may be replace that page on that service or such other service, in all cases for the purpose of displaying comparable rates in succession thereto.

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

"Scheduled Trading Day" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"Screen Page" means the page specified in the applicable Final Terms, or any successor page or service thereto.

"Settlement Cycle" means, in respect of any Share, the period of Clearance System Business Days following a trade in Shares on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

"Settlement Price" means, unless otherwise specified in the applicable Final Terms and subject as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be:

- (a) in the case of Notes relating to a single Share, an amount equal to the Closing Price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and (or if, in the opinion of the Calculation Agent, any such Closing Price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share 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; and
- (b) in the case of Notes relating to a basket of Shares, an amount equal to the sum of the values calculated for each Share at the Closing Price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share) on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and (or if in the opinion of the Calculation Agent, any such Closing Price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at

Equity Technical Annex

the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the relevant Share whose Closing Price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined 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 relevant Share or on such other factors as the Calculation Agent shall decide.

"**Shares**" and "**Share**" mean in the case of an issue of Notes relating to a basket of Shares, each share and, in the case of an issue of Notes relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly.

"**Share Company**" means, in the case of an issue of Notes relating to a single Share, the company that has issued such share.

"**Specified Maximum Days of Disruption**" means the lesser of (i) eight (8) Scheduled Trading Days or (ii) such number of Scheduled Trading Days in the period from (but excluding) the Scheduled Valuation Date to (but excluding) the third (3) Business Day prior to any due date for any payment under the Notes for which valuation on the relevant Averaging Date or Valuation Date is relevant.

"**Trade Date**" shall have the meaning specified in the applicable Final Terms.

"**Trading Disruption**" means, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to the share or (b) in futures or options contracts relating to such share on any relevant Related Exchange.

"**Valuation Date**" means the date specified as such in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) in the case of Notes relating to a single Share, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive 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 Settlement Price (including without limitation the conversion of such amount from or into any applicable currency) in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on that the last such consecutive Scheduled Trading Day; or
- (b) in the case of Notes relating to a basket of Shares, the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Share affected (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable

Equity Technical Annex

Final Terms, or, if not set out or if not practicable, using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last consecutive Scheduled Trading Day,

and otherwise in accordance with the above provisions; and

"**Valuation Time**" means the Relevant Time specified in the applicable Final Terms or, if no Relevant Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to each Share to be valued provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

10. PHYSICAL DELIVERY NOTES

(A) Physical Delivery

(1) Asset Transfer Notices

In relation to Physical Delivery Notes other than Notes represented by a Rule 144A Global Note, in order to obtain delivery of the Asset Amount(s) in respect of any Note:

(X) if such Note is represented by a Global Note, the relevant Noteholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Principal Paying Agent and Calculation Agent not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice in the form set out in the Agency Agreement; and

(Y) if such Note is in definitive form, the relevant Noteholder must deliver (i) if this Note is a Bearer Note, to any Paying Agent or (ii) if this Note is a Registered Note, to the Registrar or any Paying Agent, in each case, with a copy to the Principal Paying Agent and Calculation Agent not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice in the form set out in the Agency Agreement.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of the Registrar or any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, or (ii) if such Note is in definitive form, in writing.

If this Note is in definitive form, this Note must be delivered together with the duly completed Asset Transfer Notice.

The Asset Transfer Notice shall:

- (i) specify the name, address and contact telephone number of the relevant Noteholder and the person from whom the Issuer may obtain details for the delivery of the Asset Amount;
- (ii) specify the series number of the Notes and the number of Notes which are the subject of such notice;
- (iii) in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject of such notice and the number of the Noteholder's

Equity Technical Annex

account at Euroclear or Clearstream, Luxembourg as the case may be to be debited with such Notes and irrevocably instruct and authorise the relevant Clearance System to debit the relevant Noteholder's account with such Notes on or before the Delivery Date;

- (iv) include an undertaking to pay all Expenses and, in the case of Notes represented by a Global Note, an authority to Euroclear or Clearstream, Luxembourg, as the case may be to debit a specified account of the Noteholder with Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Expenses;
- (v) include such details as are required for delivery of the Asset Amount which may include account details and/or the name and address of any person(s) into whose name evidence of the Asset Amount is to be registered and/or any bank, broker or agent to whom documents evidencing the Asset Amount are to be delivered and specify the name and number of the Noteholder's account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Asset Amount or any dividends relating to the Asset Amount or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Redemption Amount;
- (vi) certify that the beneficial owner of each Note is not a U.S. person (as defined in the Asset Transfer Notice), the Note is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof;
- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(2) Verification of the Noteholder

In the case of Notes represented by a Global Note, upon receipt of an Asset Transfer Notice, Euroclear or Clearstream, Luxembourg as the case may be shall verify that the person delivering the Asset Transfer Notice is the holder of the Notes described therein according to its records. Subject thereto, Euroclear or Clearstream, Luxembourg as the case may be will confirm to the Principal Paying Agent the series number and number of Notes which are the subject of such notice, the relevant account details and the details for the delivery of the Asset Amount of each Note. Upon receipt of such confirmation, the Principal Paying Agent will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg as the case may be will on or before the Delivery Date debit the securities account of the relevant Noteholder with the relevant Notes.

(3) Determinations and Delivery

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made, in the case of Notes represented by a Global Note, by Euroclear or Clearstream, Luxembourg as the case may be or, in the case of Notes in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, in each case in consultation with the Principal Paying Agent, and shall be conclusive and binding on the Issuer, the Principal Paying Agent(s) and the relevant Noteholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied

Equity Technical Annex

to the Principal Paying Agent immediately after being delivered or sent as provided in paragraph (1) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of, in the case of Notes represented by a Global Note, Euroclear or Clearstream, Luxembourg as the case may be, or, in the case of Notes in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, in each case in consultation with the Principal Paying Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearance System, the Registrar or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

The Asset Amount will be delivered at the risk of the relevant Noteholder, in the manner provided below on the date fixed for redemption (such date, subject to adjustment in accordance with this Equity Linked Condition, the "**Delivery Date**"), provided that the Asset Transfer Notice is duly delivered as provided above on or prior to the Cut-Off Date.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Paying Agent, on or prior to the Cut-Off Date, then the Asset Amount will be delivered as soon as practicable after the date fixed for redemption (in which case, such date of delivery shall be the Delivery Date) at the risk of such Noteholder in the manner provided below. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the date fixed for redemption and no liability in respect thereof shall attach to the Issuer.

The Issuer shall at the risk of the relevant Noteholder, deliver or procure the delivery of the Asset Amount for each Note, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice. All costs, taxes, duties and/or expenses including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes ("**Expenses**") arising from the delivery of the Asset Amount in respect of such Notes shall be for the account of the relevant Noteholder and no delivery of the Asset Amount shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

(4) General

Notes held by the same Noteholder will not be aggregated for the purpose of determining the Asset Amounts in respect of such Notes, and the Asset Amounts in respect of each Note will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered but in lieu thereof the Issuer shall pay to the Noteholders in respect of each Note an additional amount in the Specified Currency equal to the fair market value of such fraction in such manner as shall be determined by the Calculation Agent in its sole and absolute discretion and notified to Noteholders in accordance with General Condition 14 (*Notices*).

Equity Technical Annex

Following the Delivery Date of a Share all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the Delivery Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Noteholder will be paid to the account specified by the Noteholder in the relevant Asset Transfer Notice as referred to in Equity Linked Condition 10(A)(1).

For such period of time after delivery of the Asset Amount as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities comprising the Asset Amount (the "**Intervening Period**"), none of the Issuer, the Paying Agents, the Registrar or any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations comprised in such Asset Amount or otherwise as specified in the applicable Final Terms.

(5) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Asset Amount using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on the Delivery Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event unless there is a Settlement Disruption Event on each of the ten (10) Settlement Business Days immediately following the original date that, but for such Settlement Disruption Event, would have been a valid Delivery Date. In that case, (a) if the Asset Amount can be delivered in any other commercially reasonable manner, as determined by the Calculation Agent, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering the Asset Amount using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be the first day on which settlement of a sale of Relevant Assets comprising the Asset Amount executed on that tenth (10) Clearance System Business Day would customarily take place using such other commercially reasonable manner, and (b) if the Relevant Assets comprising the Asset Amount cannot be delivered in any other commercially reasonable manner, then the Delivery Date will be postponed until delivery can be effected in the manner contemplated in the Asset Transfer Notice or in any other commercially reasonable manner, as determined by the Calculation Agent. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Asset Amount, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of the Asset Amount is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Disruption Cash Redemption Amount (as defined below) on the fifth (5th) Business Day following the date that notice of such election is given to the Noteholders in accordance with General Condition 14 (*Notices*). Payment of the Disruption Cash Redemption Amount will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 14 (*Notices*). The Calculation Agent shall give notice as soon as

Equity Technical Annex

practicable to the Noteholders in accordance with General Condition 14 (*Notices*) that a Settlement Disruption Event has occurred. No Noteholder shall be entitled to any payment in respect of the relevant Note in the event of any delay in the delivery of the Asset Amount due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

(6) If any Note represented by a Rule 144A Global Note is to be redeemed by delivery of an Asset Amount, the relevant provisions relating to such delivery shall be set out in the applicable Final Terms.

(B) Definitions specific to Physical Delivery

"**Agency Agreement**" has the meaning given in the General Conditions.

"**Asset Amount**" has the meaning specified in the applicable Final Terms.

"**Asset Transfer Notice**" shall mean the notice in the form set out in the Agency Agreement.

"**Cut-Off Date**" has the meaning specified in the applicable Final Terms.

"**Disruption Cash Redemption Amount**", in respect of any relevant Note, shall be the Market Value of such Note expressed in the Specified Currency (taking into account any relevant currency exchange rate and, where the Settlement Disruption Event affected some but not all of the Shares comprising the Asset Amount and such non affected Shares have been duly delivered as provided above, the value of such Shares), all as determined by the Calculation Agent in its sole and absolute discretion.

"**Settlement Business Day**" has the meaning specified in the applicable Final Terms.

"**Settlement Disruption Event**" means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Asset Amount(s) using the method specified in the applicable Final Terms.

11. VARIATION OF SETTLEMENT

If the applicable Final Terms indicate that the Issuer has the option to vary settlement in respect of the Notes, the Issuer may at its sole and absolute discretion in respect of each such Note give notice pursuant to General Condition 14 (*Notices*) no later than the second (2) Business Day prior to the Maturity Date that the Notes shall be (x) Cash Settled Notes instead of Physical Delivery Notes or (y) Physical Delivery Notes instead of Cash Settled Notes and in this case the provisions of Equity Linked Condition 1(b)(A) or (B) (*Equity Linked Redemption Notes*) respectively shall apply.

Equity Index Technical Annex

EQUITY INDEX TECHNICAL ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR EQUITY INDEX LINKED NOTES

*The terms and conditions applicable to Equity Index Linked Notes shall comprise the General Terms and Conditions of the Notes set out on page 149 (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Equity Index Linked Conditions**", together with the General Conditions (the "**Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Equity Index Linked Conditions, the Equity Index Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

References below to a numbered General Condition are to such numbered section of the General Conditions and references to a numbered Equity Index Linked Condition are to such numbered section as set out in this Equity Index Technical Annex.

Defined terms used in this Technical Annex where the same term may be used in another Technical Annex (e.g. Valuation Date) shall have the meanings given in this Technical Annex or in the section of the Final Terms relating to Equity Index Linked Notes.

1. EQUITY INDEX LINKED NOTES

(a) Equity Index Linked Interest Notes

Unless previously redeemed or purchased and cancelled in accordance with the General Conditions or as specified in the applicable Final Terms and subject to these Equity Index Linked Conditions, each Equity Index Linked Interest Note will bear interest in, or determined in the manner specified in, the applicable Final Terms and the General Conditions.

(b) Equity Index Linked Redemption Notes

Unless previously redeemed or purchased and cancelled in accordance with the General Conditions or as specified in the applicable Final Terms and subject to these Equity Index Linked Conditions, each Note will be redeemed by the Issuer at the Final Redemption Amount specified in, or determined in the manner specified in the applicable Final Terms on the Maturity Date.

2. MARKET DISRUPTION

"**Market Disruption Event**" means, in relation to Notes relating to a single Index or basket of Indices:

(a) in respect of a Composite Index:

(i) (x) the occurrence or existence, in respect of any Component Security, of:

(A) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;

(B) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or

Equity Index Technical Annex

- (C) an Early Closure in respect of such Component Security; and
- (y) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20.00 per cent. or more of the level of such Index; or
- (ii) the occurrence or existence, in each case, in respect of futures or options contracts relating to such Index, of: (a) a Trading Disruption; (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (c) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component Security to the level of such Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

- (b) in the case of Indices other than Composite Indices, the occurrence or existence of (1) at any time during the one hour period that ends at the relevant Valuation Time (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, or (2) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists at any time, if a Market Disruption Event occurs in respect of a Component Security included in such Index at any time, then the relevant percentage contribution of that Component Security to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component Security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a Component Security included in such Index at any time, then the relevant percentage contribution of that Component Security to the level of such Index shall be based on a comparison of (i) the portion of the level of such Index attributable to that Component Security and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event. The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with General Condition 14 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been an Averaging Date or a Valuation Date.

3. ADJUSTMENTS TO AN INDEX

(a) Successor Index Sponsor Calculates and Reports an Index

If a relevant 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 that Index,

then in each case that Index (the "**Successor Index**") will be deemed to be the Index.

Equity Index Technical Annex

(b) **Modification and Cessation of Calculation of an Index**

If, in the determination of the Calculation Agent,

- (i) on or prior to the last Valuation Date or the last Averaging Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an "**Index Modification**"); or
- (ii) the relevant Index Sponsor permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"); or
- (iii) on any Valuation Date or any Averaging Date, the Index Sponsor or (if applicable) the Successor Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, and any other events specified as such in the applicable Final Terms, each an "**Index Adjustment Event**");

then the Calculation Agent shall:

- (A) determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant Index Level using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date or Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those Component Securities that comprised that Index immediately prior to that Index Adjustment Event;
- (B) replace the Index by a new Index provided that such index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible, representative of securities/components listed on one or more exchanges of one or more OECD countries and make relevant adjustments to the Conditions to account for such replacement; or
- (C) on giving notice to Noteholders in accordance with General Condition 14 (*Notices*), the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of the relevant Early Redemption Amount.

(c) **Notice**

The Calculation Agent shall, as soon as practicable, notify the relevant Agent of any determination made by it pursuant to paragraph (b) above and the action proposed to be taken in relation thereto and such Agent shall make available for inspection by Noteholders copies of any such determinations.

4. CORRECTION OF INDEX

With the exception of any corrections published after the day which is three (3) Exchange Business Days prior to the Maturity Date, if the level of the Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes, is subsequently corrected and the correction published by the relevant Index Sponsor within one Settlement Cycle after the original publication, the level to be used for calculation of any relevant value in relation to the Notes shall be the level of the Index as so corrected and the Calculation Agent may make any relevant adjustment to the Conditions or any subsequent

Equity Index Technical Annex

amount payable under the Notes to account therefor, as the Calculation Agent determines appropriate in its sole and absolute discretion.

5. ADDITIONAL DISRUPTION EVENTS

"**Additional Disruption Event**" means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Loss of Stock Borrow and/or any other event specified in the applicable Final Terms.

- (a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may either:
 - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the terms of the Notes to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii) redeem the Notes by giving notice to the Noteholders in accordance with General Condition 14 (*Notices*). If the Notes are so redeemed the Issuer will pay each Noteholder the Early Redemption Amount in respect of each Note held by him. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 14 (*Notices*).
- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with General Condition 14 (*Notices*) stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto.

6. INDEX DISCLAIMER

The Notes are not sponsored, endorsed, sold or promoted by any Index or any Index Sponsor and no Index Sponsor makes 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. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. The Issuer (or, if applicable, the Guarantor) shall have no liability to the Noteholders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date specified in the applicable Final Terms, neither the Issuer (or, if applicable, the Guarantor) nor its Affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Indices from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer (or, if applicable, the Guarantor), its Affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

7. DEFINITIONS

Unless otherwise specified in the applicable Final Terms:

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

Equity Index Technical Annex

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) If "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Index Level provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "**Valuation Date**" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "**Valuation Date**" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if "**Modified Postponement**" is specified as applying in the applicable Final Terms then:
 - (i) where the Notes relate to a single Index, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "**Valuation Date**" below;
 - (ii) where the Notes relate to a basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred for a number of consecutive Scheduled Trading days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date) in respect of such Index, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "**Valuation Date**" below; and
 - (iii) for the purposes of these Terms and Conditions "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"**Bloomberg Screen**" shall mean, when used in connection with any designated page, specified in the applicable Final Terms, the display page so designated on the Bloomberg service (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, in all cases for the purpose of displaying comparable rates in succession thereto).

Equity Index Technical Annex

"Change in Law" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (i) it has become illegal for it or any of its Affiliates or Hedging Party to hold, acquire or dispose of any Component Security or the relevant hedge positions relating to an Index, or (ii) the Hedging Party will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates or Hedging Party), or (iii) the performance of the Guarantor under the Guarantee has become unlawful.

"Clearance System" shall mean any one of Euroclear, Clearstream, Luxembourg or any other relevant clearance systems specified as such in the applicable Final Terms or any successor to such clearance system.

"Clearance System Business Day" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a settlement disruption event, would have been) open for acceptance and execution of settlement instructions.

"Component Security" means each and any component security of any Index.

"Composite Index" means any Index specified as such in the applicable Final Terms, or if not specified, any Index the Calculation Agent determines as such.

"Disrupted Day" means:

- (a) in the case of a Composite Index, any Scheduled Trading Day on which: (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred; and
- (b) in the case of any Index which is not a Composite Index, any Scheduled Trading Day on which: (i) the Exchange or the Related Exchange fails to open for trading during their regular trading session or (ii) a Market Disruption Event has occurred.

"Early Closure" means:

- (a) in the case of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and
- (b) in the case of any Index which is not a Composite Index, the closure on any Exchange Business Day with respect to such Index of any relevant Exchange(s) relating to Component Securities that comprise 20.00 per cent. or more of the level of such Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

Equity Index Technical Annex

"Exchange" means:

- (a) in the case of a Composite Index, in respect of each Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent, any successor thereto or any substitute exchange or quotation system to which trading in the Component Securities underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Component Securities on such temporary substitute exchange or quotation system as on the original Exchange); and
- (b) in the case of any Index which is not a Composite Index, means in respect of such Index each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Component Securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Component Securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means:

- (a) in the case of each Composite Index, any Scheduled Trading Day on which (i) the relevant Index Sponsor calculates and publishes the level of the Index, and (ii) each Related Exchange is open for trading during its regular trading session, notwithstanding any Exchange or the Related Exchange closing prior to its Scheduled Closing Time.
- (b) in the case of each Index which is not a Composite Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means, with respect to:

- (a) in the case of any Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (A) any Component Security on the Exchange in respect of such Component Security; or (B) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of any Index which is not a Composite 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 (A) to effect transactions in, or obtain market values on any relevant Exchange(s) in Component Securities that comprise 20 per cent. or more of the level of the relevant Index, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange.

"Hedging Disruption" means that the Hedging Party is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Notes, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"Hedging Party" means the Issuer or any Affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer in any underlying or hedging transactions relating to an Index in respect of the Issuer's obligations under the Notes.

Equity Index Technical Annex

"Hedging Shares" means the number of Component Securities comprised in an Index that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes.

"Increased Cost of Hedging" means that the Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

"Increased Cost of Stock Borrow" means that the Hedging Party would incur a rate to borrow any Component Security comprised in an Index that is greater than the Initial Stock Loan Rate.

"Index" and **"Indices"** mean, subject to adjustment in accordance with these Equity Index Linked Conditions, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly.

"Index Level" means, unless otherwise specified in the applicable Final Terms, and subject as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be:

- (a) in the case of Notes relating to:
 - (i) a single Index other than a Composite Index, an amount equal to the official closing level of the Index; or
 - (ii) a single Composite Index, the official closing level of such Index as published by the relevant Index Sponsor,

in each case as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date; and

- (b) in the case of Notes relating to a basket of Indices, an amount equal to the sum of the values calculated for each Index as the official closing level for each Index or, in relation to a Composite Index, the official closing level of such Index as published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting.

"Index Sponsor" means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date of the Notes is the index sponsor specified for such Index in the applicable Final Terms.

"Initial Stock Loan Rate" means, in respect of a Component Security comprised in an Index, the initial stock loan rate specified in relation to such Component Security in the applicable Final Terms or such other rate as notified to the Noteholders in accordance with General Condition 14 (*Notices*).

Equity Index Technical Annex

"Loss of Stock Borrow" means that the Hedging Party is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Component Securities comprised in an Index in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

"Maximum Stock Loan Rate" means, in respect of a Component Security comprised in an Index, the Maximum Stock Loan Rate specified in the applicable Final Terms or such other rate as notified to the Noteholders in accordance with General Condition 14 (*Notices*).

"Related Exchange" means, in respect of Equity Index Linked Notes and in relation to an Index, each exchange or quotation system on which option contracts or futures contracts relating to such Index are traded, or each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where **"All Exchanges"** is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.

"Relevant Time" shall have the meaning specified in the applicable Final Terms, or if no Relevant Time is specified, the Relevant Time shall be the Scheduled Closing Time.

"Reuters Screen" shall mean, when used in connection with any designated page, specified in the applicable Final Terms, the display page so designated on the Reuters Money Market Rate Services or such other services or service as may be nominated as the information vendor for the purpose of displaying the specific page on that service or such other page as may be replace that page on that service or such other service, in all cases for the purpose of displaying comparable rates in succession thereto.

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

"Scheduled Trading Day" means:

- (a) in the case of any Composite Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index, and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session; and
- (b) in the case of any Index which is not a Composite Index, any day on which each Exchange and each Related Exchange in respect of each such Index are scheduled to be open for trading for their respective regular trading sessions.

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event issuing a Disrupted Day would have been a Valuation Date.

"Screen Page" means the page specified in the applicable Final Terms, or any successor page or service thereto.

"Settlement Cycle" means, in respect of any Index, the period of Clearance System Business Days following a trade in the securities underlying such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period).

Equity Index Technical Annex

"Specified Maximum Days of Disruption" means eight (8) Scheduled Trading Days or if less such number of Scheduled Trading Days in the period from (but excluding) the Scheduled Valuation Date to (but excluding) the third (3rd) Business Day prior to any due date for any payment under the Notes for which valuation on the relevant Averaging Date or Valuation Date is relevant.

"Trading Disruption" means:

- (a) in the case of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to Component Securities that comprise 20.00 per cent. or more of the level of such Index on any relevant Exchange(s) or (b) in futures or options contracts relating to such Index on any relevant Related Exchange.

"Valuation Date" means the date specified as such in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) in the case of Notes relating to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive 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 Index Level in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Index Level by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day 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 such consecutive Scheduled Trading Day of each security/commodity comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day); or
- (b) in the case of Notes relating to a basket of Indices, the Valuation Date for each Index, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, affected (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Index Level using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, or, if not set out or if not practicable, using the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded

Equity Index Technical Annex

or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security/commodity comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day) and otherwise in accordance with the above provisions.

