

**SUPPLEMENT DATED 08 MARCH 2017
TO THE BASE PROSPECTUS DATED 14 DECEMBER 2016**



Abbey National Treasury Services plc

(incorporated in England and Wales with limited liability, registered number 2338548)

Santander UK plc

(incorporated in England and Wales with limited liability, registered number 2294747)

This supplement ("this **Supplement**"), which definition shall also include all information incorporated by reference herein is prepared as a supplement to, and must be read in conjunction with the Base Prospectus dated 14 December 2016 relating to the Notes, Certificates and Warrants Programme (the "**Base Prospectus**").

This Supplement together with the Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the "**Prospectus Directive**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with the Base Prospectus and any other supplements to the Base Prospectus prepared by Santander UK plc and Abbey National Treasury Services plc, as issuers on the Notes, Certificates and Warrants Programme.

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**"), as Irish competent authority under the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Securities which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**") or which are to be offered to the public in a Member State of the European Economic Area.

Each of Abbey National Treasury Services plc and Santander UK plc (each an "**Issuer**") accept responsibility for the information contained in this Supplement. To the best of the knowledge of each Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuers have requested the Central Bank of Ireland, in accordance with Article 18 of the Prospectus Directive, provide to the United Kingdom Financial Conduct Authority, in its capacity as competent authority, a certificate of approval attesting that this Supplement has been drawn up in accordance with the Prospectus Directive.

This Supplement has been prepared for the purpose of:

- (i) incorporating by reference into the Base Prospectus by this Supplement certain sections of the Santander UK plc Annual Report for year ended 31 December 2016 and Abbey National Treasury Services plc Annual Report for year ended 31 December 2016 (as specified in Schedule 1 hereto);

- (ii) incorporating by reference into the Base Prospectus by this Supplement a section regarding recent developments in relation to the Issuers ("**Recent Developments**") as described in further detail below;
- (iii) updating the Summary of the Programme commencing on page 1 of the Base Prospectus (as described in Schedule 2 hereto);
- (iv) amending paragraph (n)(ii) of the "Authorised Offeror Terms" on page vii of the Base Prospectus to include the words "(unless otherwise agreed with the relevant Dealer)" after the words "only sell the Securities for settlement on the Issue Date specified in the applicable Final Terms";
- (v) replacing the section of the Base Prospectus headed "General Terms and Conditions of the N&C Securities" with the text set out in Schedule 3 hereto;
- (vi) replacing the section of the Base Prospectus headed "Payout Annex" with the text set out in Schedule 4 hereto;
- (vii) replacing the section of the Base Prospectus headed "Equity Index/ETF Annex" with the text set out in Schedule 5 hereto;
- (viii) replacing the section of the Base Prospectus headed "Form of Final Terms for Non Exempt N&C Securities" with the text set out in Schedule 6 hereto; and
- (ix) amending the Risk Factors commencing on page 32 of the Base Prospectus as follows:
 - a. Risk Factor 2.6 shall be amended by:
 - i. the insertion of the words "if applicable" after the words "the Early Redemption Amount (in the case of N&C Securities)" in the first paragraph thereof;
 - ii. the insertion of the following sentence after item (viii) of Risk Factor 2.6:

"In the case of N&C Securities, the Issue Terms may provide that: (i) redemption pursuant to N&C Security Condition 6.4 (*Redemption for Illegality*), N&C Security Condition 6.5 (*Regulatory Redemption Event*) and/or N&C Security Condition 6.6 (*Redemption for tax reasons*) is not applicable; and/or (ii) the Events of Default are not applicable."; and
 - iii. the deletion of the fifth paragraph and its replacement with the following:

"With regard to early termination due to any of illegality, a regulatory cancellation event or tax if applicable, the Early Redemption Amount or Early Cancellation Amount (as the case may be) in respect of each Security shall (if, in the case of N&C Securities, "Market Value less Associated Costs" is specified in the applicable Issue Terms and unless otherwise specified in the relevant Issue Terms) be an amount determined by the Calculation Agent as representing the fair market value of such Securities immediately prior to such early termination, such fair market value of such Securities shall be 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 Securities of any type whatsoever hedging the Issuer's obligations under the Securities). An investor in Securities should be aware that this Early Redemption Amount or Early Cancellation Amount (as the case may be) may be less than the investor's initial investment, and should consider risk factor 1.1 (*Investors in Securities may lose up*

to the entire value of their investment in the Securities as a result of the occurrence of any one or more of the following events).”