"Valuation Time" means:

- (a) the Relevant Time specified in the applicable Final Terms;
- (b) in the case of a Composite Index, means in respect of such Index: (i) for the purposes of determining whether a Market Disruption Event has occurred: (A) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (B) in respect of any options contracts or futures contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor; and
- (c) in the case of any Index which is not a Composite Index, means the Scheduled Closing Time on the Exchange on the relevant date. If the Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

Funds Technical Annex

FUNDS TECHNICAL ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED NOTES

The terms and conditions applicable to Fund Linked Notes shall comprise the Terms and Conditions of the Notes set out on page 149 (the "General Conditions") and the additional Terms and Conditions set out below (the "Fund Linked Conditions", and together with the General Conditions, the "Conditions"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Fund Linked Conditions, the Fund Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Fund Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

References below to a numbered General Condition are to such numbered section of the General Conditions and references to a numbered Fund Linked Condition are to such numbered section as set out in this Technical Annex.

Defined terms used in this Technical Annex where the same term may be used in another Technical Annex (e.g. Valuation Date or Averaging Date) shall have the same meanings given in this Technical Annex or in the section of the Final Terms relating to Fund Linked Notes.

1. FUND LINKED NOTES

(a) Fund Linked Interest Notes

Unless previously redeemed or purchased and cancelled in accordance with the General Conditions or as specified in the applicable Final Terms and subject to this Funds Technical Annex, each Fund Linked Interest Note will bear interest in the manner specified in the applicable Final Terms and the General Conditions.

(b) Fund Linked Redemption Notes

Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms, on the Maturity Date.

If Maturity Date Extension is specified as applying in the applicable Final Terms then, if the Redemption Payment Date in relation to the Valuation Date or last occurring Averaging Date has not occurred on or prior to the second (2nd) Currency Business Day preceding the Scheduled Maturity Date, the Maturity Date shall be postponed and shall occur on the seventh (7th) Currency Business Day following (i) the Redemption Payment Date in relation to the Valuation Date or last occurring Averaging Date or (ii) if earlier, the last day of the Cut-off Period.

2. POTENTIAL ADJUSTMENT EVENTS

If any Potential Adjustment Event exists or occurs at any time, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of the Fund Interest and, if so, the Issuer may require the Calculation Agent to (i) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount and/or the relevant number of units of the Reference Fund and/or any of the other terms of these Fund Linked Conditions, the General Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect and (ii) determine the effective date(s) of the adjustment(s).

Funds Technical Annex

Upon making any such adjustment pursuant to this Fund Linked Condition 2, the Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with General Condition 14 (*Notices*), stating the adjustment to be taken and giving details of the Potential Adjustment Event.

3. CONSEQUENCES OF AN EXTRAORDINARY FUND EVENT AND/OR AN ADDITIONAL EXTRAORDINARY FUND EVENT

If any Extraordinary Fund Event(s) and/or Additional Extraordinary Fund Event(s) are specified as applicable in the applicable Final Terms, then following the occurrence or existence of any such Extraordinary Fund Event and/or Additional Extraordinary Fund Event (as applicable), the Issuer may either:

- (i) require the Calculation Agent to (1) make the corresponding adjustment(s) (each an "**Adjustment**"), if any, to any one or more of any Interest Amount, Final Redemption Amount and/or the relevant number of units of the Reference Fund and/or any of the other terms of these Fund Linked Conditions, the General Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the relevant Extraordinary Fund Event or Additional Extraordinary Fund Event and (2) determine the effective date(s) of the adjustment(s) and such Adjustments may include, without limitation, partially cancelling the Notes and determining any such partial cancellation amount (if any) in relation thereto or selecting a replacement Reference Fund with a similar strategy to the affected Reference Fund and making any relevant adjustments in relation thereto; or
- (ii) redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.

Upon making an Adjustment or following any determination by the Issuer to redeem the Notes pursuant to this Fund Linked Condition 3, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with General Condition 14 (*Notices*) stating the adjustment or other action to be taken and giving brief details of the Extraordinary Fund Event and/or Additional Extraordinary Fund Event (as applicable).

4. CORRECTION OF FUND INTEREST PRICES

With the exception of any corrections published on or after the Maturity Date, if (i) any price published by or on behalf of a Reference Fund with respect to any Fund Interest on a given day and used or to be used by the Calculation Agent to make any determination under the Notes, is subsequently corrected and the correction is published by or on behalf of the Reference Fund after the original publication, or (ii) a Reference Fund with respect to any Fund Interest adjusts the Redemption Proceeds that would have been paid to a Hypothetical Investor redeeming the number of Fund Interest Units or amount of Fund Interest that is subject to valuation, and such adjustment would be reflected in either an additional payment to such Hypothetical Investor, or a claim for repayment of excess Redemption Proceeds made against such Hypothetical Investor, the Calculation Agent may in its sole and absolute discretion make any relevant Adjustment (as defined in Fund Linked Condition 3 above) to the Conditions or any subsequent amount payable under the Notes to account therefor. Corrections published on or after the Maturity Date will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

5. DEFINITIONS APPLICABLE TO FUND LINKED NOTES

(a) Definitions applicable to Reference Fund Management/Administration

"**Fund Administrator**" means, in respect of a Reference Fund, any person specified as such in the applicable Final Terms or if no person is so specified, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for such Reference Fund according to the Fund Documents.

Funds Technical Annex

"Fund Adviser" means, in respect of a Reference Fund, any person specified as such in the applicable Final Terms or if no person is so specified, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non discretionary investment adviser to a discretionary investment manager or to another non discretionary investment manager) for such Reference Fund.

"Fund Custodian" means, in respect of a Reference Fund, any person specified as such in the applicable Final Terms or, if no person is so specified, any entity specified in the relevant Fund Documents which is responsible for the custody of the assets of the relevant Reference Fund.

"Fund Documents" means, with respect to any Fund Interest, each relevant document specified as such in the applicable Final Terms and each relevant prospectus or offering document or any supplement thereto, the constitutive and governing documents, subscription agreements and other agreements of the related Reference Fund specifying the terms and conditions relating to such Fund Interest and any additional fund documents, in each case, as amended from time to time.

"Fund Interest" means an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms. In relation to a Fund Interest, Reported Value Method or Deemed Payout Method shall be deemed to be applicable as specified in the applicable Final Terms.

"Fund Interest Unit" means, unless otherwise specified in the applicable Final Terms, in respect of a Fund Interest in a Reference Fund, a share of such Fund Interest or, if Fund Interests in such Reference Fund are not denominated as shares, a notional unit of account of ownership of such Fund Interest in such Reference Fund in the amount specified in the applicable Final Terms *provided that* if no such amount is so specified, then the entire amount of Fund Interest in which the Hypothetical Investor is deemed to invest on the relevant Reference Fund Subscription Date shall be a single Fund Interest Unit.

"Fund Service Provider" means, in respect of any Reference Fund, any person who is appointed to provide services, directly or indirectly, in respect of that Reference Fund, whether or not specified in the Fund Documents, including any Fund Adviser, Fund Administrator, operator, management company, depository, custodian, sub custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, auditor and any other person specified as such in the applicable Final Terms.

"Reference Fund" means, in respect of a Fund Interest, unless otherwise specified in the applicable Final Terms, the issuer of, or other legal arrangement giving rise to, the relevant Fund Interest.

(b) **Principal Definitions applicable to Valuation**

"Averaging Date" means, in respect of each Valuation Date, each date specified or otherwise determined as provided in the applicable Final Terms or (i) in respect of any Fund Interest for which Reported Value Method is applicable, if such date is not a Fund Business Day, the next following Fund Business Day and (ii) in respect of any Fund Interest to which Deemed Payout Method is applicable, if such day is not a Currency Business Day, the next following Currency Business Day.

"Currency Business Day" means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the relevant Specified Currency or, if the Specified Currency is euro, any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) system is open.

"Cut-off Period" means, in respect of any Valuation Date or Averaging Date, as the case may be, the period specified as such in the applicable Final Terms, or if no such period is specified, a period of one calendar year ending on the first anniversary of such Valuation Date or Averaging Date, as the case may be; provided that if a "Final Cut-off Date" is specified in the applicable Final Terms, then any Cut-off Period that would otherwise end after such Final Cut-off Date shall end on such Final Cut-off Date.

Funds Technical Annex

"Final Cut-off Date" means the date, if any, specified as such in the applicable Final Terms.

"Fund Business Day" means any day specified as such in the applicable Final Terms or, otherwise, any day the Reference Fund or the primary Fund Administrator, acting on behalf of the Reference Fund, is open for business.

"Fund Valuation Date" means, with respect to any Fund Interest and a Valuation Date or Averaging Date, as applicable, a date as of which the related Reference Fund (or a Fund Service Provider that generally determines such value) determines the value of such Fund Interest or, if the related Reference Fund only reports its aggregate net asset value, a date as of which such Reference Fund determines its aggregate net asset value in relation to such Valuation Date or Averaging Date, as applicable.

"Hypothetical Investor" means, unless otherwise specified in the applicable Final Terms, with respect to any Fund Interest, a hypothetical investor in such Fund Interest located in the Hypothetical Investor Jurisdiction and deemed: (i) to have the benefits and obligations, as provided under the Fund Documents, of an investor holding, as of the related Reference Fund Subscription Date, an interest in the relevant Reference Fund in an amount equal to the number of Fund Interest Units or amount of the Fund Interest; (ii) in the case of any deemed investment in such Fund Interest, to have submitted, on the relevant Subscription Notice Date, a duly completed notice to the relevant Reference Fund, requesting subscription to the relevant number of Fund Interest Units or amount of the Fund Interest; and (iii) in the case of any deemed redemption of such Fund Interest or amount of the Fund Interest, to have submitted to the relevant Reference Fund on the relevant Redemption Notice Date a duly completed notice requesting redemption of the relevant number of Fund Interest Units or amount of the Fund Interest.

"Hypothetical Investor Jurisdiction" means the jurisdiction of organisation or formation, as applicable, of the relevant Hedging Party, unless otherwise specified in the applicable Final Terms.

"Redemption Notice Date" means, with respect to any Fund Interest and any Valuation Date or Averaging Date, the date specified as such in the applicable Final Terms, or if no such date is specified, the last date on which a Hypothetical Investor in such Fund Interest would be permitted, pursuant to the Fund Documents of the related Reference Fund, to submit a redemption notice that would be timely for a redemption as of the relevant Valuation Date or Averaging Date, as applicable.

"Redemption Payment Date" means, with respect to any Fund Interest and any Valuation Date or Averaging Date, as applicable, each date on which the related Reference Fund actually pays all or the specified portion of the Redemption Proceeds to a Hypothetical Investor that has submitted a timely and valid notice for redemption of such Fund Interest as of such Valuation Date or Averaging Date, as applicable.

"Redemption Proceeds" means, with respect to the relevant number of Fund Interest Units or amount of any Fund Interest, the redemption proceeds, as determined by the Calculation Agent, that would be paid by the related Reference Fund to a Hypothetical Investor who, as of the relevant Valuation Date or Averaging Date, as applicable, redeems such amount of such Fund Interest; provided that (i) any such proceeds that would be paid in property other than cash shall be valued by the Calculation Agent in its sole and absolute discretion by reference to such source(s) as it determines appropriate and (ii) if the Hypothetical Investor would be entitled to elect payment of such redemption proceeds to be made either in the form of cash or other property, the Hypothetical Investor shall be deemed to have elected cash payment, except as otherwise specified in the applicable Final Terms.

"Reference Fund Subscription Date" means the date specified as such in the applicable Final Terms or, if no such date is specified, with respect to any Fund Interest, the day as of which a request by a Hypothetical Investor for subscription to such Fund Interest that has been submitted on the related Subscription Notice Date and in a form and substance acceptable to the related Reference Fund would be considered effective by the Reference Fund.

Funds Technical Annex

"Reported Fund Interest Value" means, with respect to the relevant number of Fund Interest Units or amount of any Fund Interest and a Valuation Date or Averaging Date, as applicable, relating to such Fund Interest, the value of such number of Fund Interest Units or amount of such Fund Interest as of the related Fund Valuation Date or, if the related Reference Fund reports only its aggregate net asset value, the portion of such Reference Fund's aggregate net asset value relating to such number of Fund Interest Units or amount of such Fund Interest as of the related Fund Valuation Date, in each case as reported on the related Fund Reporting Date by (i) the Fund Service Provider that generally reports such value on behalf of the Reference Fund to its investors or a publishing service (ii) the Fund Administrator or (iii) any other relevant entity, as determined by the Calculation Agent in its sole and absolute discretion, unless otherwise specified in the applicable Final Terms.

"Settlement Price" means, in relation to a Valuation Date or Averaging Date, as the case may be, in respect of a Fund Interest, the price per related Fund Interest Unit determined by the Calculation Agent either as provided in the applicable Final Terms, or otherwise either:

- (i) in respect of any Fund Interest to which the Reported Value Method is applicable, the Settlement Price shall be the Reported Fund Interest Value per related Fund Interest Unit determined in relation to the Valuation Date or Averaging Date, as the case may be *provided that* the Calculation Agent may in its sole and absolute discretion: (A) adjust the Reported Fund Interest Value to reflect, without duplication, the relevant portion per Fund Interest Unit of: (x) such fees and costs as would be charged to the Hypothetical Investor pursuant to the Fund Documents, y) such other fees as are specified as 'Redemption Fees' in the applicable Final Terms, and (z) the Redemption Proceeds relating to such Fund Interest Unit, in each case in connection with a deemed redemption as of the relevant Valuation Date or Averaging Date, as the case may be, of all Fund Interest Units that are subject to valuation; and (B) if the Calculation Agent determines that no adjustment that it could make under (A) will produce a commercially reasonable result, it may elect that Deemed Payout Method shall apply; and
- (ii) in respect of any Fund Interest to which Deemed Payout Method is applicable, the Settlement Price per Fund Interest Unit in respect of a Valuation Date or Averaging Date, as the case may be, shall be an amount equal to the Redemption Proceeds relating to such Fund Interest Unit that would be received by the Hypothetical Investor in such Fund Interest in connection with a redemption of all Fund Interest Units that are subject to valuation during the relevant Cut-off Period in relation to such Valuation Date or Averaging Date, as the case may be.

"Subscription Notice Date" means, with respect to any Fund Interest and any Reference Fund Subscription Date, the date specified as such in the applicable Final Terms or, if no such date is specified, the last date on which a notice to subscribe to such Fund Interest may be submitted pursuant to the Fund Documents of the related Reference Fund and be considered effective as of such Reference Fund Subscription Date. If the applicable Final Terms does not specify a Subscription Notice Date or a Reference Fund Subscription Date, the Subscription Notice Date shall be deemed to be the Trade Date.

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

"Valuation Date" means (i) in respect of any Fund Interest to which Reported Value Method is applicable, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Fund Business Day, the next following Fund Business Day); and (ii) in respect of any Fund Interest to which Deemed Payout Method is applicable, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Currency Business Day, the next following Currency Business Day).

(c) **Other Definitions applicable to Valuation**

Funds Technical Annex

"Fund Reporting Date" means, with respect to any Fund Interest and Fund Valuation Date, the date on which the Reported Fund Interest Value of such Fund Interest, as determined as of such Fund Valuation Date, is reported or published.

"Redemption Valuation Date" means, with respect to any Fund Interest and any Scheduled Redemption Valuation Date, the date as of which the related Reference Fund (or its Fund Service Provider that generally determines such value) would determine the net asset value of such Fund Interest for purposes of calculating the Redemption Proceeds to be paid to a Hypothetical Investor that had submitted a valid notice for redemption on or before the related Redemption Notice Date.

"Scheduled Fund Valuation Date" means, with respect to any Fund Interest, a date as of which the related Reference Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests), to determine the value of such Fund Interest or, if the related Reference Fund only reports its aggregate net asset value, the date as of which the Reference Fund is scheduled to determine aggregate net asset value.

"Scheduled Redemption Payment Date" means the date specified as such in the applicable Final Terms or if no date is so specified, with respect to any Fund Interest and any Scheduled Redemption Valuation Date, the date by which the related Reference Fund is scheduled to have paid, according to its Fund Documents, all or a specified portion of the Redemption Proceeds to a Hypothetical Investor that has submitted a timely and valid notice requesting redemption of such Fund Interest as of such Scheduled Redemption Valuation Date.

"Scheduled Redemption Valuation Date" means, with respect to any Fund Interest, the date as of which the related Reference Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date. The Scheduled Redemption Valuation Date relating to any Valuation Date or Averaging Date, as the case may be, shall be the date specified as such in the applicable Final Terms, or if no such date is specified, the Scheduled Redemption Valuation Date occurring (i) if the Reported Value Method is applicable, on such Valuation Date or Averaging Date, as the case may be, or if no Scheduled Redemption Valuation Date is occurring on such Valuation Date or Averaging Date, the immediately preceding Scheduled Redemption Valuation Date, or (ii) if Deemed Payout Method is applicable, the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date or Averaging Date.

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Fund Disrupted Day, would have been a Valuation Date.

"Settlement Cycle" means the period specified as such in the applicable Final Terms, or, if no period is so specified, (i) in respect of any Fund Interest to which Reported Value Method is applicable, the period of Currency Business Days from, and including, any Scheduled Redemption Valuation Date to, and including, the related Scheduled Redemption Payment Date, and (ii) in respect of any Fund Interest to which Deemed Payout Method is applicable, two (2) Currency Business Days.

"Valid Date" means: (i) in respect of Fund Interests to which Reported Value Method is applicable, a Fund Business Day; and (ii) in respect of Fund Interests to which Deemed Payout Method is applicable, a Currency Business Day, in each case that is not a Fund Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

Funds Technical Annex

"**Valuation Time**" means the time specified as such in the applicable Final Terms or, if no such time is specified, (i) in respect of a Fund Interest to which Reported Value Method is applicable, the time as of which the Reported Fund Interest Value is determined, and (ii) in respect of a Fund Interest to which Deemed Payout Method is applicable, the close of business in the Hypothetical Investor Jurisdiction on the relevant Valuation Date or Averaging Date, as the case may be.

(d) **Other Definitions, including Definitions applicable to Disruption**

"**Additional Extraordinary Fund Event**" means, in each case, if specified as applying in the applicable Final Terms, NAV Trigger Event, Notice Period Extension, Related Agreement Termination and/or any other event specified in the applicable Final Terms. The Calculation Agent shall make all determinations in respect of Additional Extraordinary Fund Events, including decisions as to materiality, in its sole and absolute discretion.

"**Adviser Resignation Event**" means, in respect of any Reference Fund, (i) the resignation, termination, or replacement of a Fund Adviser, any Fund Service Provider or (ii) the resignation, replacement or death of any Key Person or cessation or termination of any Key Person's appointment by or employment with the Reference Fund or any relevant entity in relation to the Reference Fund.

"**Affiliate**" means, in relation to any person, any entity (the "**First Entity**") controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For such purposes, "**control**" of any entity or person means ownership of a majority of the voting power of the entity or person or, if the Calculation Agent determines appropriate, control may include the power to direct or cause the direction of the management and policies of the First Entity, whether by contract, or otherwise.

"**Change in Law**" means that, on or after the Trade Date, (i) due to the adoption of or any change in any applicable law or regulation, including without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (A) it has become illegal for the Hedging Party to hold, acquire or dispose of Fund Interests; or (B) the Hedging Party will incur a materially increased cost in performing its obligations in respect of hedging arrangements in relation to the Notes (including without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"**De-Listing**" means, in respect of any Fund Interest Units which are listed on any stock exchange (an "**Exchange**"), the relevant Exchange announces that pursuant to the rules of such Exchange, such Fund Interests Units cease (or will cease) to be listed, traded or publicly quoted on that Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as that Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"**Extraordinary Dividend**" means an amount per relevant Fund Interest Unit or other amount of Fund Interest specified or otherwise determined in the applicable Final Terms. If not so specified or determined in the applicable Final Terms, the characterisation of a dividend or portion thereof as an Extraordinary Dividend shall be determined by the Calculation Agent.

"**Extraordinary Fund Event**" means, Nationalisation, Insolvency, Fund Insolvency Event, Adviser Resignation Event, Strategy Breach, Reporting Disruption, Change in Law, Fund Modification, Fund Hedging Disruption, Increased Cost of Hedging, Regulatory Action, Fund Disruption Event, Fund Adviser Event, Fund Service Provider Event, Holding Ratio Change, Merger Event, Fund Valuation Disruption, De-Listing and/or any other event which, in the sole and absolute discretion of the Calculation Agent, has an analogous effect to any of the events specified above. The Calculation Agent shall make all determinations, including decisions as to materiality, in its sole and absolute discretion.

Funds Technical Annex

"Fund Adviser Event" means that the Calculation Agent determines that over a period of twelve (12) months, the total value of the assets managed by the Fund Adviser (including in relation to the Reference Fund) has decreased by fifty per cent. (50%) (either due to redemptions or decrease in the value of such assets or otherwise).

"Fund Disrupted Day" means any day on which a Fund Disruption Event has occurred or is continuing.

"Fund Disruption Event" means, unless otherwise specified in the applicable Final Terms, in respect of any Fund Interest, the occurrence or existence of a Fund Valuation Disruption or a Fund Settlement Disruption.

"Fund Hedging Disruption" means, with respect to a Fund Linked Note, that the Hedging Party is unable, or it is impractical for the Hedging Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to such Fund Interest of entering into and performing its obligations with respect to such Fund Linked Note, or (ii) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by the relevant Reference Fund on any investor's ability to redeem the Fund Interest, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Interest, or (B) any mandatory redemption, in whole or in part, of such Fund Interest imposed by the relevant Reference Fund (in each case other than any restriction in existence on the date on which such Fund Interest was first included as a Fund Interest in relation to the Notes).

"Fund Insolvency Event" means any Fund Interest or related Reference Fund or any Fund Service Provider, as applicable, (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger), (ii) makes a general assignment or arrangement with or for the benefit of the creditors; (iii) (A) institutes or has instituted against it, by a regulator, supervisor or any other similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or other similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation and such proceeding or petition is instituted or presented by a person or entity not described in (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter, or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (v) above.

"Fund Modification" means any change or modification of the related Fund Documents that could reasonably be expected to affect the value of such Fund Interest or the rights or remedies of any holders thereof (in each case as determined by the Calculation Agent) from those prevailing on the date the relevant Fund Interest was first included as a Fund Interest in relation to the Notes.

"Fund Service Provider Event" means (i) a change of control or indirect control of any Fund Service Provider or (ii) in the reasonable opinion of the Calculation Agent, a Fund Service Provider is no longer able

Funds Technical Annex

to carry out its business with the standard of care which was prevailing as of the Trade Date. For the purpose of this definition, "**control**" has the same meaning as in the definition of "Affiliate" above.

"**Fund Settlement Disruption**" means, in respect of a Fund Interest and any day, a failure by the Reference Fund to pay all or part of the full amount (whether expressed as a percentage or otherwise) of the Redemption Proceeds with respect to the relevant number of Fund Interest Units or amount of such Fund Interest scheduled to have been paid on or by such day according to the Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests).

"**Fund Valuation Disruption**" means the failure of a Valuation Date or Averaging Date, as applicable, to be a valuation date in respect of the Fund Interest or any continued postponement of such valuation date.

"**Hedging Party**" means at any relevant time, the Issuer or any of its Affiliates or any other party providing the Issuer directly or indirectly with hedging arrangements in relation to the Notes as the Issuer may select at such time.

"**Holding Ratio Change**" means the reduction of the Reference Fund's aggregate net asset value under an amount that, in the determination of the Calculation Agent, has, or is likely to have, a material adverse effect on the performance or management of the Reference Fund or would increase the proportion of the Fund Interest Units held, or likely to be held, by the Hedging Party, to the extent that the full redemption of the Fund Interest Units held by the Hedging Party is likely to be delayed or become subject to "gating" by the Reference Fund.

"**Increased Cost of Hedging**" means that the Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest of entering into and performing its obligations with respect to hedging arrangements in relation to the Notes; or (ii) realise, recover, remit the proceeds of any such transaction(s) or asset(s) provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party shall not be deemed an Increased Cost of Hedging.

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Reference Fund, (i) all the Fund Interests of that Reference Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Fund Interests of that Reference Fund become legally prohibited from transferring or redeeming them.

"**Key Person**" means, in relation to a Reference Fund, each person specified as such in the applicable Final Terms.

"**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"**Merger Event**" means, in respect of any relevant Fund Interest Units, or Reference Fund (as applicable), any:

- (i) reclassification or change of such Fund Interest Units that results in a transfer of or an irrevocable commitment to transfer all of such Fund Interest Units outstanding to another entity or person;
- (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Reference Fund with or into another entity or person;

Funds Technical Annex

- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. (100%) of the outstanding Fund Interest Units of the relevant Reference Fund that results in a transfer of or an irrevocable commitment to transfer all such Fund Interest Units (other than such Fund Interest Units owned or controlled by such other entity or person); or
- (iv) consolidation, amalgamation, merger or binding share exchange of the Reference Fund or its subsidiaries, as the case may be, with or into another entity in which the Reference Fund is the continuing entity and which does not result in a reclassification or change of all such Fund Interest Units outstanding but results in the outstanding Fund Interest Units (other than Fund Interest Units owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. (50%) of the outstanding Fund Interest Units immediately following such event,

in each case if the Merger Date is on or before the last occurring Valuation Date and/or last occurring Averaging Date.

"Nationalisation" means that all the Fund Interests or all or substantially all the assets of a Reference Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"NAV Trigger Event" means, in respect of any Fund Interest, that (i) the Reported Fund Interest Value has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) during the related NAV Trigger Period, each as specified in the applicable Final Terms, or (ii) the related Reference Fund has violated any leverage restriction that is applicable to, or affecting, such Reference Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Reference Fund or any of its assets.

"Notice Period Extension" means, in respect of any Reference Fund, any increase in the notice period in respect of subscription for, or redemption of Fund Interest Units or a decrease in the frequency with which Fund Interest Units can be redeemed or subscribed for.

"Potential Adjustment Event" means any of the following:

- (i) a subdivision, consolidation or reclassification of the relevant number of Fund Interest Units or amount of Fund Interest, or a free distribution or dividend of any such Fund Interest to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Fund Interest of (A) an additional amount of such Fund Interest, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Fund equally or proportionately with such payments to holders of such Fund Interest, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Reference Fund 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 repurchase by the Reference Fund of relevant Fund Interests whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interests initiated by an investor in such Fund Interests that is consistent with the Fund Documents; or
- (v) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of Fund Interest.

Funds Technical Annex

"Regulatory Action" means, with respect to any Fund Interest:

- (i) any cancellation, suspension or revocation of the registration or approval of such Fund Interest or the related Reference Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Reference Fund;
- (ii) any change in the legal, tax, accounting, or regulatory treatments of the relevant Reference Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of such Fund Interest or on any investor therein (as determined by the Calculation Agent); or
- (iii) the related Reference Fund or any of its Fund Administrator or Fund Adviser becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Reference Fund, Fund Administrator or Fund Adviser.

"Related Agreement Termination" means the Reference Fund or any Fund Service Provider in respect of such Reference Fund is in breach of or has terminated any existing agreement or arrangement relating to (i) hedging arrangements in connection with the Notes, or (ii) any other arrangements the Reference Fund or any Fund Service Provider has with the Issuer and/or Hedging Party and any such agreement or arrangement may relate to, without limitation, dealing fees, liquidity or licensing.

"Reporting Disruption" means, in respect of any Fund Interest, (i) occurrence of any event affecting such Fund Interest that, in the sole and absolute determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest for the purposes of and at such time as the Calculation Agent is required to make such determination under the Notes (ii) any failure of the related Reference Fund to deliver, or cause to be delivered, (A) information that such Reference Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, or (B) information that has been previously delivered to the Calculation Agent, in accordance with such Reference Fund's, or its authorised representative's, normal practice and that the Calculation Agent deems necessary for or it to monitor such Reference Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Interests.

"Strategy Breach" means any breach or violation of any strategy or investment guidelines stated in the related Fund Documents or otherwise published or notified by or on behalf of the Reference Fund or Fund Adviser, that is reasonably likely to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent).

Credit Technical Annex

CREDIT TECHNICAL ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES

The terms and conditions applicable to Credit Linked Notes shall comprise the General Terms and Conditions of the Notes set out on page 149 (the "General Conditions") and the additional Terms and Conditions set out below (the "Credit Linked Conditions", together with the General Conditions, the "Conditions"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Credit Linked Conditions, the Credit Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Credit Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. Where Restructuring is specified in the applicable Final Terms as being an applicable Credit Event and Credit Linked Condition 12 (Credit Event Notice after Restructuring Credit Event) is applicable, there may be more than one Credit Event Determination Date in respect of the same Reference Entity as further described in Credit Linked Condition 12 (Credit Event Notice after Restructuring Credit Event) below. In addition, in the case of a Portfolio Credit Linked Note or a Portfolio Maturity Settled Credit Linked Note, there may be multiple Credit Event Determination Dates, but, other than as set out in the preceding sentence, only one Credit Event Determination Date in respect of each Reference Entity. A Credit Event Determination Date in respect of more than one Reference Entity may occur on any one date. For the avoidance of doubt, the provisions set out in these Credit Linked Conditions set out the mechanics that apply in respect of one Reference Entity and where applicable, shall apply severally to each Reference Entity for a Portfolio Credit Linked Note or a Portfolio Maturity Settled Credit Linked Note. References below to a numbered General Condition are to such numbered section of the General Conditions and references to a numbered Credit Linked Condition are to such numbered section as set out in this Technical Annex.

Defined terms used in this Technical Annex where the same term may be used in another Technical Annex (e.g. Valuation Date) shall have the meanings given in this Technical Annex or in the section of the Final Terms relating to Credit Linked Notes.

1. REDEMPTION OF CREDIT LINKED NOTES

Unless previously redeemed in whole or purchased and cancelled and subject to the provisions of this Technical Annex, each nominal amount of Notes equal to the Calculation Amount will be redeemed by the Issuer at its Outstanding Redemption Amount (which may be zero) on the Maturity Date.

For the purposes of Credit Linked Notes, "**Maturity Date**" means the latest to occur of:

- (i) the Scheduled Maturity Date;
- (ii) the last Credit Event Redemption Date capable of occurring;
- (iii) the fifth (5th) Business Day following the last Repudiation/Moratorium Evaluation Date capable of occurring;
- (iv) the last Grace Period Extension Date capable of occurring; and
- (v) the last Postponed Maturity Date capable of occurring. If Conditions to Settlement are satisfied during the Notice Delivery Period then (subject as provided in Credit Linked Condition 19 (*Variation of Settlement*)) (i) if Cash Settlement is specified in the applicable Final Terms, the provisions of Credit Linked Condition 2 (*Cash Settlement*) shall apply or (ii) if Physical Delivery is specified in the applicable Final Terms, the provisions of Credit Linked Condition 3 (*Physical Settlement*) shall apply, in respect of the relevant Credit Event.

Credit Technical Annex

2. CASH SETTLEMENT

If (i) Cash Settlement is specified in the applicable Final Terms and (ii) Conditions to Settlement are satisfied during the Notice Delivery Period (such date of satisfaction, the "**Credit Event Determination Date**"), the Issuer shall give notice (such notice a "**Cash Settlement Notice**") to the Noteholders in accordance with General Condition 14 (*Notices*) of the occurrence of such Credit Event Determination Date and the details of the relevant Reference Entity, and:

- (a) in respect of Notes which are not Portfolio Maturity Settled Credit Linked Notes, redeem the Credit Event Portion of all but not some only of each Note equal to the Calculation Amount, at the Credit Event Redemption Amount specified in, or determined in the manner specified in the applicable Final Terms on the Credit Event Redemption Date; or
- (b) in respect of Notes which are Portfolio Maturity Settled Credit Linked Notes, redeem the aggregate of all Credit Event Portions (determined to and including the Maturity Date) of all but not some only of each Note equal to the Calculation Amount, at an amount equal to the aggregate of all Credit Event Redemption Amounts (determined to and including the Maturity Date) specified in, or determined in manner specified in the applicable Final Terms on the Maturity Date.

For the avoidance of doubt a Credit Event Determination Date shall occur upon satisfaction of the Conditions to Settlement during the Notice Delivery Period notwithstanding that the related Cash Settlement Notice may be given later, and in some cases significantly later, than the Credit Event Determination Date. Unless (i) otherwise stated in the applicable Final Terms or (ii) the Notes are Portfolio Credit Linked Notes or Portfolio Maturity Settled Credit Linked Notes, if more than one Reference Entity is specified in the applicable Final Terms, Conditions to Settlement may only be satisfied on one occasion and consequently a Credit Event Determination Date may only occur and a Cash Settlement Notice may only be delivered on one occasion. If Conditions to Settlement are satisfied in respect of more than one Reference Entity on the same date other than in the case of Portfolio Credit Linked Notes or Portfolio Maturity Settled Credit Linked Notes, the Calculation Agent shall determine in its sole and absolute discretion which Reference Entity is the Reference Entity in respect of which Conditions to Settlement are satisfied.

If the Notes are partially redeemed, each relevant Note or, if the Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such part redemption. If the Calculation Agent, at any time, determines that the aggregate nominal amount of the Notes is thereby reduced to zero, the Issuer's obligations in respect of such Notes shall immediately be discharged and the Issuer shall have no further liability in respect thereof.

If Conditions to Settlement are satisfied and the Notes become redeemable in whole or in part in accordance with this Credit Linked Condition 2, upon payment of the Credit Event Redemption Amount(s) in respect of the Notes, the Issuer shall have discharged its obligations in respect of the relevant Credit Event Portion of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the Calculation Amount of a Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer or the Guarantor.

3. PHYSICAL SETTLEMENT

If (i) Physical Delivery is specified in the applicable Final Terms and (ii) Conditions to Settlement are satisfied during the Notice Delivery Period (such date of satisfaction, the "**Credit Event Determination Date**"), the Issuer shall give notice (such notice a "**Notice of Physical Settlement**") to the Noteholders, in accordance with General Condition 14 (*Notices*), of the occurrence of such Credit Event Determination Date and the details of the relevant Reference Entity and redeem the Credit Event Portion of all but not some only of each Note equal to the Calculation Amount by Delivery of the Deliverable Obligations comprising the Asset Amount, subject to and in accordance with Credit Linked Conditions 7 (*Maturity Date Extension*) and 8 (*Physical Delivery*).

Credit Technical Annex

If the Notes are partially redeemed, each relevant Note or, if the Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such part redemption. If the Calculation Agent, at any time, determines that the aggregate nominal amount of the Notes is thereby reduced to zero, the Issuer's obligations in respect of such Notes shall immediately be discharged and the Issuer shall have no further liability in respect thereof.

For the avoidance of doubt a Credit Event Determination Date shall occur upon satisfaction of the Conditions to Settlement during the Notice Delivery Period notwithstanding that the related Notice of Physical Settlement may be given later, and in some cases significantly later, than the Credit Event Determination Date.

In the Notice of Physical Settlement, the Issuer shall specify the Deliverable Obligations comprising the Asset Amount that it reasonably expects to Deliver. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value.

If "Restructuring Maturity Limitation and Fully Transferable Obligation" is specified as applying in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applying in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

If Conditions to Settlement are satisfied and the Notes become redeemable in whole or in part in accordance with this Credit Linked Condition 3, upon Delivery of the Deliverable Obligations Deliverable and/or payment of the Partial Cash Settlement Amounts, as the case may be, the Issuer shall have discharged its obligations in respect of the relevant Credit Event Portion of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Partial Cash Settlement Amount may be less than the Calculation Amount of a Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer or the Guarantor.

4. INTEREST

Each of the Notes will bear interest pursuant to and in accordance with General Condition 4 (Interest), provided that (i) for the purposes of determining the interest amounts in respect of Portfolio Credit Linked Notes and Portfolio Maturity Settled Credit Linked Notes, the aggregate outstanding nominal amount of the Notes shall be deemed to be the Weighted Average Outstanding Redemption Amount on the relevant Interest Payment Date and (ii) in the case of interest bearing Notes other than Portfolio Credit Linked Notes or Portfolio Maturity Settled Credit Linked Notes, if Conditions to Settlement are satisfied during the Notice Delivery Period, then (x) if "Accrual of Interest upon a Credit Event" is specified as Not Applicable in the applicable Final Terms, each Note shall cease to bear interest from the Interest Payment Date immediately preceding the Credit Event Determination Date, or if the Credit Event Determination Date is an Interest Payment Date such Interest Payment Date (but the Issuer shall only be obliged to make payment of such interest on the Credit Event Redemption Date or Physical Settlement Date, as applicable, and no further amount shall be payable in respect of any such delay) or, if the Credit Event Determination Date falls prior to the first Interest Payment Date, no interest shall accrue on the Notes; or (y) if "Accrual of Interest upon a Credit Event" is specified as being Applicable in the applicable Final Terms, each Note shall cease to bear interest from the Credit Event Determination Date.

For the purposes of this Credit Linked Condition 4 (*Interest*):

Credit Technical Annex

"Weighted Average Outstanding Redemption Amount" means, on any Interest Payment Date, the quotient of (a) the sum of the Outstanding Redemption Amount determined in respect of each day in the immediately preceding Interest Period or Fixed Interest Period, as applicable (provided that for the purposes of this Credit Linked Condition 4 only, the Outstanding Redemption Amount shall be deemed to be reduced by each Credit Event Portion on the related Credit Event Determination Date, rather than the related Credit Event Redemption Date in respect of a Portfolio Credit Linked Note or the date on which the Final Price is calculated in respect of a Portfolio Maturity Settled Credit Linked Note) (as numerator) and (b) the actual number of days in such Interest Period or Fixed Interest Period, as applicable (as denominator).

5. REPUDIATION/MORATORIUM EXTENSION

Where Repudiation/Moratorium is specified as a Credit Event in the applicable Final Terms, the provisions of this Credit Linked Condition 5 shall apply.

Where (i) Conditions to Settlement in respect of a Reference Entity have not been satisfied on or prior to the Scheduled Maturity Date and (ii) the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date or, if Credit Linked Condition 7 (*Maturity Date Extension*) applies, the Postponed Maturity Date and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium will, in the sole determination of the Calculation Agent, fall after the Scheduled Maturity Date, then the Calculation Agent shall notify the Noteholders in accordance with General Condition 14 (*Notices*) that a Potential Repudiation/Moratorium has occurred, giving details of the relevant Reference Entity and:

- (i) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:
 - (A) Credit Linked Condition 1 (*Redemption of Credit Linked Notes*) shall apply; and
 - (B) in the case of interest bearing Notes only, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and
- (ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/ Moratorium Evaluation Date and Conditions to Settlement are satisfied in the Notice Delivery Period, the provisions of Credit Linked Condition 2 (*Cash Settlement*) or Credit Linked Condition 3 (*Physical Settlement*), as applicable, shall apply to the relevant Credit Event Portion of the Notes.

6. GRACE PERIOD EXTENSION

If "Grace Period Extension" is specified as applying in the applicable Final Terms, the provisions of this Credit Linked Condition 6 shall apply.

Where (i) Conditions to Settlement in respect of a Reference Entity have not been satisfied on or prior to the Scheduled Maturity Date and (ii) a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then:

- (i) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:
 - (A) Credit Linked Condition 1 (*Redemption of Credit Linked Notes*) shall apply; and

Credit Technical Annex

- (B) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and
- (ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and Conditions to Settlement are satisfied in the Notice Delivery Period, the provisions of Credit Linked Condition 2 (*Cash Settlement*) or Credit Linked Condition 3 (*Physical Settlement*), as applicable, shall apply to the relevant Credit Event Portion of the Notes.

7. MATURITY DATE EXTENSION

If:

- (x) on or prior to (A) the Scheduled Maturity Date or, (B), if applicable, the Repudiation/Moratorium Evaluation Date, or (C) if Grace Period Extension is specified as applying in the applicable Final Terms, the Grace Period Extension Date, as the case may be, Conditions to Settlement have not been satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred; or
- (y) on or prior to the Scheduled Maturity Date, in the opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may notify the Noteholders in accordance with General Condition 14 (*Notices*) that the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, has been postponed to a date (such date the "**Postponed Maturity Date**") specified in such notice falling on the fifth (5th) Business Day immediately following the fourteenth (14th) calendar day after the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, and where in the case of Credit Linked Condition 7(x), Conditions to Settlement are not satisfied on or prior to the Postponed Maturity Date or, in the case of Credit Linked Condition 7(y), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Maturity Date:

- (i) Credit Linked Condition 1 (*Redemption of Credit Linked Notes*) shall apply; and
- (ii) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (iii) where
 - (A) in the case of Credit Linked Condition 7(x), Conditions to Settlement are satisfied on or prior to the Postponed Maturity Date, the provisions of Credit Linked Condition 2 (*Cash Settlement*) or 3 (*Physical Settlement*) as applicable shall apply to the relevant Credit Event Portion of the Notes; or
 - (B) in the case of Credit Linked Condition 7(y), the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Maturity Date, the provisions of Credit Linked Condition 5 (*Repudiation/Moratorium Extension*) shall apply to the relevant Credit Event Portion of the Notes.

Credit Technical Annex

8. PHYSICAL DELIVERY

- (a) If any Credit Event Portion of a Credit Linked Note, other than a Credit Linked Note represented by a Rule 144A Global Note, is to be redeemed by delivery of the Asset Amount(s), in order to obtain delivery of the Asset Amount(s) in respect of any Credit Event Portion of a Note:
- (X) if such Note is represented by a Global Note, the relevant Noteholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Principal Paying Agent and the Calculation Agent no later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice in the form set out in the Agency Agreement; and
 - (Y) if such Note is in definitive form, the relevant Noteholder must deliver (i) if this Note is a Bearer Note, to any Paying Agent or (ii) if this Note is a Registered Note, to the Registrar or any Paying Agent, in each case, with a copy to the Principal Paying Agent no later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice, a copy of which may be obtained from the Calculation Agent.

An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, or (ii) if such Note is in definitive form, in writing.

If this Note is in definitive form, this Note must be delivered together with the duly completed Asset Transfer Notice.

The Asset Transfer Notice shall:

- (i) specify the name, address and contact telephone number of the relevant Noteholder and the person from whom the Issuer may obtain details for the delivery of the Asset Amount;
- (ii) specify the series number of the Notes and the number of Notes which are the subject of such notice;
- (iii) in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject of such notice and the number of the Noteholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Notes and irrevocably instruct and authorise the relevant Clearance System to debit the relevant Noteholder's account with the Credit Event Portion of such Notes on or before the Physical Settlement Date;
- (iv) include an undertaking to pay all Delivery Expenses and, in the case of Notes represented by a Global Note, an authority to debit a specified account of the Noteholder with Euroclear or Clearstream, Luxembourg, as the case may be in respect thereof and to pay such Delivery Expenses;
- (v) include such details as are required for delivery of the Asset Amount which may include account details and/or the name and address of any person(s) into whose name evidence of the Asset Amount is to be registered and/or any bank, broker or agent to whom documents evidencing the Asset Amount are to be delivered and specify the name and number of the Noteholder's account to be credited with any cash payable by the Issuer;
- (vi) certify that the beneficial owner of each Note is not a U.S. person (as defined in the Asset Transfer Notice), the Note is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof;
- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

Credit Technical Annex

all as provided in the Agency Agreement.

- (b) The Issuer shall give notice to Noteholders prior to the relevant Physical Settlement Date of the Deliverable Obligations comprising the Asset Amount that it reasonably expects to Deliver. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value and may substitute any Deliverable Obligations specified in the relevant notice on or prior to the Physical Settlement Date without giving notice thereof.
- (c) Verification of the Noteholder

In the case of Notes represented by a Global Note, upon receipt of an Asset Transfer Notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person delivering the Asset Transfer Notice is the holder of the Notes described therein according to its records. Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Paying Agent the series number and number of Notes the subject of such notice, the relevant account details and the details for the delivery of the Asset Amount of each Note. Upon receipt of such confirmation, the Principal Paying Agent will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Physical Settlement Date, debit the securities account of the relevant Noteholder with the Credit Event Portion of the relevant Notes.

- (d) Determinations and Delivery

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made, in the case of Notes represented by a Global Note, by Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of Notes in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, in each case in consultation with the Principal Paying Agent, and shall be conclusive and binding on the Issuer, the Principal Paying Agent(s) and the relevant Noteholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Paying Agent immediately after being delivered or sent as provided in paragraph 1 above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of, in the case of Notes represented by a Global Note, Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of Notes in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, in each case in consultation with the Principal Paying Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearance System, the Registrar or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

The Asset Amount(s) will be delivered at the risk of the relevant Noteholder, in the manner provided below on the date fixed for redemption, provided that the Asset Transfer Notice is duly delivered as provided above on or prior to the Cut-Off Date.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Paying Agent, on or prior to the Cut-Off Date, then the Asset Amount(s) will be delivered as soon as practicable after the date fixed for redemption (in which case, such date of delivery shall be the Physical Settlement Date) at the risk of such Noteholder in the manner provided below *Provided That* if, in respect of a Note, a Noteholder fails to give an Asset Transfer Notice prior to the day falling 180 calendar days after the Cut Off Date, the obligations of the Issuer and the Guarantor in respect of such Notes shall be discharged and neither the Issuer nor the Guarantor shall have any liability in respect thereof. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such

Credit Technical Annex

Physical Settlement Date falling after the date fixed for redemption and no liability in respect thereof shall attach to the Issuer.

The Issuer shall at the risk of the relevant Noteholder, deliver or procure the delivery of the Asset Amount(s) for the relevant Credit Event Portion of each Note, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice. All Delivery Expenses arising from the delivery of the Asset Amount in respect of the relevant Credit Event Portion of such Notes shall be for the account of the relevant Noteholder and no delivery of the Asset Amount(s) shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

(e) **General**

After delivery of an Asset Amount in respect of a Note and for the Intervening Period, none of the Issuer, the Guarantor, the Calculation Agent and any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of the securities or obligations included in such Asset Amount, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations included in such Asset Amount or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations included in such Asset Amount.

- (f) In relation to each Deliverable Obligation constituting any Asset Amount, the Issuer will Deliver or procure the Delivery of the relevant Deliverable Obligation as provided below on the Physical Settlement Date provided that if all or some of the Deliverable Obligations included in the Asset Amount in respect of a Note are Undeliverable Obligations and/or Hedge Disruption Obligations, then the Issuer shall continue to attempt to Deliver or, if applicable, shall attempt to Deliver where possible all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, on or before the 65th Business Day following the Physical Settlement Date (the "**Final Delivery Date**"), provided further that if all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, are not Delivered by the Final Delivery Date the provisions of Credit Linked Condition 9 (*Partial Cash Settlement*) shall apply.
- (g) If any Note represented by a Rule 144A Global Note is to be redeemed (in whole or in part) by delivery of an Asset Amount, the relevant provisions relating to such delivery shall be set out in the applicable Final Terms.

9. PARTIAL CASH SETTLEMENT

If all or a portion of the Undeliverable Obligations or Hedge Disruption Obligations comprising an Asset Amount in respect of a Note are not Delivered by the Final Delivery Date, the Issuer shall give notice (a "**Partial Cash Settlement Notice**") to the Noteholders in accordance with General Condition 14 (*Notices*) and the Issuer shall pay in respect of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, the Partial Cash Settlement Amount on the Partial Cash Settlement Date.

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

Unless otherwise specified in the applicable Final Terms, for the purposes of this Credit Linked Condition 9 the following terms shall be defined as follows:

"Full Quotation" means, in relation to any Undeliverable Obligation and in accordance with the Quotation Method, each firm quotation expressed as a percentage obtained from a Quotation Dealer at the Valuation

Credit Technical Annex

Time, to the extent reasonably practicable, for an amount of the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, with an Outstanding Principal Balance equal to the Quotation Amount.

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

"Market Value" means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the same highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applying in the applicable Final Terms and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, subject to paragraph (ii) of the definition of "Quotation" below, an amount as determined by the Calculation Agent on the next Business Day on which at least two Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; (vii) if two or more Full Quotations or a Weighted Average Quotation are not obtained or (if applicable) fewer than three Indicative Quotations are obtained, the Market Value shall be determined as provided in paragraph (ii) of the definition of "Quotation" below; and (viii) if the Quotations are deemed to be zero, the Market Value shall be zero.

"Partial Cash Settlement Amount" is deemed to be, for each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount calculated by the Calculation Agent equal to the greater of (i) (A) the Outstanding Principal Balance, the Due and Payable Amount or the Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, multiplied by (B) the Final Price with respect to such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, less if applicable (C) Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Asset Amount), and (ii) zero.

"Partial Cash Settlement Date" is deemed to be the date falling (3) three Business Days after the calculation of the Final Price with respect to such Undeliverable Obligations or Hedge Disruption Obligation, as the case may be.

"Quotation" means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applying in the applicable Final Terms, each Indicative Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (i) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain

Credit Technical Annex

Full Quotations from five or more Quotation Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applying in the applicable Final Terms, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.

- (ii) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the applicable Final Terms, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day of, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.
- (iii) The Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
- (iv) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for purposes of determining the Final Price.

"Quotation Amount" is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be.

"Quotation Method" is deemed to be Bid.

"Reference Obligation" is deemed to be each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be.

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

"Valuation Time" is the time specified as such in the applicable Final Terms, or, if no time is so specified, 11:00 a.m. in the principal trading market for the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be.

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

10. REDEMPTION FOLLOWING A MERGER EVENT

Credit Technical Annex

Where "Merger Event" is specified as applying in the applicable Final Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Noteholders in accordance with General Condition 14 (*Notices*) and redeem each Note at the Early Redemption Amount on the Merger Event Redemption Date (as specified in the applicable Final Terms).

11. DEFINITIONS APPLICABLE TO CREDIT LINKED NOTES

"Accreted Amount" means, with respect to an Accreting Obligation, an amount equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in (a)(ii) above), in each case calculated as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent in its sole and absolute discretion) only if "Include Accrued Interest" is specified as being applicable in the applicable Final Terms. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for the purposes of (a)(ii) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

"Accreting Obligation" means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (b) periodic cash interest is also payable.

"Additional Credit Event" means, in respect of Notes, an event specified as such in the applicable Final Terms.

"Affiliate" means, in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes **control** means ownership of a majority of the voting power of an entity (or, as the Calculation Agent determines appropriate) an entity with the power to direct or cause the direction of the management and policies of the First Entity, whether by contract or otherwise.

"Asset Amount" means, in respect of each nominal amount of Notes equal to the relevant Credit Event Portion, Deliverable Obligations, as selected by the Calculation Agent in its sole and absolute discretion, with:

- (i) in the case of Deliverable Obligations that are Borrowed Money, an Outstanding Principal Balance (including accrued but unpaid interest (as determined by the Calculation Agent) if "Include Accrued Interest" is specified as applying in the applicable Final Terms, but excluding accrued but unpaid interest if "Exclude Accrued Interest" is specified as applying in the applicable Final Terms, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified as applying in the applicable Final Terms, excluding accrued but unpaid interest); or

Credit Technical Annex

(ii) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (i) or (ii), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date equal to or greater than the relevant Credit Event Portion less, if Unwind Costs are specified as applying in the applicable Final Terms, Deliverable Obligations with a market value determined by the Calculation Agent in its sole and absolute discretion on the Business Day selected by the Calculation Agent falling during the period from and including the Credit Event Determination Date to and including the Delivery Date less than or equal to the Unwind Costs.

If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the Outstanding Principal Balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.

"Asset Transfer Notice" means a duly completed asset transfer notice, a copy of which may be obtained from the Calculation Agent.

"Bankruptcy" means a Reference Entity:

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

"Best Available Information" means:

Credit Technical Annex

- (i) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of the definition of "Successor", other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (ii) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, or which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of the definition of "Successor".

Information which is made available more than fourteen calendar days after the legally effective date of the Succession Event shall not constitute "Best Available Information".

"Business Day" means for the purposes of this Technical Annex only, a day which is a day on which commercial banks and foreign exchange markets are generally open to settle payments (including dealing in foreign exchange and foreign currency deposits) in the jurisdiction of the Specified Currency specified in the applicable Final Terms, and in respect of the Delivery of any Deliverable Obligations, shall include any day in any jurisdiction on which banks must be open in order to effect settlement of such Delivery.

"Calculation Agent City Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Calculation Agent City specified in the applicable Final Terms.

"Clearance System" has the meaning given in the General Conditions.

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

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer or the Guarantor, as the case may be.

"Conditions to Settlement" means the delivery by the Calculation Agent to the Issuer of a Credit Event Notice that is effective and if Notice of Publicly Available Information is specified as applying in the

Credit Technical Annex

applicable Final Terms, a Notice of Publicly Available Information, that is effective, in each case, during the Notice Delivery Period.

"Convertible Obligation" means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

"Credit Event" means the occurrence of any one or more of the Credit Events specified in the applicable Final Terms which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, or any Additional Credit Event specified in the applicable Final Terms, as determined by the Calculation Agent.

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

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

"Credit Event Notice" means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred at or after 12.01 a.m. Greenwich Mean Time on the Effective Date and at or prior to 11.59 p.m., Greenwich Mean Time, on the latest of:

- (a) the Scheduled Maturity Date;
- (b) where "Grace Period Extension" is specified as applying in the applicable Final Terms, the Grace Period Extension Date if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Maturity Date; and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs at or prior to 11.59 p.m., Greenwich Mean Time, on the Scheduled Maturity Date; and
- (c) the Repudiation/Moratorium Evaluation Date if:
 - (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Maturity Date;
 - (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs at or prior to 11.59 p.m., Greenwich Mean Time, on the Scheduled Maturity Date; and
 - (iii) the Repudiation/Moratorium Extension Condition is satisfied.

Credit Technical Annex

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective. A Credit Event Notice shall be subject to the requirements regarding notices set out in General Condition 14 (*Notices*).

"Credit Event Portion" means, in the case of any Credit Event and in respect of each nominal amount of the Notes equal to the Calculation Amount, an amount equal to:

- (a) in the case of a Portfolio Credit Linked Note or a Portfolio Maturity Settled Credit Linked Note,
 - (i) the Reference Amount of the Reference Entity in respect of which the Credit Event Notice has been given, expressed as a proportion of the aggregate of the Reference Amounts of all the Reference Entities specified in the Final Terms;

multiplied by
 - (ii) the Calculation Amount; or
- (b) in all other cases, 100 per cent. (100%) of the Calculation Amount.

"Credit Event Redemption Amount" means, in respect of a Credit Event, the amount specified as such in the applicable Final Terms or if no such amount is specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to:

$$(A \times B) - C$$

where:

"A" is the Credit Event Portion in relation to such Credit Event;

"B" is the Final Price in relation to the relevant Reference Obligation; and

"C" is Unwind Costs in relation to such Credit Event,

provided that in no event shall the Credit Event Redemption Amount be less than zero.

"Credit Event Redemption Date" means the day falling the number of Business Days specified in the applicable Final Terms (or, if a number of Business Days is not so specified, three Business Days) after the calculation of the Final Price.

"Currency Amount" means, whenever an amount is denominated in a currency other than the Settlement Currency and is specified to be determined by reference to a Currency Amount, such amount converted to the relevant Settlement Currency using the Currency Rate.

"Currency Rate" means:

- (a) the rate determined by the Calculation Agent equal to the rate of conversion of the currency of the Deliverable Obligation into the Settlement Currency by reference to:
 - (i) if the Settlement Currency is U.S. Dollars, the Federal Reserve Bank of New York 10:00 a.m. (New York time) mid point rate as displayed on Reuters page FEDSPOT on the date that the Notice of Physical Settlement is deemed given, or on such date and in such other commercially reasonable manner as it shall determine; or

Credit Technical Annex

- (ii) if the Settlement Currency is euro, the MEAN price as displayed on Reuters Page EUROFX/1 as of 12:00 p.m. (London time) on the date that the Notice of Physical Settlement is deemed given, or on such date or in such other commercially reasonable manner as it shall determine; or
- (b) if the Settlement Currency is not U.S. Dollars or euro, the rate determined by the Calculation Agent in its sole and absolute discretion in a commercially reasonable manner.

"**Cut-off Date**" is the date as specified in the applicable Final Terms.

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

"**Deliver**" means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Asset Amount(s) to the relevant Noteholder free and clear of any and all liens, charges, claims or encumbrances (including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set out in (a) to (d) in the definition of "Credit Event" above or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor); provided that if all or a portion of an Asset Amount consists of Direct Loan Participations, "Deliver" means to create (or procure the creation) of a participation in favour of the relevant Noteholder and to the extent that the Deliverable Obligations consist of Qualifying Guarantees, "Deliver" means to deliver both the Qualifying Guarantee and the Underlying Obligation. "Delivery" and "Delivered" will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for delivery of such Loan at that time.

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

"**Delivery Expenses**" means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the Delivery of the Asset Amount.

"**Deliverable Obligation**" means, subject as provided in Credit Linked Condition 3 (*Physical Settlement*):

- (a) any obligation of such Reference Entity (either directly, as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in sub-paragraph (d) "(A) Method for Determining Deliverable Obligations" below (but excluding any Excluded Deliverable Obligation specified in the applicable Final Terms) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in paragraphs (a) to (d) of the definition of "Credit Event" above) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

Credit Technical Annex

- (b) subject to the second paragraph of the definition of "Not Contingent" in sub-paragraph (d) "(A)(2)(i) Method for Determining Deliverable Obligations" below, each Reference Obligation, unless specified in the applicable Final Terms as an Excluded Deliverable Obligation;
 - (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in paragraphs (a) to (d) of the definition of "Credit Event" above) or right of set-off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and
 - (d) any Additional Deliverable Obligation of a Reference Entity specified as such in the applicable Final Terms.
- (A) Method for Determining Deliverable Obligations. For the purposes of this definition of "Deliverable Obligation", the term "Deliverable Obligation" may be defined as each obligation of each Reference Entity described by the Deliverable Obligation Category specified in the applicable Final Terms, and, subject to (B)(3) below, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, as of the Delivery Date. The following terms shall have the following meanings:
- (1) **"Deliverable Obligation Category"** means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "Obligation" below, except that, for the purpose of determining Deliverable Obligations, the definition of "Reference Obligations Only" shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only).
 - (2) **"Deliverable Obligation Characteristics"** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "Obligation" below), Not Contingent, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, where:
 - (i) **"Not Contingent"** means any obligation having as of the Delivery Date and all times thereafter an Outstanding Principal Balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall constitute Deliverable Obligations that are Not Contingent if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such

Credit Technical Annex

obligation (if the issuer has exercised the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in clauses (A) and (B) of paragraph (i) above have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date;

- (ii) "**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;
- (iii) "**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such loan) or any agent;
- (iv) "**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either (A) the Issuer or the Guarantor, as the case may be, (in either case, to the extent that the Issuer or the Guarantor, as applicable, is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);
- (v) "**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:
 - (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
 - (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;

Credit Technical Annex

- (vi) "**Maximum Maturity**" means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than the period specified in the applicable Final Terms;
- (vii) "**Accelerated or Matured**" means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (viii) "**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system.

(B) Interpretation of Provisions

- (1) If the Obligation Characteristic "Listed" is specified in the applicable Final Terms, the Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category;
- (2) if (i) either of the Deliverable Obligation Characteristics "Listed" or "Not Bearer" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category; (ii) the Deliverable Obligation Characteristic "Transferable" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category); or (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category;
- (3) if any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics; and

Credit Technical Annex

- (4) in the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:
- (i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.
 - (ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Final Terms, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.
 - (iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of Not Subordinated, if specified in the applicable Final Terms.
 - (iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
 - (v) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
 - (vi) The terms "Outstanding Principal Balance" and "Due and Payable Amount" (as they are used in these Credit Linked Conditions, including without limitation, the definitions of "Partial Cash Settlement Amount" and "Quotation Amount" in Credit Linked Condition 9 (*Partial Cash Settlement*)), when used in connection with Qualifying Guarantees are to be interpreted to be the then "Outstanding Principal Balance" or "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

For the avoidance of doubt the provisions of this paragraph (B) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits.

Credit Technical Annex

"Domestic Currency" means the currency specified as such in the applicable Final Terms and any successor currency. If no currency is specified in the applicable Final Terms, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency).

"Downstream Affiliate" means an entity, at the date of the event giving rise to the Credit Event which is the subject of the Credit Event Notice, the Delivery Date or the time of identification of a Substitute Reference Obligation (as applicable), whose outstanding Voting Shares are more than 50 per cent., owned, directly or indirectly, by the Reference Entity. "Voting Shares" shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

"Due and Payable Amount" means subject as provided in sub-paragraph (4)(vi) of paragraph (B) (*Interpretation of Provisions*) in the definition of Deliverable Obligation, the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

"Effective Date" has the meaning given in the applicable Final Terms.

"Eligible Transferee" means each of the following:

- (a)
 - (i) any bank or other financial institution;
 - (ii) an insurance or reinsurance company;
 - (iii) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(i) below); and
 - (iv) a registered or licensed broker or dealer (other than a natural person or proprietorship),
provided, however, that in each case such entity has total assets of at least U.S.\$500 million;
- (b) an Affiliate of an entity specified in the preceding sub-paragraph (a);
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
 - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least U.S.\$100 million or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$100 million; or
 - (ii) that has total assets of at least U.S.\$500 million; or
 - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keep well, support, or other agreement by an entity described in sub-paragraphs (a), (b), (c)(ii) or (d); and
- (d) a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this definition to U.S.\$ include equivalent amounts in other currencies.

Credit Technical Annex

"Equity Securities" means:

- (a) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (b) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

"Exchangeable Obligation" means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

"Excluded Deliverable Obligation" means any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms.

"Excluded Obligation" means any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms.

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

"Final Price" means the price of a Reference Obligation, expressed as a percentage, determined in accordance with the Valuation Method specified in the applicable Final Terms or, where applicable, Credit Linked Condition 12 (*Credit Event Notice after Restructuring Credit Event*). The Calculation Agent shall as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by Noteholders at the specified office of the Agent and, for so long as the Notes are listed on the London Stock Exchange at the office of the Paying Agent in London (i) each such Quotation that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price.

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

"Fully Transferable Obligation" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered as a requirement for consent for purposes of this definition of "Fully Transferable Obligation". For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of "Fully Transferable Obligation", such determination shall be made as of the Delivery Date for the relevant Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer or the Guarantor, as the case may be.

"Governmental Authority" means any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other

Credit Technical Annex

entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

"Grace Period" means:

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

"Grace Period Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

"Grace Period Extension Date" means, if:

- (a) Grace Period Extension is specified as applying in the applicable Final Terms; and
- (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date,

the day that is five Business Days following the day falling the number of days in the Grace Period after the date of such Potential Failure to Pay.

"Hedge Disruption Event" means in the opinion of the Calculation Agent any event as a result of which the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations under the terms of any transaction entered into by the Issuer and/or any such Affiliate to hedge the obligations or position of the Issuer in respect of the Notes.

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

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

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

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

Credit Technical Annex

- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if fewer than two Full Quotations are obtained, no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) on the same Business Day on or prior to the tenth (10th) Business Day following the Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth (10th) Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth (10th) Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

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

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

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

"Modified Restructuring Maturity Limitation Date" means, with respect to a Deliverable Obligation, the date that is the later of (x) the Scheduled Maturity Date and (y) 60 months following the Restructuring Date in the case of a Restructured Bond or Loan, or 30 months following the Restructuring Date in the case of all other Deliverable Obligations.

"Multiple Valuation Date" shall have the meaning specified in the definition of "Valuation Date" below.

"Notice Delivery Period" means the period from and including the Effective Date to and including (a) the Scheduled Maturity Date; (b) the Grace Period Extension Date if (i) "Grace Period Extension" is specified as applying in the related Final Terms, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Maturity Date, and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Maturity Date; (c) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice is a

Credit Technical Annex

Repudiation/Moratorium that occurs after the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied; or (d) the Postponed Maturity Date if the Maturity Date is postponed pursuant to Credit Linked Condition 7 (*Maturity Date Extension*).

"Notice of Publicly Available Information" means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer [(which the Calculation Agent has the right but not the obligation to deliver)] that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both clauses (i) and (ii) of the definition of Repudiation/Moratorium. The notice given must contain a copy or description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as applying in the applicable Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices in Credit Linked Condition 17 (*Calculation Agent and Calculation Agent Notices*).

"Obligation" means:

- (a) any obligation of a Reference Entity (either directly, as a provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in "Method for Determining Obligations" below (but excluding any Excluded Obligation);
- (b) each Reference Obligation specified in the applicable Final Terms, unless specified as an Excluded Obligation; and
- (c) any Additional Obligation of a Reference Entity specified as such in the applicable Final Terms.

Method for Determining Obligations. For the purposes of paragraph (a) of this definition of "Obligation", the term "Obligation" may be defined as each obligation of each Reference Entity described by the Obligation Category specified in the applicable Final Terms, and having each of the Obligation Characteristics (if any) specified in the applicable Final Terms, in each case, as of the date of the event which constitutes the Credit Event which is the subject of the Credit Event Notice. The following terms shall have the following meanings:

- (A) **"Obligation Category"** means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the applicable Final Terms, where:
 - (1) **"Payment"** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
 - (2) **"Borrowed Money"** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
 - (3) **"Reference Obligations Only"** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;
 - (4) **"Bond"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered

Credit Technical Annex

pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;

- (5) "**Loan**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
 - (6) "**Bond or Loan**" means any obligation that is either a Bond or a Loan.
- (B) "**Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the applicable Final Terms, where:
- (1) (a) "**Not Subordinated**" means an obligation that is not Subordinated to the most senior Reference Obligation in priority of payment or, if no Reference Obligation is specified in the applicable Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity. For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation shall be determined as of the later of (1) the Trade Date specified in the applicable Final Terms and (2) the date on which such Reference Obligation was issued or incurred and shall not reflect any change to such ranking in priority of payment after such later date;
 - (b) "**Subordination**" means, with respect to an obligation (the "**Subordinated Obligation**") and another obligation of the Reference Entity to which such obligation is being compared (the "**Senior Obligation**"), a contractual, trust or other similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding-up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. "**Subordinated**" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign;
- (2) "**Specified Currency**" means an obligation that is payable in the currency or currencies specified as such in the applicable Final Terms (or, if Specified Currency is specified in the applicable Final Terms and no currency is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies, which currencies shall be referred to collectively in the applicable Final Terms as the "Standard Specified Currencies");
 - (3) "**Not Sovereign Lender**" means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt";

Credit Technical Annex

- (4) "**Not Domestic Currency**" means any obligation that is payable in any currency other than the Domestic Currency;
- (5) "**Not Domestic Law**" means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;
- (6) "**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (7) "**Not Domestic Issuance**" means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity.

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

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

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

"**Outstanding Principal Balance**" means, subject as provided in sub-paragraph (4)(vi) of paragraph (B) (Interpretation of Provisions) in the definition of Deliverable Obligation:

- (a) with respect to any Accreting Obligation, the Accreted Amount thereof; and
- (b) with respect to any other obligation, the outstanding principal balance of such obligation,

Provided That with respect to any Exchangeable Obligation that is not an Accreting Obligation, "Outstanding Principal Balance" shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

"**Outstanding Redemption Amount**" means in respect of a Note or nominal amount equal to the Calculation Amount, on any day, the Final Redemption Amount specified in the applicable Final Terms for such Note *less* the aggregate of all Credit Event Portions of such Note determined pursuant to Credit Linked Condition 2 (*Cash Settlement*) or Credit Linked Condition 3 (*Physical Settlement*) (as applicable) determined up to and including such day.

"**Payment Requirement**" means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not specified in the applicable Final Terms, USD1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

Credit Technical Annex

"Permitted Currency" means (i) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership), or (ii) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investors Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

"Physical Settlement Date" means in relation to any Deliverable Obligation, the last day of the longest Physical Settlement Period following the satisfaction of Conditions to Settlement (the **"Scheduled Physical Settlement Date"**) *provided that*:

- (i) if a Hedge Disruption Event has occurred and is continuing on the second (2nd) Business Day immediately preceding the Scheduled Physical Settlement Date, the Physical Settlement Date shall be the earlier of (i) the second Business Day following the date on which no Hedge Disruption Event subsists and (ii) the day falling 65 Business Days following the Scheduled Physical Settlement Date; or
- (ii) if such day is not a Relevant Clearance Business Day, it shall be postponed to the immediately following Relevant Clearance Business Day.

"Physical Settlement Period" means the number of Business Days specified as such in the applicable Final Terms or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation comprising an Asset Amount, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent.

"Portfolio Credit Linked Note" means each Credit Linked Note indicated as such in the applicable Final Terms, where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities on a *pro rata* basis. Satisfaction of the Conditions to Settlement with respect to any of the Reference Entities will, unless otherwise specified in the Final Terms, result in a proportional redemption of the Notes pursuant to these Credit Linked Conditions, by cash or physical settlement, as specified in the applicable Final Terms.

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

"Portfolio Maturity Settled Credit Linked Note" means each Credit Linked Note indicated as such in the applicable Final Terms and in respect of which Cash Settlement is specified as applicable in the Final Terms, where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities on a *pro rata* basis. Satisfaction of the Conditions to Settlement with respect to any of the Reference Entities will, unless otherwise specified in the applicable Final Terms, result in a reduction of the Outstanding Redemption Amount of the Notes on the date the related Final Price is calculated, provided that redemption of the Notes by cash settlement pursuant to these Credit Linked Conditions shall not occur until the Maturity Date.

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

Credit Technical Annex

"Publicly Available Information" means:

- (a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which:
 - (i) has been published in or not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information provided that, if either the Calculation Agent or the Issuer, the Guarantor or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless either the Calculation Agent or the Issuer, the Guarantor or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation;
 - (ii) is information received from or published by (A) a Reference Entity or, as the case may be, a Sovereign Agency in respect of a Reference Entity which is a Sovereign or (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation; or
 - (iii) is information contained in any petition or filing instituting a proceeding described in paragraph (d) of the definition of Bankruptcy against or by a Reference Entity; or
 - (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.
- (b) In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation and (ii) a holder of the Obligation with respect to which a Credit Event has occurred, the Calculation Agent shall be required to deliver to the Issuer a certificate signed by a Managing Director (or other substantially equivalent title) of the Calculation Agent, which shall certify the occurrence of a Credit Event with respect to a Reference Entity.
- (c) In relation to any information of the type described in paragraphs (a)(ii), (iii) and (iv) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties.
- (d) Publicly Available Information need not state:
 - (i) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and
 - (ii) that such occurrence:
 - (A) has met the Payment Requirement or Default Requirement;
 - (B) is the result of exceeding any applicable Grace Period; or
 - (C) has met the subjective criteria specified in certain Credit Events.

"Public Source" means each source of Publicly Available Information specified as such in the applicable Final Terms (or if a source is not specified in the applicable Final Terms, each of Bloomberg Service, Dow Jones

Credit Technical Annex

Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

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

"Qualifying Guarantee" means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **"Underlying Obligation"**) for which another party is the obligor (the **"Underlying Obligor"**) and that is not at the time of the Credit Event Subordinated to any unsubordinated Borrowed Money obligation of the Underlying Obligor (with references in the definition of Subordination to the Reference Entity deemed to refer to the Underlying Obligor). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being delivered together with the Delivery of the Underlying Obligation.

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

"Quotation" means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.
- (b)
 - (i) If "Include Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest;
 - (ii) if "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and
 - (iii) if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, the Calculation Agent shall determine based on the then current market practice in the market of the Reference Obligation, whether such

Credit Technical Annex

Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

- (c) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

"Quotation Amount" means the amount specified as such in the applicable Final Terms (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, if no amount is specified in the applicable Final Terms, the Aggregate Nominal Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

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

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

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

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

"Reference Amount" means the amount and the currency in which the Issuer has purchased credit protection from the Noteholders in respect of each Reference Entity, as specified in the applicable Final Terms.

"Reference Entity" means the entity or entities specified as such in the applicable Final Terms. Any Successor to a Reference Entity identified pursuant to the definition of **"Successor"** in this Credit Linked Condition 11 shall be a Reference Entity for the purposes of the relevant Series.

"Reference Obligation" means each obligation specified or of a type described as such in the applicable Final Terms (if any are so specified or described) and any Substitute Reference Obligation.

"Relevant Clearance Business Day" is a day which is:

- (a) a Business Day; and
- (b) (i) where the Deliverable Obligations are Bonds, a day on which the relevant clearance system for settlement of the Bonds, is open for the acceptance and execution of settlement instructions other than a day on which such clearance system is scheduled to close prior to its regular weekday closing time; or
- (ii) where the Deliverable Obligations are Loans, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the jurisdiction of the currency of

Credit Technical Annex

denomination of the relevant Loan, or if such currency is euro, a day on which the Target System (as defined in the General Conditions) is open.

"Relevant Obligations" means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

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

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

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

"Repudiation/Moratorium Evaluation Date" means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date, (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium.

"Repudiation/Moratorium Extension Condition" means the delivery of a Repudiation/Moratorium Extension Notice and, if specified as applicable in the applicable Final Terms, Notice of Publicly Available Information by the Calculation Agent to the Issuer that is effective during the period from and including the Effective Date to and including the Scheduled Maturity Date or, if Credit Linked Condition 7 applies, the Postponed Maturity Date.

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

Credit Technical Annex

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

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (iii) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

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

- (a) the payment in euro of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (b) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (c) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

For purposes of the definition of Restructuring and Credit Linked Condition 13 (*Provisions relating to Multiple Holder Obligation*), the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the definition of Restructuring and the definition of Subordination shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of this definition of Restructuring shall continue to refer to the Reference Entity.

"Restructured Bond or Loan" means an Obligation which is a Bond or Loan and in respect of which the Restructuring that is the subject of a Credit Event Notice has occurred.

"Restructuring Date" means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

"Restructuring Maturity Limitation Date" means the date that is the earlier of (x) thirty months following the Restructuring Date and (y) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the

Credit Technical Annex

Scheduled Maturity Date or later than thirty months following the Scheduled Maturity Date and if it is, it shall be deemed to be the Scheduled Maturity Date or thirty months following the Scheduled Maturity Date, as the case may be.

"Settlement Currency" means the currency specified as such in the applicable Final Terms, or if no currency is specified in the applicable Final Terms, the Specified Currency of the Notes.

"Single Valuation Date" shall have the meaning as specified in the definition of "Valuation Date" below.

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

"Sovereign Agency" means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

"Sovereign Restructured Deliverable Obligation" means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the applicable Final Terms, and, subject to paragraph (3) of "(B) Interpretation of Provisions" in the definition of "Deliverable Obligation", having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

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

"Standard Unwind Costs" shall have the meaning as specified in the definition of "Unwind Costs" below.

"Substitute Reference Obligation" means any of (1) the relevant Substitute Reference Obligation(s) specified in the applicable Final Terms or (2) one or more obligations of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations in respect of such Reference Entity, identified by the Calculation Agent in accordance with the following procedures:

- (a) In the event that:
 - (i) a Reference Obligation in respect of such Reference Entity is redeemed in whole; or
 - (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation in respect of such Reference Entity have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation in respect of such Reference Entity is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation in respect of a Reference Entity is no longer an obligation of such Reference Entity,

the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation in respect of a Reference Entity.

Credit Technical Annex

- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (1) ranks *pari passu* (or, if no such Obligation exists, then, at the option of the Issuer an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (A) the Trade Date and (B) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (2) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent of the delivery and payment obligations of the Issuer and (3) is an obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.
- (c) If more than one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to one or more but not all such Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each such Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.
- (d) If more than one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to all such Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.
- (e) If:
- (i) more than one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to all such Reference Obligations and the Calculation Agent determines that no Substitute Reference Obligation is available for any of such Reference Obligations; or
 - (ii) only one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to such Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation,

then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the later of (A) the Scheduled Maturity Date, (B) the Grace Period Extension Date (if any) and (C) the Repudiation/Moratorium Evaluation Date (if any). If (i) either Cash Settlement is specified in the applicable Final Terms and the Credit Event Redemption Amount is determined by reference to a Reference Obligation or Physical Delivery is specified in the applicable Final Terms and the Reference Obligation is the only Deliverable Obligation and (ii) on or prior to the later of (A) the Scheduled Maturity Date, (B) the Grace Period Extension Date or (C) the Repudiation/Moratorium Evaluation Date, a Substitute Reference Obligation has not been identified, the obligations of the Issuer under the Notes shall cease as of the later of (A) the Scheduled Maturity Date, (B) the Grace Period Extension Date or (C) the Repudiation/Moratorium Evaluation Date.

Credit Technical Annex

- (f) For the purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

"Succession Event" means an event such as a merger, de-merger, consolidation, amalgamation, transfer of assets or liabilities, spin off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement. Notwithstanding the foregoing, "Succession Event" shall not include an event in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, demerger, consolidation, amalgamation, transfer of assets or liabilities, spin-off or other similar event.

"Successor" means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:
- (i) if one entity directly or indirectly succeeds to seventy-five per cent. (75%) or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;
 - (ii) if only one entity directly or indirectly succeeds to more than twenty-five per cent. (25%) (but less than seventy-five per cent.(75%)) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. (25%) of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent. (25%) of the Relevant Obligations will be the sole Successor;
 - (iii) if more than one entity each directly or indirectly succeed to more than twenty-five per cent. (25%) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. (25%) of the Relevant Obligations of the Reference Entity remain with Reference Entity, the entities that succeed to more than twenty-five per cent. (25%) of the Relevant Obligations will each be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below;
 - (iv) if one or more entity each directly or indirectly succeed to more than twenty-five per cent. (25%) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five per cent. (25%) of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below;
 - (v) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent. (25%) of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of the Succession Event; and
 - (vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent. (25%) of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor; and

Credit Technical Annex

- (b) in relation to a Reference Entity that is a Sovereign, any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

In the case of (a) above, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable, the Calculation Agent shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information and shall, as soon as practicable after such calculation, make such calculation available for inspection by Noteholder(s) at the specified office of the Principal Paying Agent.

Where pursuant to paragraph (a)(iii) or (a)(iv) above, more than one Successor has been identified, the Calculation Agent shall adjust such of these Terms and Conditions and/or the applicable Final Terms as it in its sole and absolute discretion acting in a commercially reasonable manner shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of these Terms and Conditions and/or the applicable Final Terms in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Notes under the provisions of the 2003 ISDA Credit Derivatives Definitions and any relevant publication published by ISDA.

Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Noteholders in accordance with General Condition 14 (*Notices*), stating the adjustment to these Terms and Conditions and/or the applicable Final Terms and giving brief details of the relevant Succession Event.

For the purposes of this definition of "Successor", **succeed** means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to paragraph (a) of this definition of "Successor" shall be made, in the case of an exchange offer, on the basis of the Outstanding Principal Balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the Outstanding Principal Balance of Bonds for which Relevant Obligations have been exchanged.

Where:

- (A) a Reference Obligation is specified in the applicable Final Terms; and
- (B) one or more Successors to the relevant Reference Entity have been identified; and
- (C) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of "Substitute Reference Obligation" above.

"Supranational Organisation" means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns, and includes, without

Credit Technical Annex

limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and the European Bank for Reconstruction and Development.

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

"Undeliverable Obligation" means a Deliverable Obligation included in the Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans, the failure of a Noteholder to give the Issuer details of accounts for settlement, or a failure of any Noteholder to open or procure the opening of such accounts) it is impossible or illegal to Deliver on the Physical Settlement Date.

"Underlying Obligation" has the meaning given in "Qualifying Guarantee" above.

"Underlying Obligor" has the meaning given in the "Qualifying Guarantee" above.

"Unwind Costs" means the amount specified in the applicable Final Terms or if "Standard Unwind Costs" are specified in the applicable Final Terms, an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer and/or any of its Affiliates in connection with the redemption (in whole or in part) of the Notes and the related termination, settlement or re-establishment (in whole or in part) of any hedge or related trading position, such amount to be apportioned *pro rata* amongst each nominal amount of Notes in the Calculation Amount.

"Valuation Date" means (a) where Physical Delivery is specified as applying in the applicable Final Terms the day falling five (5) Business Days after the Final Delivery Date, or (b) where Cash Settlement is specified as applying in the applicable Final Terms, if **"Single Valuation Date"** is specified in the applicable Final Terms, the date that is the number of Business Days specified in the Final Terms after the Credit Event Determination Date or, if the number of Business Days is not so specified, five Business Days after the Credit Event Determination Date, and if **"Multiple Valuation Dates"** is specified in the applicable Final Terms, each of the following dates:

- (i) the date that is the number of Business Days specified in the applicable Final Terms after the Credit Event Determination Date (or, if the number of Business Days is not specified, five (5) Business Days); and
- (ii) each successive date that is the number of Business Days specified in the applicable Final Terms (or if the number of Business Days is not so specified, five (5) Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

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

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

"Valuation Method":

- (a) The following Valuation Methods may be specified in the applicable Final Terms for a Series with only one Reference Obligation and only one Valuation Date:
 - (i) **"Market"** means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or

Credit Technical Annex

- (ii) "**Highest**" means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Highest.

- (b) The following Valuation Methods may be specified in the applicable Final Terms for a Series with only one Reference Obligation and more than one Valuation Date:

- (i) "**Average Market**" means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or

- (ii) "**Highest**" means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or

- (iii) "**Average Highest**" means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

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

- (c) The following Valuation Methods may be specified in the applicable Final Terms for a Series with more than one Reference Obligation and only one Valuation Date:

- (i) "**Blended Market**" means the unweighted arithmetic mean of the Market Value for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date; or

- (ii) "**Blended Highest**" means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Reference Obligation with respect to the Valuation Date.

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

- (d) The following Valuation Methods may be specified in the applicable Final Terms for a Series with more than one Reference Obligation and more than one Valuation Date:

- (i) "**Average Blended Market**" means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date; or

- (ii) "**Average Blended Highest**" means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date.

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

- (e) Notwithstanding paragraphs (a) to (d) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be.

Credit Technical Annex

"**Valuation Time**" means the time specified as such in the applicable Final Terms or, if no time is so specified, 11.00 a.m. in the principal trading market for the Reference Obligation.

"**Voting Shares**" has the meaning given in the definition of "Downstream Affiliate" above.

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

12. CREDIT EVENT NOTICE AFTER RESTRUCTURING CREDIT EVENT

If this Credit Linked Condition 12 (*Credit Event Notice after Restructuring Credit Event*) is specified as applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in these Terms and Conditions, upon the occurrence of a Restructuring Credit Event during the Notice Delivery Period:

- (a) the Calculation Agent may deliver a Credit Event Notice in respect of the amount (the "**Partial Redemption Amount**") that is less than the Reference Amount in respect of the relevant Reference Entity. In such circumstances, the Credit Event Portion shall be deemed to be the Partial Redemption Amount only, and each such Note shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount).
- (b) For the avoidance of doubt (i) the Outstanding Redemption Amount of each such Note not so redeemed in part shall remain outstanding and interest shall accrue on the Outstanding Redemption Amount of such Note as provided in Credit Linked Condition 4 (*Interest*) (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate), (ii) the provisions of Credit Linked Condition 1 (*Redemption of Credit Linked Notes*) shall apply to the Outstanding Redemption Amount of such Note in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (iii) in respect of a Credit Linked Note other than a Portfolio Credit Linked Note or a Portfolio Maturity Settled Credit Linked Note, once a Credit Event Notice with respect to a Restructuring Credit Event has been delivered in respect of a Reference Entity, no further Credit Event Notices may be delivered in respect of any Reference Entity other than the Reference Entity that was the subject of the Restructuring Credit Event.
- (c) If the provisions of this Credit Linked Condition 12 apply in respect of the Notes, on redemption of part of each such Note the relevant Note or, if the Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such part redemption.
- (d) If any Note represented by a Rule 144A Global Note is to be redeemed (in whole or in part) by delivery of an Asset Amount, the relevant provisions relating to such delivery shall be set out in the applicable Final Terms.

13. PROVISIONS RELATING TO MULTIPLE HOLDER OBLIGATION

If this Credit Linked Condition 13 is specified as applicable in the applicable Final Terms, notwithstanding anything to the contrary in the definition of Restructuring and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (i) to (v) of the definition of "Restructuring" shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

Credit Technical Annex

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

14. PROVISIONS TAKEN FROM THE ISDA SUPPLEMENT TITLED "ADDITIONAL PROVISIONS - MONOLINE INSURER AS REFERENCE ENTITY (MAY 2003)"

If this Credit Linked Condition 14 is specified as applicable in the applicable Final Terms, the following provisions will apply:

- (a) **Obligation and Deliverable Obligation.** Paragraph (a) of the definition of "Obligation" in Credit Linked Condition 11 (*Definitions Applicable to Credit Linked Notes*) and paragraph (a) of the definition of "Deliverable Obligation" in Credit Linked Condition 11 (*Definitions Applicable to Credit Linked Notes*) are hereby amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee".
- (b) **Interpretation of Provisions.** In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, paragraph (b) of the definition of "Deliverable Obligation" in Credit Linked Condition 11 (*Definitions Applicable to Credit Linked Notes*) will apply, with references to the Qualifying Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:
 - (A) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms "obligation" and "obligor" as used in this Credit Linked Condition 14 in respect of such an Insured Instrument shall be construed accordingly;
 - (B) references in the definitions of Assignable Loan and Consent Required Loan to "the guarantor" and "guaranteeing" shall be deemed to include "the insurer" and "insuring", respectively;
 - (C) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the applicable Final Terms;
 - (D) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified in the applicable Final Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument; and
 - (E) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "Outstanding Principal Balance" shall mean the outstanding Certificate Balance and "maturity", as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.
- (c) **Not Contingent.** An Insured Instrument will not be regarded as failing to satisfy the Not Contingent Deliverable Obligation Characteristic solely because such Insured Instrument is subject to provisions

Credit Technical Annex

limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction. By specifying that this Credit Linked Condition 14 is applicable, no inference should be made as to the interpretation of the "Not Contingent" Deliverable Obligation Characteristic in the context of limited recourse or similar terms applicable to Deliverable Obligations other than Qualifying Policies.

- (d) Deliver. For the purposes of "Deliver" in Credit Linked Condition 11 (*Definitions Applicable to Credit Linked Notes*), "Deliver" with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and "Deliver" and "Delivered" will be construed accordingly.
- (e) Provisions for Determining a Successor. The paragraph commencing "For the purposes of this definition of "Successor" ..." in the definition of "successor" in Credit Linked Condition 11 (*Definitions Applicable to Credit Linked Notes*) is hereby amended by adding "or insurer" after "or guarantor".
- (f) Substitute Reference Obligation. The first paragraph of the definition of "Substitute Reference Obligation" and paragraph (b) thereof in Credit Linked Condition 11 (*Definitions Applicable to Credit Linked Notes*) is hereby amended by the adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee". For purposes of sub-paragraph (a)(ii)(B) the definition of "Substitute Reference Obligation" references to "the Qualifying Guarantee" and the "Underlying Obligation" shall be deemed to include "the Qualifying Policy" and "the Insured Instrument", respectively.
- (g) Other Provisions. For the purposes of paragraph (a)(ii) of the definition of "Deliverable Obligation" and the definitions of "Credit Event" and "Deliver" in Credit Linked Condition 11 (*Definitions Applicable to Credit Linked Notes*) references to "the Underlying Obligation" and "the Underlying Obligor" shall be deemed to include "Insured Instruments" and the "Insured Obligor", respectively.
- (h) Additional Definitions.

"Qualifying Policy" means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments of an instrument that constitutes Borrowed Money (modified as set forth in this Credit Linked Condition 14 (the **"Insured Instrument"**) for which another party (including a special purpose entity or trust) is the obligor (the **"Insured Obligor"**). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non occurrence of an event or circumstance (other than the payment of Instrument Payments). The benefit of a Qualifying Policy must be capable of being delivered together with the Delivery of the Insured Instrument.

"Instrument Payments" means (A) in the case of any Insured Instrument that is in the form of a pass through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of

Credit Technical Annex

principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of the type described in Credit Linked Condition 14(c) above and (2) excluding sums in respect of default interest, indemnities, tax gross ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

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

15. PROVISIONS TAKEN FROM THE ISDA SUPPLEMENT TITLED "ADDITIONAL PROVISIONS — MONOLINE INSURER AS REFERENCE ENTITY (MAY 2005)"

If Credit Linked Condition 15 is specified as applicable in the applicable Final Terms, the following provisions will apply:

- (a) **Obligation and Deliverable Obligation.** Paragraph (a) of the definition of "Obligation" in Credit Linked Condition 11 (*Definitions Applicable to Credit Linked Notes*) and paragraph (a) of the definition of "Deliverable Obligation" in Credit Linked Condition 11 (*Definitions Applicable to Credit Linked Notes*) are hereby amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee".
- (b) **Interpretation of Provisions.** In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, paragraph (b) of the definition of "Deliverable Obligation" in Credit Linked Condition 11 (*Definitions Applicable to Credit Linked Notes*) will apply, with references to the Qualifying Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:
 - (A) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms "obligation" and "obligor" as used in this Credit Linked Condition 15 in respect of such an Insured Instrument shall be construed accordingly;
 - (B) references in the definitions of Assignable Loan and Consent Required Loan to "the guarantor" and "guaranteeing" shall be deemed to include "the insurer" and "insuring", respectively;
 - (C) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the applicable Final Terms;
 - (D) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified in the applicable Final Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument; and
 - (E) with respect to an Insured Instrument in the form of a pass through certificate or similar funded beneficial interest, the term "Outstanding Principal Balance" shall mean the outstanding Certificate Balance and "maturity", as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the

Credit Technical Annex

Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

- (c) For the avoidance of doubt if Credit Linked Condition 15 is specified as applying in the applicable Final Terms the amendments to paragraph (b) of the definition of "Deliverable Obligation" in Credit Linked Condition 11 (*Definitions Applicable to Credit Linked Notes*) provided in Credit Linked Condition 16 shall not be construed to apply to Qualifying Policies and Insured Instruments.
- (d) Not Contingent. An Insured Instrument will not be regarded as failing to satisfy the Net Contingent Deliverable Obligation Characteristic solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction. By specifying that Credit Linked Condition 15 applicable, no inference should be made as to the interpretation of the "Not Contingent" Deliverable Obligation Characteristic in the content of limited recourse or similar terms, applicable to Deliverable Obligations other than Qualifying Policies.
- (e) Deliver. For the purposes of the definition of "Deliver" in Credit Linked Condition 11 (*Definitions applicable to Credit Linked Notes*), "Deliver" with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and "Delivery" and "Delivered" will be construed accordingly.
- (f) Provisions for Determining a Successor. The paragraph commencing "For the purposes of this definition of "Successor" ..." in the definition of "Successor" in Credit Linked Condition 11 (*Definitions applicable to Credit Linked Notes*) is hereby amended by adding "or insurer" after "or guarantor".
- (g) Substitute Reference Obligation. The first paragraph of the definition of "Substitute Reference Obligation" and paragraph (b) thereof in Credit Linked Condition 11 (*Definitions applicable to Credit Linked Notes*) are hereby amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee". For purposes of sub-paragraph (a)(ii)(B) the definition of "Substitute Reference Obligation" references to "the Qualifying Guarantee" and the "Underlying Obligation" shall be deemed to include "the Qualifying Policy" and "the Insured Instrument", respectively.
- (h) Restructuring.
 - (A) With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, paragraphs (i) to (v) inclusive of the definition of "Restructuring" in Credit Linked Condition 11 (*Definitions applicable to Credit Linked Notes*) are hereby amended to read as follows:
 - (1) a reduction in the rate or amount or the Instrument Payment is clause (A)(x) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
 - (2) a reduction in the amount of the Instrument Payments described in clause (A)(y) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
 - (3) a postponement or other deferral of a date or dates for either (A) the payment or accrual of the Instrument Payments described in clause (A)(x) of the definition

Credit Technical Annex

thereof or (B) the payment of the Instrument Payments described in clause (A)(y) of the definition thereof, in each case that are guaranteed or insured by the Qualifying Policy;

- (4) a change in the ranking in priority of payment of (A) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (B) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or
- (5) any change in the currency or composition of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency which is not a Permitted Currency.

(B) Paragraph (c) of the definition of "Restructuring" in Credit Linked Condition 11 (*Definitions applicable to Credit Linked Notes*) is hereby amended by adding "or, in the case of a Qualifying Policy and an Insured Instrument, where (A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Instrument Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy" after "Reference Entity".

(C) The definitions of "Restructuring in Credit Linked Condition 11 (*Definitions applicable to Credit Linked Notes*) is hereby amended by the insertion of the following paragraph after the final paragraph thereof:

"For purposes of the definition of "Restructuring" in Credit Linked Condition 11 (*Definitions applicable to Credit Linked Notes*) and if Credit Linked Condition 13 (*Provisions relating to Multiple Holder Obligations*) is specified as applying in the applicable Final Terms for the purposes of this Technical Annex the term Obligation shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to the Reference Entity in the definition of "Restructuring" shall be deemed to refer to the Insured Obligor and the references to the Reference Entity in paragraphs (a) to (c) inclusive in the definition of "Restructuring" shall continue to refer to the Reference Entity."

- (i) Fully Transferable Obligation and Conditionally Transferable Obligation. In the event that a Fully Transferable Obligation and/or Conditionally Transferable Obligation is specified as applying in the applicable Final Terms and a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition and, if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument. References in the definition of Conditionally Transferable Obligation to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "final maturity date", as such term is used in Credit Linked Condition 3 (*Physical Settlement*) and the definition of "Restructuring Maturity Limitation Date", shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

Credit Technical Annex

(j) Other Provisions. For purposes of paragraph (a)(ii) of the definition of "Deliverable Obligation" and the definition of "Credit Event" and "Deliver" in Credit Linked Condition 11 (*Definitions applicable to Credit Linked Notes*), references to the "Underlying Obligation" and the "Underlying Obligor" shall be deemed to include "Insured Instruments" and the "Insured Obligor", respectively.

(k) Additional Definitions.

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

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

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

16. SUPPLEMENT TO PROVISIONS RELATING TO QUALIFYING GUARANTEE AND UNDERLYING OBLIGATION

(a) If this Credit Linked Condition 16 is specified as applicable in the applicable Final Terms, Credit Linked Condition 11 (*Definitions Applicable to Credit Linked Notes*) shall be amended by:

(A) the deletion of the definition of "**Downstream Affiliate**" and the substitution of the following therefor:

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

(B) the deletion of paragraphs (B)(4)(ii) and (B)(4)(iii) of the definition of "Deliverable Obligation", the substitution of the following therefor and the re-numbering of the remaining paragraphs accordingly:

"(ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Final Terms, (A) the lawful

Credit Technical Annex

currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law."; and

- (C) the deletion of the definition of "Qualifying Guarantee" and the substitution of the following therefor:

"Qualifying Guarantee" means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **"Underlying Obligation"**) for which another party is the obligor (the **"Underlying Obligor"**). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee, insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation"; and

- (b) Credit Linked Condition 13 (*Provisions relating to Multiple Holder Obligation*) shall be amended by the insertion of the following at the end of the first paragraph thereof:

"provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (ii) of the definition of "Multiple Holder Obligation" below".

17. CALCULATION AGENT AND CALCULATION AGENT NOTICES

Whenever the Calculation Agent is required to act or exercise judgment, it will do so in good faith and in a commercially reasonable manner. The Calculation Agent shall, as soon as practicable after making any determination pursuant to this Credit Linked Condition 17, notify the Issuer, the Guarantor and the Noteholders of such determination. The Calculation Agent is not acting as a fiduciary for or as an adviser to the Noteholders in respect of its duties as Calculation Agent in connection with any Notes.

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to this Credit Linked Condition 17 shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor and the Noteholders. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. In performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Notes including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent, the Issuer and the Guarantor shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

In relation to the delivery by the Calculation Agent to the Issuer or the Guarantor, as applicable of any notice pursuant to this Credit Linked Condition 17, a notice delivered on or prior to 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day will be effective on such Calculation Agent City Business Day. A notice delivered after 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day or on a day which is not a Calculation Agent City Business Day will be deemed effective on the next following Calculation Agent City Business Day, regardless of the form in which it is delivered. For purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Calculation Agent City

Credit Technical Annex

Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice.

18. ADHERENCE TO ISDA PROTOCOLS IN RELATION TO ALTERNATIVE SETTLEMENT OR VALUATION METHOD

In the event that a protocol setting out an alternative settlement or valuation method is published by ISDA (a "**Protocol**") in relation to a Reference Entity, the Calculation Agent may in its sole discretion determine whether to follow some or all of the terms of such Protocol for purposes of this Credit Linked Condition 18.

Notwithstanding any other provisions in this Credit Linked Condition 18, in the event that the Calculation Agent decides to adhere to a Protocol, the Calculation Agent may adjust such terms of this Credit Linked Condition 18 as it deems appropriate to reflect some or all of the relevant settlement, valuation and other provisions of the Protocol. These may include, without limitation, adjustments in relation to the determination of any Credit Event Redemption Amount, any Final Price or any Asset Amount or determining Cash Settlement rather than Physical Settlement shall apply or vice versa. Nothing in this Credit Linked Condition 18 should be taken as requiring the Calculation Agent to follow the terms of any Protocol.

19. VARIATION OF SETTLEMENT

If the applicable Final Terms indicate that the Issuer has the option to vary settlement in respect of the Notes, the Issuer may at its sole and absolute discretion in respect of each such Note give notice pursuant to General Condition 14 (*Notices*) no later than the second (2nd) Business Day prior to the Credit Event Determination Date, the Notes shall be (x) Cash Settled Notes instead of Physical Delivery Notes or (y) Physical Delivery Notes instead of Cash Settled Notes and in this case the provisions of Credit Linked Condition 1 (*Redemption of Credit Linked Notes*) shall apply.

Regional Annex

REGIONAL ANNEX

AMENDMENTS TO THE GENERAL CONDITIONS IN RESPECT OF SWEDISH NOTES

*The terms and conditions applicable to Swedish Notes shall comprise the General Terms and Conditions of the Notes set out on page 149 (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Swedish Conditions**" and, together with the General Conditions, the "**Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Swedish Conditions, the Swedish Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Swedish Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

The Swedish Notes will be created and held in uncertificated and dematerialised book-entry form with the VPC (as defined below) and no global or definitive notes will be issued in respect of Swedish Notes.

References below to a numbered General Condition are to such numbered section of the General Conditions and references to a numbered Swedish Condition are to such numbered section as set out in this Regional Annex. The provisions set out below are relevant only in the context of an issue of Swedish Notes by the Issuer. The term "Swedish Notes" applies to any Tranche of Notes issued by the Issuer and designated as "Swedish Notes" in the applicable Final Terms.

1. DEFINITIONS

For the purposes of the amendments to the General Conditions set out below, "VPC" means VPC AB, Box 7822, SE-103 97 Stockholm, Sweden or any successor thereto acceptable to the Issuer, "**VPC Issuing and Paying Agent**" shall mean an agent of the Issuer in respect of dealings with VPC (which is initially Nordea Bank AB (publ)) and "**VPC Issuing and Paying Agency Agreement**" shall mean the agreement between the Issuer and the VPC Issuing and Paying Agent (as amended and/or supplemented from time to time) to be entered into by the Issuer on or prior to the date the first Swedish Notes are issued, pursuant to which the Issuer will appoint the VPC Issuing and Paying Agent. Any references in the General Conditions to "Agency Agreement" shall be deemed to include, where the context so admits, reference to the VPC Issuing and Paying Agency Agreement.

2. SWEDISH NOTES

The second paragraph of the General Conditions shall be amended by the addition of an item 5 (immediately after item 4 therein) as follows:

"5. any Notes in uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act (Sw. *Lagen (1998:1479) om kontoföring av finansiella instrument*) ("**Swedish Notes**")."

3. DISAPPLICATION

The third paragraph of the General Conditions shall not apply to the Swedish Notes.

4. NOMINEES

The following words shall be inserted after any reference in the General Conditions to the word "nominee":

"(Sw: *förvaltare*) in accordance with the Swedish Financial Instruments Accounts Act (Sw. *Lagen (1998:1479) om kontoföring av finansiella instrument*)"

Regional Annex

5. FINAL TERMS

The following shall be inserted after the seventh paragraph of the General Conditions:

The final terms for Swedish Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms which supplement the General Conditions (the "**Conditions**", which term shall include one or more Technical Annex(es) (each a "**Technical Annex**") if specified as applicable in such Final Terms) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify the Conditions for the purposes of Swedish Notes. References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof).

6. FORM, DENOMINATION AND TITLE

General Condition 1 (*Form, Denomination and Title*) shall be amended:

- (i) by the insertion of the following after the first paragraph thereof:

"Swedish Notes are in the Specified Currency and the Specified Denomination, and registered with a separate ISIN code. No global or definitive Swedish Notes will be issued and these Conditions shall be construed accordingly.

The holder of a Swedish Note will be the person appearing in the relevant register in accordance with the legislation, rules and regulations applicable to, and/or issued by, VPC (the "**VPC Register**") and the term "**Noteholder**" shall be construed accordingly. Where a nominee (Sw: *förvaltare*) in accordance with the Swedish Financial Instruments Accounts Act (Sw. *Lagen (1998:1479) om kontoföring av finansiella instrument*) is so evidenced it shall be treated by the Issuer as the holder of the relevant Swedish Notes (such nominee a "**Nominee**").

No exchange of Swedish Notes for Registered Notes or Bearer Notes shall occur or *vice versa*."

- (ii) by the insertion of the following after the fourth paragraph thereof:

"Settlement with respect to the Swedish Notes shall be by way of cash payment ("**Cash Settled Swedish Notes**" or "**Cash Settled Notes**"); and

- (iii) by the insertion of the following after the final paragraph thereof:

"Swedish Notes will be transferable only in accordance with the provisions of the Swedish Financial Instruments Accounts Act (Sw. *Lagen (1998:1479) om kontoföring av finansiella instrument*), other applicable Swedish legislation and the rules and regulations applicable to, and/or issued by, VPC."

7. TRANSFERS OF REGISTERED NOTES

The following shall be inserted as a new General Condition 2.8:

"2.8 Transfers of Swedish Notes

Title to Swedish Notes will pass by registration in the register that the Issuer will procure to be kept by VPC on behalf of the Issuer. Where a nominee is so evidenced it shall be treated as the holder of the relevant Swedish Notes."

Regional Annex

8. INTEREST

For the purposes of the fourth paragraph of General Condition 5.1 (*Interest on Fixed Rate Notes*) and the third paragraph of General Condition 5.2(D) (*Determination of Rate of Interest and calculation of Interest Amounts*), references to Notes represented by a Global Note shall be deemed to include Swedish Notes.

9. PAYMENTS

- (a) The following shall be inserted as a new General Condition 6.8:

"Payments in respect of Swedish Notes

Payments in respect of Swedish Notes will be made on the due date for payments to the persons registered as Noteholders in the register maintained by VPC on the fifth (5) Banking Day (or in accordance with the rules and procedures applied by VPC from time to time), prior to the due date for such payment. If the date for payment of any amount in respect of Swedish Notes is not a Banking Day, the holder thereof shall not be entitled to payment until the next following Banking Day and shall not be entitled to interest or other payment in respect of such delay. For these purposes, "**Banking Day**" means any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business, including dealings in foreign exchange and foreign currency deposits in Stockholm and London. General Conditions 6.3, 6.4, 6.5 and 6.6 shall not apply to Swedish Notes".

- (b) The following shall be inserted as a new General Condition 6.9:

"Method of Payment in respect of Swedish Notes

Subject as provided below, payments with respect to Swedish Notes:

- (A) in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency; and
- (B) in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of General Condition 8 (*Taxation*)."

10. REDEMPTION AND PURCHASE

- (a) The following shall be inserted at the end of General Condition 7.9 (*Purchases*):

"The Issuer, the Guarantor or any Affiliate of the Issuer or the Guarantor may at any time purchase Swedish Notes at any price in the open market or otherwise. Such Swedish Notes may be held, reissued or resold."

- (b) The following shall be inserted at the end of General Condition 7.11 (*Cancellation*):

"All Swedish Notes which are redeemed will forthwith be cancelled and cannot be reissued or resold."

Regional Annex

11. PRESCRIPTION

The following shall be inserted at the end of General Condition 9 (*Prescription*):

"Claims against the Issuer for the payment of principal payable in respect of the Swedish Notes shall be prescribed unless made within ten years after the Relevant Date (as defined below) and thereafter any principal payable in respect of such Swedish Notes shall be forfeited and revert to the Issuer.

For the purposes of the General Conditions, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the VPC Issuing and Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with General Condition 14 (*Notices*)."

12. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

General Condition 11 (*Replacement of Notes, Receipts, Coupons and Talons*) shall not apply to the Swedish Notes.

13. AGENTS

General Condition 12 (*Agents*) shall be amended:

- (i) by the insertion of the following at the end of paragraph (A) thereof:

"and in the case of Swedish Notes, references to "Agent" shall include the VPC Issuing and Paying Agent or any successor, in each case provided, that it is duly authorised under the Swedish Financial Instruments Accounts Act (Sw. *Lagen (1998:1479) om kontoföring av finansiella instrument*)";

- (ii) by the insertion of the following after the fourth paragraph thereof:

"The Issuer has, in accordance with the Swedish Financial Instruments Accounts Act (Sw. *Lagen (1998:1479) om kontoföring av finansiella instrument*) appointed (i) VPC as the central securities depository, and (ii) Nordea Bank AB as VPC Issuing and Paying Agent. References in the Conditions to "Paying Agent" shall be deemed to include the VPC Issuing and Paying Agent; and

- (iii) by the insertion of the following after the last paragraph thereof;

"VPC acts solely as agent of the Issuer and does not assume any obligation to, or relationship of agency or trust with the Noteholders.

In respect of Swedish Notes, the Issuer reserves the right at any time to vary or terminate the appointment of the VPC Issuing and Paying Agent and to appoint a substitute agent, provided that the Issuer shall at all times maintain a VPC Issuing and Paying Agent authorised to act as an account operating institution with the VPC.

Copies of the VPC Issuing and Paying Agency Agreement will be available for inspection during normal business hours at the specified offices of the VPC Issuing and Paying Agent and the Issuer, respectively."

14. EXCHANGE OF TALONS

General Condition 13 (*Exchange of Talons*) shall not apply to Swedish Notes.

Regional Annex

15. NOTICES

The following shall be inserted at the end of General Condition 14 (*Notices*):

"All notices regarding the Swedish Notes will be deemed to be validly given if sent by mail to a Noteholder to the address registered for such Noteholder in the system of VPC or in accordance with the legislation, rules and regulations applicable to, and/or issued by, VPC. Any such notice shall be deemed to have been given, if sent by mail to the Noteholders, on the fourth day following the day the notice was sent by mail.

Notices to be given by any Noteholder shall be in writing and given by lodging the same with the VPC Issuing and Paying Agent."

16. SUBSTITUTION

General Condition 15(a) (*Substitution of Issuer*) shall be amended by the addition of the following after the words "General Condition 14 (*Notices*)" in the last line thereof:

"and (vii) the VPC has given its consent to such substitution".

17. MEETINGS OF NOTEHOLDERS AND MODIFICATIONS

The following shall be inserted at the end of General Condition 16 (*Meetings of Noteholders and Modifications*):

"The VPC Issuing and Paying Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Swedish Notes or any of the provisions of the VPC Issuing and Paying Agency Agreement. Such a meeting may be convened by the Issuer or the VPC Issuing and Paying Agent and shall be convened by the Issuer if required in writing by Noteholders holding not less than 5 per cent. (5%) in nominal amount of the Swedish Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons who (as of the fifth (5th) Business Day prior to the meeting) are entered into the VPC Register as Noteholders of or representing not less than 50 per cent. (50%) in nominal amount of the Swedish Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Swedish Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Swedish Notes or the VPC Issuing and Paying Agency Agreement (including modifying the date of maturity of the Swedish Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Swedish Notes or altering the currency of payment of the Swedish Notes), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the Swedish Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate nominal amount of the Swedish Notes for the time being outstanding. A resolution passed at a meeting of the Noteholders shall be binding upon all Noteholders whether or not they were present at the meeting and regardless of if and how they voted at the meeting.

If the holder of Swedish Notes held through a nominee (an "**Indirect Noteholder**") attends the meeting (in person or through a duly authorised agent) and shows a certificate from the relevant nominee showing such Indirect Noteholder on the fifth (5th) Business Day prior to the meeting, and the number of Notes held by such Indirect Noteholder, the Indirect Noteholder shall be regarded as the Noteholder for the purposes of this General Condition 16.

The Issuer may decide upon additional administrative regulations for meetings of the VPC Noteholders in addition to those set forth in this General Condition 16.

Regional Annex

The Issuer shall bear the reasonable costs of (i) any agent appointed by the Noteholders to represent them before any court or an administrative authority (except where such costs have arisen from frivolous or vexatious claims brought by Noteholders) and (ii) which VPC incurred in conjunction with a meeting of the Noteholders, irrespective of who convened the meeting.

The Issuer may without the consent of the Noteholders make (i) any modification to the Swedish Notes or the VPC Issuing and Paying Agency Agreement which is not prejudicial to the interests of the Noteholders; or (ii) any modifications of the Swedish Notes or the VPC Issuing and Paying Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of the law. Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with General Condition 14 (*Notices*)."

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF ABBEY NATIONAL TREASURY SERVICES PLC

The Issuer is a public limited liability company incorporated and registered in England and Wales under the Companies Act 1985. The Issuer was incorporated on 24th January 1989 with registered number 2338548 and is an authorised person with permission to accept deposits under the FSMA.

The Issuer is a direct wholly-owned subsidiary of Abbey National, which has given a full and unconditional guarantee in respect of the liabilities of the Issuer and an indirect wholly-owned subsidiary of Banco Santander, S.A. ("**Banco Santander**"). Banco Santander is able (subject to any regulatory constraints or considerations) to control the Issuer by procuring that Abbey National's votes at general meetings of the Issuer are exercised in a particular way.

Currently, the Issuer's registered office is at Abbey National House, 2 Triton Square, Regent's Place, London NW1 3AN. The telephone number of the Issuer's registered office is 0870 607 6000.

The Issuer comprises:

- Santander Global Banking & Markets ("**SGBM**");
- Asset & Liability Management ("**ALM**"); and
- Corporate Banking.

The Issuer is active in the International Money Markets and Capital Markets. ALM manages the Abbey Group's funding, liquidity and balance sheet requirements. SGBM engages in derivatives trading and securities financing activities (including providing structured products to members of the Abbey Group, other financial services companies and professional counterparties). Corporate Banking encompasses Abbey's corporate and social housing lending business. ALM and Corporate Banking operate under the Abbey brand name. The derivatives trading and securities finance activities operate under the SGBM brand name.

As at the date hereof, the following are the members of the Board of Directors of the Issuer:

Position	Name
Directors	Jaime Astarloa Federico Ysart Brian Morrison Davin Green

The business address of each of the above is Abbey National House, 2 Triton Square, Regent's Place, London NW1 3AN with telephone number 0870 607 6000. None of the above has any activities outside the Group which are significant within the context of the Group.

Conflicts of Interest

There are no conflicts of interest between the duties to the Issuer of the persons listed as members of the Board of Directors above and their private interests and or other duties.

Corporate Governance

The Issuer complies with the United Kingdom's corporate governance regime.

DESCRIPTION OF ABBEY NATIONAL PLC AND THE ABBEY NATIONAL GROUP

Background

Abbey National was formed as a building society in 1944 and is now a public limited liability company incorporated and registered in England and Wales under the Companies Act 1985. Abbey National was incorporated on 12th September 1988 with registered number 2294747.

The registered office of Abbey National is at Abbey National House, 2 Triton Square, Regent's Place, London NW1 3AN. The telephone number of Abbey National's registered office is 0870 607 6000.

Abbey National is a significant financial services provider in the UK, being the third largest residential mortgage lender and one of the largest savings brands, operating across the full range of personal financial services. The Abbey National Group is regulated by the UK Financial Services Authority. On 12th November 2004, Banco Santander completed the acquisition of the entire issued share capital of Abbey National, implemented by means of a scheme of arrangement under Section 425 of the Companies Act 1985, making Abbey National a wholly-owned subsidiary of Banco Santander. Banco Santander is one of the largest banks in the world by market capitalisation. Founded in 1857, Banco Santander has approximately 69 million customers, over 11,000 branches and a presence in over 40 countries.

Corporate Purpose and Strategy

Abbey National's purpose is to maximise value for its shareholder, Banco Santander, by focusing on offering a fully comprehensive commercial banking service in the United Kingdom. With the continuing support of Banco Santander, Abbey National aims to be the best commercial bank in the UK.

Executive Responsibility

Abbey National's management structure is headed by António Horta-Osório, Chief Executive, and consists of four business divisions (Retail Banking, Global Banking and Markets, Corporate Banking and Wealth Management) and five support divisions (Retail Products and Marketing, Human Resources, Manufacturing, Risk and Internal Audit). In addition, there are a number of corporate units – Strategy and Planning, Legal, Secretariat Compliance, Communications and Universities (which report to Karen Fortunato); Complaints and Service Quality (which report to Miguel Ángel Rodríguez-Sola); Group Infrastructure, which includes Asset & Liability Management, Group Capital and Funding (which reports to Nathan Bostock); and Finance (which reports to Antonio Lorenzo).

Directors of Abbey National

The following table sets forth the directors of Abbey National plc.

<i>Position</i>	<i>Name</i>	<i>Other principal activities</i>
Chairman	Lord Terence Burns	Non-Executive Director, Banco Santander S.A. Chairman, Glas Cymru Cyfyngedig (Welsh Water) Non-Executive Director, Pearson plc Chairman, Marks and Spencer Group plc President, National Institute of Economics and Social Research.
Deputy Chairman and Non-Executive Director	Juan Rodriguez Inciarte	
Chief Executive	António Horta-Osório	Non-Executive Chairman, Banco Santander Totta

		Executive Vice President, Banco Santander, S.A.
Executive Directors	Nathan Bostock Alison Brittain	
Non-Executive Directors	Miguel Bragança	
	Jorge Morán	Executive Vice President, Banco Santander, S.A.
	José Maria Fuster	Executive Vice President of Operations and Technology of Banesto Chief Information Officer for Banco Santander, S.A
	José María Carballo	Chairman, La Union Resinera Española Chairman, Vista Desarrollo Director, Teleferico Pico del Teide, S.A. Director, Vista Capital Expansion S.A. SGEGR Director, Santander Real Estate S.A. S.G.I.I.C
	Andrew Longhurst	Director, Hermes Focus Asset Management Limited
	Rosemary Thorne	Senior Independent Director of Virgin Radio Holdings Limited
	Keith Woodley	Complaints Commissioner for the London Stock Exchange Council Member and Pro-Chancellor, Bath University.

The business address of each of the above is Abbey National House, 2 Triton Square, Regent's Place, London NW1 3AN with telephone number 0870 607 6000.

Conflicts of Interest

There are no conflicts of interest between the duties to the Guarantor of the persons listed under "Directors of Abbey National" above and their private interests and or other duties.

Corporate Governance

Abbey National plc complies with the United Kingdom's corporate governance regime.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "Clearing Systems") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the Guarantor believe to be reliable. The Issuer and the Guarantor accept responsibility for the information contained in this section. Each of the Issuer and the Guarantor confirms that the information contained in this section has been accurately reproduced as far as each of the Issuer and the Guarantor is aware and is able to ascertain from information published by the above sources, and that no facts have been omitted which would render the reproduced information inaccurate or misleading. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the Relevant Clearing System. None of the Issuer, the Guarantor, the Dealers and the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records or payments relating to such beneficial ownership interests.

Book-entry Systems

DTC

DTC has advised the Issuer and the Guarantor that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a member of the Federal Reserve System a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds and provides asset servicing for securities that its participants ("**Participants**") deposit with DTC. DTC also facilitates the post trade settlement among Participants of sales and other securities transactions in deposited securities through electronic computerised book-entry changes between Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations ("**Direct Participants**"). DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("**DTCC**"). DTC, in turn, is owned by a number of Direct Participants and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation and Emerging Markets Clearing Corporation ("**NSCC**", "**GSCC**", "**MBSCC**" and "**EMCC**", also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Direct or Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the United States Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants can receive payments and transfer their interest with respect to the DTC Notes.

Purchases of DTC Notes under the DTC System must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC

Note ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other nominee as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings of DTC Notes on behalf of their customers.

Delivery of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes of a Series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series to be redeemed.

Neither DTC nor Cede & Co. nor such other nominee will consent or vote with respect to DTC Notes. Under its usual procedures, DTC will mail an omnibus proxy to the Issuer as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the omnibus proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Direct or Indirect Participant and not of DTC or its nominee or the Issuer or the Guarantor, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC is the responsibility of the Issuer or the Guarantor, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants. Neither the Issuer nor the Guarantor accept any responsibility or liability for any such payments to be made by DTC or by Direct or Indirect Participants.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-entry Ownership of and Payments in respect of DTC Notes

The Issuer will apply to DTC in order to have each Tranche of Notes represented by Rule 144A Global Notes accepted in its book-entry settlement system. Upon the issue of any Rule 144A Global Notes, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Rule 144A Global Notes to the accounts of DTC Participants. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in a Rule 144A Global Note will be held through Direct Participants or Indirect Participants of DTC, including the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Rule 144A Global Note will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Rule 144A Global Note registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made by the Issuer to the Exchange Agent on behalf of DTC's nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Rule 144A Notes in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the Relevant Clearing System. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note to pledge such Notes to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg accountholders, on the other, will be effected by the Relevant Clearing System in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian ("**Custodian**") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Euroclear and Clearstream, Luxembourg and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date. The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Euroclear or Clearstream, Luxembourg and DTC Participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the

Custodian receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of crossmarket transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a delivery free of payment basis and arrangements for payment must be made separately.

DTC, Euroclear and Clearstream, Luxembourg have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Guarantor, the Agents or any Dealer will be responsible for any performance by DTC, Euroclear or Clearstream, Luxembourg or their respective Direct or Indirect Participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

The Issuer will not be responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees, their participants and the investors.

VPC

VPC is a Swedish private limited liability company managing account operations and clearing activities for the Swedish financial market. VPC is an authorised central securities depository pursuant to the Swedish Financial Instruments Accounts Act (SFS 1998: 1479) (Sw. Lagen (1998:1479) om kontoföring av finansiella instrument) and is acting under the supervision of the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*). VPC is owned by Swedish banks and securities companies, with the four major Nordic banks Swedbank, SEB, Handelsbanken, and Nordea as principal owners.

For each security entered in the VPC system, a VPC register is created. The VPC register will consist of a number of VPC accounts, one for each holder of the security in question. Such VPC account can be opened by the holder in person or by a nominee (*Sw. förvaltare*) on behalf of the holder. Modifications with respect to the account will be notified by the holder or the nominee and registered either by VPC or by an account operator (appointed as such by VPC). Title to a VPC registered security is transferred through registration in the VPC system.

In conjunction with an issue of securities to be registered in the VPC system, the Issuer must engage a financial institution authorised by VPC to operate as an issuer agent. The issuer agent is responsible for ensuring that the instructions received from the Issuer with respect to the issue are duly registered. The issuer agent will be authorised to act on behalf of the Issuer in dealings with VPC.

TAXATION

1. United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current law and practice in the United Kingdom relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of the Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Notes. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Payment of Interest on the Notes

The Issuer, provided that it continues to be a bank for the purposes of section 991 of the Income Tax Act 2007 ("ITA 2007") and provided that the interest on the Notes is paid in the ordinary course of its business within the meaning of section 878 of ITA 2007, will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax.

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of ITA 2007. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax whether or not the Issuer carries on a banking business in the United Kingdom and whether or not the interest is paid in the ordinary course of its business.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HM Revenue and Customs ("HMRC") has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the savings rate (currently 20.00 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Noteholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person, although HMRC's published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2008.

Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (which has been implemented into UK law) Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during such period they elect otherwise) to impose a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland).

2. U.S. Taxation

The applicable Final Terms relating to any Tranche of Notes, all or a portion of which are to be offered or sold to, or for the account or benefit of, a U.S. person will set forth information regarding the U.S. federal income tax treatment of any such Notes. Investors considering the purchase of Notes should consult their own tax advisers concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of Notes arising under the laws of any other taxing jurisdictions.

3. Italian Taxation

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Italy, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Italian tax law, to which they may be subject.

Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended, (the "*Decree No. 239*") provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by non-Italian resident issuers.

Where the Notes have an original maturity of at least 18 months and an Italian resident Noteholder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito* regime – see "Capital Gains Tax" below), (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 12.50 per cent. In the event that the Noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP - the regional tax on productive activities).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Ministry of Economics and Finance through Circular No. 47/E of 8 August 2003, payments of Interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund (the "**Fund**") or a SICAV, and the Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund accrued at the end of each tax period, subject to an ad hoc substitute tax applicable at a 12.50 per cent. rate.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 11 per cent. substitute tax.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an "**Intermediary**").

An intermediary must (i) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

If the Notes are issued for an original maturity of less than 18 months, the *imposta sostitutiva* applies at the rate of 27.00 per cent.. The 27.00 per cent. *imposta sostitutiva* is also applied to any payment of interest or premium relating to the Notes made to (i) Italian pension funds, (ii) Italian Funds and (iii) Italian SICAVs.

Early Redemption

Without prejudice to the above provisions, in the event that Notes having an original maturity of at least 18 months are redeemed, in full or in part, prior to 18 months from their issue date, Italian resident Noteholders will be required to pay, by way of a withholding to be applied by the Italian intermediary responsible for payment of interest or the redemption of the Notes, an amount equal to 20 per cent. of the interest and other amounts accrued up to the time of the early redemption.

Atypical securities

Interest payments relating to Notes that do not fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 27.00 per cent. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value.

The 27.00 per cent. withholding tax mentioned above does not apply to interest payments made to a non-Italian resident Noteholder and to an Italian resident Noteholder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

Non-Italian Resident Noteholders

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Noteholder of interest or premium relating to the Notes provided that, if the Notes are held in Italy, the non-Italian resident Noteholder declares itself to be a non-Italian resident according to Italian tax regulations.

Payments made by a non-resident Guarantor

With respect to payments made to Italian resident Noteholders by a non-Italian resident guarantor, in accordance with a certain interpretation of Italian tax law, any such payment made by the Italian non-resident guarantor could be treated, in certain circumstances, as a payment made by the Issuer and would thus be subject to the tax regime described in the previous paragraphs of this section.

Capital Gains Tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not holding the Notes in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 12.50 per cent. Noteholders may set off losses with gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the "tax declaration" regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the "*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* regime being punctually made in writing by the relevant Noteholder. The depositary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in its annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 12.50 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by a Noteholder which is an Italian open ended or a closed-ended investment fund or a SICAV will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 12.50 per cent. substitute tax.

Any capital gains realised by a Noteholder which is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of the Notes are not subject to Italian taxation, provided that the Notes (i) are traded on regulated markets, or (ii) if not traded on regulated markets, are held outside Italy.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, (Decree No. 262), converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4.00 per cent. on the value of the inheritance or the gift exceeding EUR 1,000,000;
- (ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6.00 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6.00 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding €100,000; and
- (iii) any other transfer is subject to an inheritance and gift tax applied at a rate of 8.00 per cent. on the entire value of the inheritance or the gift.

Transfer Tax

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of EUR 168; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

Should the Decree No. 248 not be converted into law it will lapse with retroactive effect. In such a case, the consequences of the temporary application of the decree would likely be confirmed by specific regulations.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18th April 2005 (the Decree No. 84). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian

Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

4. Spanish Taxation

The following is a summary of the main Spanish tax consequences deriving from the ownership, transfer, redemption or reimbursement of the Notes referred to in this document for those individuals or entities who are Spanish tax resident and for persons acting with respect to the Notes through a Spanish permanent establishment. Specific issues of Notes may, depending on the applicable Final Terms, give rise to different Spanish tax consequences than those set out herein.

This summary is based on the general tax rules currently in force in Spain and, specifically, those contained in the general tax system established in the Corporate Income Tax ("**CIT**") Law (Royal Decree Law 4/2004, 5th March 2004, as amended ("**CIT Law**")) and in the Personal Income Tax ("**PIT**") Law (Law 35/2006, 28th November 2006 ("**PIT Law**")) and may not apply to those individuals or entities subject to special tax regimes (such as persons who are tax residents of those Spanish provinces which are empowered to enact their own tax rules, exempt entities, cooperatives, "look-through" entities, etc.). The principles provided below are based on the provisions currently applicable which may be revoked or amended (even retrospectively), resulting in different tax consequences from those described herein.

If you are in any doubt regarding your tax position you should seek independent professional advice without delay.

Individual Income Tax

The Notes are deemed securities (*activos financieros*), in accordance with the definition set forth in Article 91 of the Regulations of PIT (approved by the Royal Decree 439/2007, 30th March 2007, the "**PIT Regulations**") and its interpretation by the Spanish tax authorities and hence the rules provided with regard to securities apply.

According to Article 25.2 of PIT Law and its interpretation by the Spanish tax authorities, the income in the form of interest obtained on the lending to third parties of funds and any other form of compensation agreed as remuneration for such lending, as well as the income arising from the transfer, reimbursement, redemption, exchange or conversion of this type of security, will be deemed income from movable property (i.e. financial income).

The net taxable income shall be determined, in the case of transfer, reimbursement, or redemption, on the difference between the transfer price and its acquisition cost. Properly justified ancillary expenses related to the acquisition or transfer of the Notes may be taken into account in order to quantify the net taxable income. Management and deposit expenses, excluding those pertaining to discretionary or individual portfolio management, are deductible from the gross income.

Exceptionally, losses derived from the transfer of the Notes, in the event that a taxpayer had acquired other similar securities within the two months prior or subsequent to such transfer, shall be included in his or her taxable base as and when the remaining similar debt securities are transferred.

The net income from movable property will be included in the special taxable base of the Noteholder at the tax rate of 18.00 per cent.

In general terms, income derived from the Notes is subject to Spanish withholding tax on account of the PIT of the Spanish Noteholder to the extent that a withholding agent resident in Spain or operating, in relation to the Notes, through a Spanish permanent establishment intervenes with respect to the Notes. No Spanish withholding tax will be levied by either the Issuer or the Paying Agents in relation to the Notes, since such entities are not resident in Spain for tax purposes and do not act, with respect to the Notes, through a Spanish permanent establishment.

Nevertheless, the Spanish withholding tax may be levied, in certain cases, by financial entities and/or Spanish public notaries resident in Spain for tax purposes or which act, in relation to the Notes, through a Spanish permanent establishment, to the extent that such parties act with respect to the Notes. Such Spanish withholding tax, if applicable, can be credited against the Noteholder's final PIT liability.

Tax credit for the avoidance of international double taxation may apply in respect of taxes paid or withholding taxes suffered abroad on income deriving from the Notes, if any.

Corporate Income Tax

Interest and income arising from the transfer, redemption or reimbursement of the Notes obtained by entities that are resident in Spain for tax purposes, will be taxed under the rules set forth in Section IV of CIT Law. The general tax rate is fixed at 30.00 per cent.

In general terms, income derived from the Notes is subject to Spanish withholding tax on account of the CIT of the Spanish Noteholder to the extent that a withholding agent resident in Spain or operating, in relation to the Notes, through a Spanish permanent establishment intervenes with respect to the Notes. No Spanish withholding tax will be levied by either the Issuer or the Paying Agents in relation to the Notes, since such entities are not resident in Spain for tax purposes and do not act, with respect to the Notes, through a Spanish permanent establishment.

Nevertheless, the Spanish withholding tax may be levied, in certain cases, by financial entities and/or notaries resident in Spain for tax purposes or which act, in relation to the Notes, through a Spanish permanent establishment, to the extent that such parties act with respect to the Notes. Such Spanish withholding tax, if applicable, can be credited against the Noteholder's final CIT liability.

However, interest and income arising with respect to Notes listed on an official secondary market of a member country of the OECD (other than Spain) will not be subject to withholding tax, in accordance with Article 59.s) of CIT Regulations.

Tax credit for the avoidance of international double taxation may apply in respect of taxes paid or withholding taxes suffered abroad on income deriving from the Notes, if any.

Non-Resident Income Tax; taxpayers who act through a Spanish permanent establishment

Based on the fact that the Issuer of the Notes is not resident in Spain for tax purposes, no Spanish tax should, in principle, be levied on Noteholders that are not resident in Spain for tax purposes, unless they are acting with respect to the Notes through a Spanish permanent establishment. According to the general principles of the Spanish taxation system, permanent establishments of foreign persons are taxed in a similar manner to resident entities, although some specific rules apply. Due to the complexity of this matter, foreign Noteholders acting in Spain through a permanent establishment are strongly urged to seek appropriate advice in respect of their own tax position in this regard.

Individuals' Net Wealth Tax

Individuals that are Spanish tax residents in accordance with the rules set forth by the PIT Law are subject to an annual Net Wealth Tax ("NWT") on 31st December on their total net wealth, regardless of the location of their assets or of where their rights may be exercised. NWT Law (Law 19/1991 of 6th June 1991) provides that a progressive tax rate ranging between 0.2 and 2.5 per cent. shall apply to taxable income in excess of EUR 108,182.18, although subject to the specific rules passed by the relevant Spanish autonomous communities with respect to this tax.

In this regard, the Noteholder subject to the tax must include the Notes as taxable income at face value.

Tax credits for the avoidance of international double taxation may apply in respect of similar taxes paid abroad in respect of the Notes, if any.

Other legal entities resident in Spain for tax purposes are not subject to the individuals' NWT.

Inheritance and Gift Tax

Inheritance and Gift Tax, which is governed by Law 29/1987, 18th December 1987, is levied on individuals' heirs and donees resident in Spain for tax purposes as determined by the PIT Law. Other legal entities resident in Spain for tax purposes are not subject to this tax and any asset received by way of inheritance or gift by them will be subject to CIT.

Inheritance and Gift Tax is calculated taking into account several circumstances, such as the age and previous net worth of the heir or donee and the kinship with the deceased person or donor. The applicable tax rate ranges between 7.65 and 34.00 per cent. depending on the particular circumstances. Thus the tax payable could range between zero and 81.60 per cent., although this is subject to the specific rules passed by the relevant Spanish autonomous communities with respect to this tax.

Indirect taxation

The acquisition, transfer, redemption, reimbursement and exchange of the Notes will be exempt from Transfer Tax and Stamp Duty, as well as from Value Added Tax, in accordance with the exemption set forth in Article 108 of Law 24/1988, 28th July 1988.

5. Portuguese Taxation

The following is a general summary of certain income and capital gains tax consequences which may arise to Portuguese resident Noteholders. It is included herein solely for information purposes. It is based on the laws presently in force in Portugal, though it is not intended to be, nor should it be considered to be, legal or tax advice. Furthermore, the tax treatment applicable in Portugal to the income and capital gains derived by Portuguese resident Noteholders may vary depending on the final terms and conditions of the relevant Notes. Therefore, prospective Portuguese resident Noteholders should consult their own professional advisers as to the tax implications arising from the acquisition, holding or disposal of the Notes.

Noteholder's Income Tax

Payments of principal on the Notes are not subject to Portuguese withholding tax. For these purposes, principal shall mean all payments carried out without any remuneration component.

Individuals

(A) Investment income arising from the refund or redemption of the Notes

Economic benefits derived from interest, amortisation, reimbursement premiums and other instances of remuneration arising from the Notes are designated as investment income for Portuguese tax purposes.

Investment income (including interest) payments derived from the Notes to Portuguese resident individuals from the Notes will, as a general rule, be subject to a 20.00 per cent. withholding tax if the said income is paid by a Portuguese resident entity. The Noteholders may choose to treat the withholding tax as a final tax or to tax the investment income (including interest) deriving from the Notes at the general progressive Personal Income Tax ("**PIT**") rates varying between 10.50 per cent. and 42.00 per cent., in which case the withholding will be treated as a payment on account of the final tax due.

Interest payments due to Portuguese tax resident individuals are subject to an autonomous taxation at a rate of 20.00 per cent. whenever those payments are not subject to Portuguese withholding tax.

Should the relevant Notes be deemed to be certificates that do not guarantee more than 100.00 per cent. of the principal, income from operations related to it (either arising from its sale prior to the redemption, or from its redemption) will be qualified as a capital gain (in this regard it should be noted that under Portuguese legislation, certificates are securities that entitle the holder to receive the value of a certain underlying asset, according to the conditions set out on the issue resolution. Certificates differ from debt securities in that they typically do not give the holder the right to receive a fixed or variable interest). In this case, the individual Noteholder will be able to choose between the taxation of the positive difference between capital gains and losses at an autonomous rate of 10.00 per cent. or to aggregate that income to the remaining income to be subject to the general PIT rates (at the maximum marginal rate of 42.00 per cent.).

Capital losses do not take part in the calculation of the balance referred in the previous paragraph when the counterpart in the operation is resident in a country or territory listed as a tax haven in order 150/2004 of February 13 ("**Tax Haven**").

(B) Capital gains arising from the transfer of the Notes

As a general rule, the capital gains obtained by Portuguese resident Noteholders on the transfer of the Notes will not be subject to taxation, provided that the Notes are deemed as bonds or as other debt instruments.

Otherwise, any capital gains derived from the transfer of the Notes (namely if they are qualified as certificates or negotiable securities other than bonds or other debt instruments) will be subject to PIT. In this case, the individual Noteholder will be able to choose between the taxation of the positive difference between capital gains and losses at an autonomous rate of 10.00 per cent. or to aggregate that income to the remaining income to be subject to the general PIT rates (maximum marginal rate of 42.00 per cent.). Capital losses do not take part in the calculation of the net capital gains when the counterpart in the operation is resident in a Tax Haven.

Corporate entities

As a general rule, investment income payments derived from the refund or redemption of the Notes to corporate entities resident in Portugal, or non-resident corporate entities with a permanent establishment in Portugal to which the income is attributable, as well as capital gains arising from their transfer, will be subject to Portuguese Corporate Income Tax ("**CIT**"), at a 25.00 per cent. tax rate, to which a municipal surcharge of up to a maximum of 1.50 per cent. is eventually added over the Portuguese corporate Noteholders taxable profits, reaching a final maximum rate of 26.50 per cent.. Losses arising from the transfer or redemption of the Notes will be, as a general rule, tax deductible.

Stamp tax

No stamp tax applies to the acquisition of the Notes by individuals resident in Portugal by way of gift or inheritance, for tax purposes.

Acquisition by way of gift or inheritance of the Notes by companies resident in Portugal for tax purposes, or non resident companies acting through a permanent establishment in Portugal is subject to corporate income tax at the current standard rate of 25 per cent., to which is added a municipal surcharge of up to 1.5 per cent. over the Portuguese corporate Noteholders taxable profits, where applicable.

Under the current provisions of the Portuguese Stamp Tax Code, as a general rule, guarantees of any nature, when granted in Portugal or to Portuguese resident entities or when presented in Portugal for any legal purpose are subject to Stamp Tax in Portugal at a rate of 0.04 per cent., per month or fraction, for guarantees with a term of up to one year, 0.5 per cent. on guarantees of between one year and up to five years, and 0.6 per cent. on guarantees with a term of five or more years.

Guarantees granted between two credit institutions having a nature of banks or financial institutions provided for in the European Union legislation, except if they are domiciled in a country, territory or region subject to a clearly

more favourable tax regime included in the blacklist approved by Order 150 of 13 February, 2004 issued by the Portuguese Minister of Finance, are exempt from Stamp Tax in Portugal.

Implementation of EU Savings Directive in Portugal

Portugal has implemented the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income into the Portuguese law through Decree-Law no 62/2005, of 11 March, 2005, as amended by Law no 39-A/2005, of 29 July.

6. Swedish Taxation

The following is a summary of certain Swedish tax consequences relating to holders of Notes cleared through the VPC ("**Swedish Notes**") in Sweden that are residents for Swedish tax purposes. The summary is based on the laws of Sweden as currently in effect and is intended to provide general information only and is not intended to be comprehensive. The tax treatment for holders of Swedish Notes depends in part on their particular circumstances. Specific tax rules may apply for certain categories of holders, e.g. investment funds, investment companies and life insurance companies. The summary does not cover tax issues in cases where the Notes are held as current assets or by a partnership. Investors should consult their professional tax advisers regarding the tax consequences of the Notes in their particular circumstances.

Private individuals

For private individuals (and estates of deceased individuals) all capital income (e.g. income that is considered to be interest and capital gains on the Swedish Notes) are taxed in the capital income category at a tax rate of 30 per cent.

A capital gain or loss on the Swedish Notes is, generally, computed as the difference between the consideration (less disposal expenses) and the tax acquisition value. When computing the capital gain or loss, the acquisition value for all Swedish Notes of the same class and type shall be added together and computed collectively in accordance with the so-called average method. A capital loss is, generally, deductible at 70 per cent in the capital income category.

Preliminary tax at 30 per cent is withheld by the VPC, or a nominee in accordance with the Swedish Financial Instruments Act (1998:1479), on payments on the Swedish Notes deemed to be interest to a private individual (or an estate of a deceased individual) resident in Sweden for Swedish tax purposes.

Limited liability companies

For limited liability companies, all income is taxed as income from business activities at a rate of 28 per cent. The deductibility of capital losses is restricted according to special rules.

PROSPECTIVE NOTEHOLDERS WHO ARE IN ANY DOUBT AS TO THEIR TAX POSITION OR WHO MAY BE SUBJECT TO TAX IN ANY RELEVANT JURISDICTION SHOULD SEEK INDEPENDENT PROFESSIONAL ADVICE.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have in a programme agreement (the "**Programme Agreement**") dated on or about the date of this Prospectus agreed with the Issuer and the Guarantor a basis upon which the Issuer may from time to time agree to issue Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*General Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer (failing which, the Guarantor) has agreed to reimburse the Dealers for certain of their expenses in connection with the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot (provided that, in the case of any Tranche of Notes to be admitted to trading on a regulated market in the European Economic Area, the aggregate principal amount of Notes allotted does not exceed 105.00 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes of the Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

SELLING RESTRICTIONS

1. The Americas

United States

Each Dealer has acknowledged, and each further Dealer appointed under the Programme Agreement will be required to acknowledge, that the Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Each Dealer has agreed that it will not offer, sell or deliver a Note in bearer form within the United States or to United States persons except as permitted by the Programme Agreement. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme Agreement will be required to agree, that except as permitted by the Programme Agreement, it has not offered, sold or delivered Notes and it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Notes of the relevant Tranche, within the United States or to, or for the account or benefit of U.S. persons and only in accordance with Rule 903 of Regulation S or, if applicable, Rule 144A under the Securities Act and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it or through it during the distribution compliance period a confirmation or notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of U.S. persons.

The Notes are being offered and sold only (a) outside the United States to persons other than U.S. persons ("foreign purchasers", which term includes dealers or other professional fiduciaries in the United States acting

on a discretionary basis for foreign beneficial owners, other than an estate or trust) in reliance upon Regulation S and (b) to a limited number of QIBs in compliance with Rule 144A.

Except as otherwise provided, terms used in this United States sub-section of "*Selling Restrictions*" have the meanings given to them by Regulation S.

In addition, until 40 days after the completion of the distribution of all Notes comprising any Tranche, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Notes shall be subject to such additional U.S. selling restrictions as the relevant Dealer may agree as a term of the issuance of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

Each purchaser of Notes will be deemed to have represented and agreed as follows:

- (1) It is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is either (A) a QIB and is aware that the sale to it is being made in reliance on Rule 144A, or (B) a foreign purchaser that is outside the United States (or a foreign purchaser that is a dealer or other fiduciary as referred to above).
- (2) It acknowledges that the Notes have not been registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below.
- (3) It agrees that the Issuer has no obligation to register the Notes under the Securities Act.
- (4) It will not resell or otherwise transfer any Notes within two years after the original issuance of the Notes except (A) to the Issuer or any affiliate thereof, (B) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction complying with Rule 144A, (C) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (D) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (E) pursuant to an effective registration statement under the Securities Act, in each case, in accordance with all applicable U.S. State securities laws.
- (5) It will give to each person to whom it transfers Notes notice of any restrictions on transfer of those Notes.
- (6) It understands that the Notes offered in reliance on Rule 144A or Regulation S will be represented by Registered Notes or Bearer Global Notes. Before any interest in a Regulation S Global Note or in a Rule 144A Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who is not a QIB or a foreign purchaser, the transferee will be required to provide the Issuing and Principal Paying Agent with a written certification as to compliance with the transfer restrictions referred to above.
- (7) It understands that each of the Notes will bear a legend substantially to the following effect unless otherwise agreed by the Issuer and the holder of particular Notes:

Any Notes that are offered, sold or transferred in the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S) will either be issued in the form of Definitive Registered Notes, registered in the name of the registered holder thereof, or be represented by a Rule 144A Global Registered Note which will be deposited with a custodian for, and registered in the name of a nominee of, DTC.

- (9) It acknowledges that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Each Definitive Registered Note will bear a legend to the following effect:

"THE NOTES REPRESENTED BY THIS DEFINITIVE REGISTERED NOTE AND ANY GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE ORIGINAL ISSUE DATE HEREOF, MAY BE TRANSFERRED ONLY PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT AS SET FORTH BELOW.

THE REGISTERED OWNER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS DEFINITIVE REGISTERED NOTE IS ISSUED, (1) REPRESENTS FOR THE BENEFIT OF THE ISSUER AND FOR ANY AGENT OR SELLER WITH RESPECT TO THE NOTES THAT IT IS THE SOLE BENEFICIAL OWNER OF THE NOTES REPRESENTED HEREBY OR IS PURCHASING SUCH NOTES FOR ONE OR MORE ACCOUNTS MAINTAINED BY IT OR OVER WHICH IT EXERCISES SOLE INVESTMENT DISCRETION AND THAT EITHER (A) IT AND ANY SUCH ACCOUNT ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) AND ARE NOT PURCHASING SUCH NOTES FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON, OR (B) IT AND ANY SUCH ACCOUNT ARE (OR ARE HOLDING SUCH NOTES FOR THE BENEFIT OF) QUALIFIED INSTITUTIONAL BUYERS ("**QIBS**") AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT, (2) ACKNOWLEDGES THAT THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED, SOLD, RESOLD OR DELIVERED IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH ACT IN ACCORDANCE WITH THE TERMS HEREOF, AND (3) AGREES, FOR THE BENEFIT OF THE ISSUER, THAT SUCH NOTES MAY ONLY BE OFFERED, SOLD, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DELIVERED (A) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S UNDER THE SECURITIES ACT OR (B) TO A PERSON WHO THE SELLER REASONABLY BELIEVES TO BE A QIB WHO IS AWARE THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A OR PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

EACH HOLDER OF THIS DEFINITIVE REGISTERED NOTE AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS DEFINITIVE REGISTERED NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

FOR THE PURPOSES HEREOF, "**OFFSHORE TRANSACTION**" AND "**U.S. PERSON**" SHALL HAVE THE MEANINGS GIVEN TO THEM IN RULE 902 OF REGULATION S UNDER THE SECURITIES ACT."

Each Rule 144A Global Registered Note will bear a legend to the following effect:

"THE NOTES REPRESENTED BY THIS GLOBAL NOTE AND ANY GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE ORIGINAL ISSUE DATE HEREOF, MAY BE TRANSFERRED ONLY PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT AS SET FORTH BELOW.

THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS GLOBAL NOTE IS ISSUED (OR ANY BENEFICIAL INTEREST OR PARTICIPATION HEREIN) ON ITS OWN BEHALF AND ON BEHALF OF ANY ACCOUNT FOR WHICH IT IS PURCHASING THIS GLOBAL NOTE OR ANY BENEFICIAL INTEREST OR PARTICIPATION HEREIN, (1) REPRESENTS FOR THE BENEFIT OF THE ISSUER AND FOR ANY AGENT OR SELLER WITH RESPECT TO SUCH NOTES THAT IT IS THE SOLE BENEFICIAL OWNER OF THE NOTES REPRESENTED HEREBY OR IS PURCHASING SUCH NOTES FOR ONE OR MORE ACCOUNTS MAINTAINED BY IT OR OVER WHICH IT EXERCISES SOLE INVESTMENT DISCRETION AND THAT EITHER (A) IT AND ANY SUCH ACCOUNT ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) AND ARE NOT PURCHASING SUCH NOTES FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON, OR (B) IT AND ANY SUCH ACCOUNT ARE (OR ARE HOLDING SUCH NOTES FOR THE BENEFIT OF) QUALIFIED INSTITUTIONAL BUYERS ("**QIBS**") AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT, (2) ACKNOWLEDGES THAT SUCH NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED, SOLD, RESOLD OR DELIVERED IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH ACT IN ACCORDANCE WITH THE TERMS HEREOF, (3) AGREES TO NOTIFY ANY SUBSEQUENT TRANSFEREE OF THE TRANSFER RESTRICTIONS SET OUT HEREIN AND THAT IT WILL BE A CONDITION TO SUCH TRANSFER THAT THE TRANSFEREE WILL BE DEEMED TO MAKE THE REPRESENTATIONS SET OUT HEREIN, AND (4) AGREES, FOR THE BENEFIT OF THE ISSUER, THAT SUCH NOTES MAY ONLY BE OFFERED, SOLD, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DELIVERED (A) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S UNDER THE SECURITIES ACT OR (B) TO A PERSON WHO THE SELLER REASONABLY BELIEVES TO BE A QIB THAT IS AWARE THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A OR PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

EACH HOLDER OF THIS GLOBAL NOTE OR AN INTEREST HEREIN AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

FOR THE PURPOSES HEREOF, "**OFFSHORE TRANSACTION**" AND "**U.S. PERSON**" SHALL HAVE THE MEANINGS GIVEN TO THEM IN RULE 902 OF REGULATION S UNDER THE SECURITIES ACT."

Each Regulation S Global Note will bear a legend to the following effect:

"THE NOTES REPRESENTED BY THIS GLOBAL NOTE AND ANY GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

THE OFFER, SALE, PLEDGE OR TRANSFER OF THE NOTES REPRESENTED BY THIS GLOBAL NOTE IS SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS. BY PURCHASING OR OTHERWISE ACQUIRING THE NOTES REPRESENTED BY THIS GLOBAL NOTE, THE HOLDER THEREOF ACKNOWLEDGES THAT THE NOTES REPRESENTED BY THIS GLOBAL NOTE ARE "RESTRICTED SECURITIES" THAT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT. THE HOLDER AGREES FOR THE BENEFIT OF THE ISSUER THAT, IF IT SHOULD DECIDE TO DISPOSE OF THE NOTES REPRESENTED BY THIS GLOBAL NOTE PRIOR TO THE DATE WHICH IS 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF THE NOTES REPRESENTED BY THIS GLOBAL NOTE, THE NOTES REPRESENTED BY THIS GLOBAL NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND ONLY (A) TO PERSONS WHOM THE SELLER REASONABLY BELIEVES TO BE QUALIFIED INSTITUTIONAL BUYERS ("**QIBS**"), AS DEFINED IN RULE 144A ("**RULE 144A**") UNDER THE SECURITIES ACT, OR (B) OTHERWISE TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT; PROVIDED THAT, IN THE CASE OF A TRANSFER PURSUANT TO CLAUSE (A), A TRANSFEROR OF THE NOTES WILL BE REQUIRED (1) TO EXECUTE AND DELIVER TO THE ISSUER AND THE REGISTRAR A TRANSFER CERTIFICATE (THE FORM OF WHICH IS ATTACHED TO THE AGENCY AGREEMENT AND CAN BE OBTAINED FROM THE REGISTRAR) AND (2) TO EXCHANGE THE PORTION OF THIS GLOBAL NOTE TO BE SO TRANSFERRED FOR AN INTEREST IN A RULE 144A GLOBAL REGISTERED NOTE OR A DEFINITIVE REGISTERED NOTE (AS SET OUT IN THE APPLICABLE FINAL TERMS) TO BE REGISTERED IN THE NAME OF THE TRANSFEREE.

EACH HOLDER OF THIS NOTE OR AN INTEREST HEREIN AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

FOR THE PURPOSES HEREOF, "**OFFSHORE TRANSACTION**" AND "**U.S. PERSON**" HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT."

United Mexican States

Pursuant to the Mexican Securities Market Law, the Notes have not been, and will not be, registered with the Mexican National Registry of Securities and may not be offered or sold publicly in the United Mexican States. This Prospectus has not been authorised or registered under the Mexican Securities Market Law and may not be distributed publicly in the United Mexican States.

Pursuant to Article 7 of the Mexican Securities Market Law, the Instruments may be offered or sold, on a private placement basis to Mexican qualified and institutional investors (*inversionistas institucionales o calificados*).

Federative Republic of Brazil

The Notes have not been and will not be issued or placed, distributed, offered or negotiated in the Brazilian capital markets. Neither the Issuer of the Notes nor the issuance of the Notes have been or will be registered with the Comissão de Valores Mobiliários (*CVM*), the Brazilian Securities Commission. Therefore, the Dealer has represented, warranted and agreed that it has not offered or sold, and will not offer or sell the Notes in Brazil, except in circumstances which do not constitute a public offering, placement, distribution or negotiation of securities in the Brazilian capital markets regulated by Brazilian legislation.

Republic of Argentina

The Notes are not and will not be authorised by the Comisión Nacional de Valores (the "**CNV**") for public offer in Argentina and may thus not be offered or sold to the public at large or to sectors or specific groups thereof by any means, including but not limited to personal offerings, written materials, advertisements, the

internet or the media, in circumstances which constitute a public offering of securities under Argentine Law No. 17,811, as amended (the "**Public Offering Law**").

Republic of Chile

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither the Issuer nor the Notes have been, and will not be registered at the Chilean Securities and Insurance Commission (*Superintendencia de Valores y Seguros de Chile*) pursuant to *Ley No. 18,045 de Mercado de Valores* (Securities Market Act), as amended of the Republic of Chile and, that the Dealer has not offered or sold, and will not offer or sell, any Notes within Chile or to, or for the account or benefit of persons in Chile except in circumstances which have not resulted and will not result in a public offering and/or securities intermediation in Chile within the meaning of Chilean law.

Republic of Colombia

Each Dealer has represented and agreed that the Notes have not and will not be offered, sold or distributed in Colombia except in circumstances which do not constitute a public offer of securities in Colombia within the meaning of Colombian securities laws and regulations. This material is for the sole and exclusive use of the addressee as a determined individual/entity and cannot be understood as addressed for the use of any third party. Accordingly, the Notes will not be offered or marketed or negotiated in Colombia through promotional activities (as defined under Colombian law) except in compliance with the requirements of the Colombian Securities Market Law (*Resolucio'n 400 de 1995*) as amended and restated, and decrees and regulations made thereunder. Each Dealer acknowledges that this Prospectus has not been registered with the Colombian Superintendence of Securities (*Superintendencia de Valores*) nor the Colombian Financial Superintendence (*Superintendencia Financiera de Colombia*), and therefore it is not intended for any public offer of the Notes in Colombia. Investors acknowledge the Colombian laws and regulations (specifically foreign exchange and tax regulations) applicable to any transaction or investment consummated in connection with this Prospectus and represent that they are the sole liable party for full compliance with any such laws and regulations. The investors represent that the investment in the securities is a permitted investment for them under their corporate bylaws and/or particular investment regime that may be applicable.

2. Europe, the Middle East and Africa

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) If the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if they were not authorised persons apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Kingdom of Spain

Each Dealer has represented and agreed, that the Notes cannot be offered or sold in Spain by means of a public offer as defined and construed in Chapter I of Title III of Law 24/1988, of 28 July, on the Securities Act (as amended by Royal Decree Law 5/2005 of 11 March and related legislation), unless the requirements and provisions applicable to public offerings in Spain are met.

Portuguese Republic

Each Dealer has represented that the Notes might be offered to the public in Portugal under circumstances which are deemed to be a public offer (*oferta pública*) under the Portuguese Securities Code (*Código dos Valores Mobiliários*) enacted by Decree Law no. 486/99 of November 13, subject to the fulfilment of the requirements and provisions applicable to public offerings in Portugal. Each Dealer has represented that no offering materials will be publicly distributed in Portugal and no publicity or marketing activities related to the Notes will be conducted in Portugal unless the requirements and provisions applicable to public offerings in Portugal are met. Each Dealer represents and agrees, and each further Dealer appointed under the Programme shall represent and agree, that it will comply with all applicable provisions of the Portuguese Securities Code

and any applicable CMVM Regulations and all relevant Portuguese laws and regulations, in any such case that may be applicable to it in respect of any offer or sale of Notes by it in Portugal or to individuals or entities resident in Portugal or having a permanent establishment located in Portuguese territory, as the case may be; notably, each Dealer has represented and agreed that it shall at all times comply with all applicable laws and regulations in force in Portugal, including (without limitation) the Portuguese Securities Code, the CMVM Regulations and the Prospectus Regulation implementing the Prospectus Directive, regarding the offering, advertisement, distribution, submission to an investment-gathering procedure, sale, re-sale, re-offering or delivering of the Notes in Portugal or to individuals or entities resident in Portugal or having a permanent establishment located in Portuguese territory, as the case may be, and that such actions shall only be authorised and performed to the extent that there is full compliance with such laws and regulations.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and the relevant implementing CONSOB regulations as amended from time to time and in Article 2 of Directive No. 2003/71/EC of 4 November 2003; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**").

Any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1st September 1993 (the "**Banking Act**"), as amended; and
- (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the Issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirements imposed by CONSOB or another Italian authority.

In accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (a) and (b) above, the subsequent distribution of Notes with a denomination of less than €50,000 (or its equivalent in another currency) on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

Kingdom of Sweden

Each Dealer has confirmed and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes or distribute any draft or definite document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a

prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*).

Kingdom of Norway

Each Dealer represents that the offering of the Notes with respect to Norway, is directed solely to registered professional investors according to the Norwegian Securities Trading Act Section 7-4 no. 8. Any subscriptions made by any other Norwegian person or body corporate will be rejected.

Kingdom of Denmark

This Prospectus has not been filed with or approved by the Danish Financial Supervisory Authority or any other regulatory authority in Denmark. Each Dealer has represented and agreed that the Notes have not been offered or sold and may not be offered, sold or delivered directly or indirectly in Denmark by way of a public offering, unless in compliance with Chapter 6 or Chapter 12 of the Danish Act on Trading in Securities and Executive Orders issued pursuant thereto as amended from time to time.

Swiss Confederation

Unless otherwise specified in the applicable Final Terms, the Notes may not be publicly offered (*öffentliche zur Zeichnung angeboten*) in Switzerland, as such term is defined or interpreted under the Swiss Code of Obligations. Neither the Prospectus nor any documents relating to the Notes constitute a prospectus in the sense of article 652a or article 1156 of the Swiss Code of Obligations. In addition, the Notes may not be offered and distributed by means of public advertising (*öffentliche Werbung*) in or from Switzerland, as such term is defined or interpreted under the Swiss Collective Schemes Act for purposes of the offering of structured products in the sense of article 5 of the Swiss Collective Schemes Act. The Notes do not constitute a participation in a collective investment scheme within the meaning of the Swiss Collective Schemes Act and they are neither subject to approval nor supervision by the Swiss Federal Banking Commission.

3. Asia-Pacific region

Hong Kong Special Administrative Region

Each Dealer has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent) (ii) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Republic of Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "**Securities and Futures Act**"). Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be offered or sold, or be made the subject of an invitation for subscription or purchase may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor specified in Section 274 of the Securities and Futures Act, (b) to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act where the Notes are subscribed or purchased under Section 275 by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 except:

- (a) to an institutional investor (for corporations, under Section 274 of the Securities and Futures Act) or to a relevant person defined in Section 275(2) of the Securities and Futures Act, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the Securities and Futures Act;
- (b) where no consideration is or will be given for the transfer; or
- (c) where the transfer is by operation of law.

General

The Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, with the Issuer and the Guarantor that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Notes and that it will not, directly or indirectly, offer, sell or deliver Notes or distribute or publish this document, any prospectus, circular, advertisement or other offering material (including, without limitation, any supplement to this document) in relation to the Notes in or from any country of jurisdiction except under circumstances that will to best of its knowledge and belief result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Notes by it will be made on the foregoing terms.

None of the Issuer, the Guarantor and the Dealers represents by virtue of the Prospectus that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

The restrictions on offerings may be modified by the agreement of the Issuer, the Guarantor and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the applicable Final Terms applicable to each Series of Notes or in a supplement to this document.

GENERAL INFORMATION

1. Incorporation

Abbey National Treasury Services plc and Abbey National plc were incorporated in England and Wales on 24th January 1989 and 12th September 1988 respectively, and with registered numbers 2338548 and 2294747 respectively.

2. Authorisation

The establishment of the Programme and the issue of Notes had been duly authorised by a resolution of the Board of Directors of Abbey National Treasury Services plc dated 24th September 2003; a wholesale funding approval and authorisation in respect of Abbey National Treasury Services plc given by the Chief Executive Officer of Abbey National plc dated 7th February 2007; and a Programme approval and authorisation in respect of Abbey National Treasury Services plc given by an authorised person dated 14 March 2008. The giving of the guarantee of the Notes by Abbey National plc had been duly authorised by a resolution of the Board of Directors of Abbey National plc dated 16th September 2003; a wholesale funding approval and authorisation in respect of Abbey National plc given by its Chief Executive Officer dated 7th February 2007; and a Programme approval and authorisation in respect of Abbey National plc given by an authorised person dated 14 March 2008.

3. Listing of Notes on the Official List

The listing of Notes on the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to listing on the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes is expected to be granted on or before [●].

4. Documents Available

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Issuer and the Guarantor and at the specified offices of the Paying Agents save that items (iii) and (iv) will not be available at the specified offices of the Paying Agents (and items (i), (v) and (vi) will be available for collection free of charge):

- (i) the memorandum and articles of association of the Issuer and the memorandum and articles of association of the Guarantor;
- (ii) the consolidated audited financial statements of the Issuer and the Guarantor in respect of the financial years ended 31st December 2006 and 31st December 2007;
- (iii) the Programme Agreement, the Agency Agreement (which contains the forms of Global Notes, Notes in definitive form, Receipts, Coupons and Talons), Deed of Covenant and the Guarantee;
- (iv) this Prospectus;
- (v) any future information memoranda, offering circulars, prospectuses and supplements to this Prospectus and any other documents incorporated herein or therein by reference;

- (vi) in the case of each issue of listed Notes subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document); and
- (vii) Final Terms (save that Final Terms relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity).

5. Clearing Systems

The Notes in bearer and registered form have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and Common Code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is 3 Boulevard du Roi Albert II, B.1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Avenue J. F. Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, 25th Floor, New York, NY 10041-0099, United States of America.

6. Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer, the Guarantor, the Group or the ANTS Group since 31st December 2007, and there has been no material adverse change in the financial position or prospects of the Issuer, the Guarantor, the Group or the ANTS Group since 31st December 2007.

7. Litigation

None of the Issuer, the Guarantor, the Group or the ANTS Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, the Guarantor, the Group or the ANTS Group.

8. Auditors

The consolidated accounts of the Issuer, the Guarantor and the Group for the years ended 31st December 2007 and 31st December 2006 were audited by Deloitte & Touche LLP, Chartered Accountants and Registered Auditors, in accordance with International Standards on Auditing, and have been reported on without qualification. The auditors of the Issuer, the Guarantor, the Group and the ANTS Group have no material interest in the Issuer, the Guarantor and the Group. The consolidated accounts of the Issuer, the Guarantor, the Group and the ANTS Group for the years ended 31st December 2007 and 2006 have been audited by Deloitte & Touche LLP, independent public accountants, in accordance with the standards of the Public Company Accounting Oversight Board (United States).

9. U.S. Regulatory Controls

Bearer Notes and the relevant Receipts, Coupons or Talons will bear a legend to the effect that any U.S. person holding the same will be subject to limitations under the United States income tax laws, including those under Sections 165(j) and 1287(a) of the United States Internal Revenue Code of 1986, as amended.

10. Other Matters

The Issuer has received a demand from an overseas tax authority relating to the repayment of certain tax credits and related charges. Following modifications to the demand, at 31st December 2007 its nominal amount was £61m at the balance sheet exchange rate (2006: £56m). As at 31st December 2007, additional interest in relation to the demand could amount to £24m at the balance sheet exchange rate (2006: £21m). The Issuer received legal advice that it had strong grounds to challenge the validity of the demand. In September 2006, the Issuer won its case at the first stage of the litigation process. In January 2007, the tax authority appealed this decision. However, in December 2006, a ruling was published of a similar case unconnected to the Group but which might affect the Issuer's position. In this instance, the courts ruled against the taxpayer.

11. Contracts (Rights of Third Parties) Act 1999

The Contracts (Rights of Third Parties) Act 1999 (the "**Act**") provides, *inter alia*, that persons who are not parties to a contract governed by the laws of England and Wales may be given enforceable rights under such contract. Unless specifically provided in the applicable Final Terms to the contrary, this Programme expressly excludes the application of the Act to any issue of Notes under the Programme.

12. Post-Issuance Information

The Issuer does not intend to provide any post-issuance information in relation to any issue of Notes.

**REGISTERED OFFICE OF THE ISSUER AND
THE GUARANTOR**

Abbey National House
2 Triton Square
Regent's Place
London NW1 3AN

INITIAL DEALER AND CALCULATION AGENT

Abbey National Treasury Services plc
trading as Santander Global Banking & Markets
Abbey National House
2 Triton Square
Regent's Place
London NW1 3AN

**ISSUING AND PRINCIPAL
PAYING AGENT, TRANSFER
AGENT AND EXCHANGE
AGENT**

Citibank, N.A.
21st Floor, Citigroup Centre
Canada Square
Canary Wharf
London EC4Y 0PA

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