- b. Risk Factor 3.2 shall be amended by the insertion of the words “and, where “Market Value less Associated Costs” is specified to be applicable in the relevant Issue Terms,” after the words “representing the fair market value of such N&C Securities ignoring the circumstances leading to such early redemption,” in the fifth line of the second paragraph thereof.
- c. Risk Factor 3.4 shall be amended by the insertion of the words “If specified as applicable in the relevant Issue Terms and” at the beginning thereof.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference in the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus prior to the date of this Supplement, the statement in (a) above will prevail.

If any documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement or the Base Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference or attached to this Supplement.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Base Prospectus, to which this Supplement relates.

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

There has been no significant change in the financial or trading position of ANTS Group (including ANTS) since 31 December 2016 (being the date to which the most recent financial information was prepared).

There has been no significant change in the financial or trading position of Santander UK Group (including Santander UK) since 31 December 2016 (being the date to which the most recent financial information was prepared).

In circumstances where Article 16.2 of the Prospectus Directive apply, investors who have agreed to purchase or subscribe for securities before this Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances by sending a written notice of withdrawal (which must include the full name and address of the person or entity wishing to exercise such statutory withdrawal right and identify the transferable securities to which that statutory withdrawal right relates) by electronic mail to WholesaleMarketsLegal@santander.co.uk

Relevant terms that are used in this Supplement but are not defined either in the Base Prospectus or under applicable regulatory guidance or international financial reporting standards (“IFRS”) are explained in the glossary that can be accessed at <http://www.santander.co.uk/uk/about-santander-uk/investor-relations-glossary>.

The date of this Supplement is 08 March 2017.

SCHEDULE 1

PUBLICATION OF ANNUAL REPORT AND RECENT DEVELOPMENTS

1. Santander UK plc

On 23 February 2017, Santander UK plc published its Annual Report for the year ended 31 December 2016 (the "**Santander UK 2016 Annual Report**") which contained the following information which is hereby incorporated in, and forms part of, Base Prospectus:

- Santander UK 2016 Annual Report (which includes the audited consolidated annual financial statements of Santander UK plc), excluding the sentence "Please refer to our latest filings with SEC (including, without limitation, our Annual Report on Form 20-F for the year ended 31 December 2016) for a discussion of certain risk factors and forward-looking statements" on page 272.

2. Abbey National Treasury Services plc

On 24 February 2017, Abbey National Treasury Services plc published its Annual Report for the year ended 31 December 2016 (the "**ANTS 2016 Annual Report**") which contained the following information which is hereby incorporated in, and forms part of, the Base Prospectus:

- ANTS 2016 Annual Report which includes the audited consolidated annual financial statements of Abbey National Treasury Services plc.

3. Recent Developments

The following wording shall, by virtue of this Supplement, be added on page 107 of the Base Prospectus:

"On December 22, 2016, Santander UK Group Holdings plc announced that the Board of Santander UK Group Holdings plc (the "**Board**") had approved a revised business model and legal entity structure to comply with the ring-fencing requirements in the UK (specifically, the Banking Reform Act), which must be implemented by January 1, 2019. In this context, and in light of the changeable macro environment, the Board concluded that greater certainty for the UK group customers would be provided with a 'wide' ring-fence structure, rather than the 'narrow' ring-fence originally envisaged. Under this revised model Santander UK plc, the ring-fenced bank, will serve all retail, commercial and corporate customers of the UK group. Abbey National Treasury Services plc, a fully owned subsidiary of Santander UK plc, will no longer become the non-ring-fenced bank. Abbey National Treasury Services plc's activities will be revised as part of the new ring-fencing model. It is intended to complete all necessary actions to implement ring-fencing well in advance of the legislative implementation deadline of January 1, 2019."

Implementation remains subject to regulatory and court approvals and various other authorizations.

Copies of the Santander UK 2016 Annual Report and the ANTS 2016 Annual Report have been submitted to the National Storage Mechanism (available for viewing at: <http://www.morningstar.co.uk/uk/NSM>).

The relevant sections of the Santander UK 2016 Annual Report are available at:

http://www.santander.co.uk/csdlv/r/ContentServer?c=SANDocument_C&pagename=WCSUKPublicaLte%2FSANDocument_C%2FSANDocumentPreview&cid=1324582978725

The relevant sections of the ANTS 2016 Annual Report are available at:

http://www.santander.co.uk/csdlv/r/ContentServer?c=SANDocument_C&pagename=WCSUKPublicaLte%2FSANDocument_C%2FSANDocumentPreview&cid=1324582978356

SCHEDULE 2

SUPPLEMENT TO THE SUMMARY

SECTION B – ISSUERS

ANTS:

The summary document which forms part of the Base Prospectus is hereby supplemented below following the publication of the Abbey National Treasury Services plc Annual Report for year ended 31 December 2016 by deletion of Element B.12 relating to Abbey National Treasury Services plc commencing on page 3 of the Base Prospectus and its replacement with the following:

B.12	Selected historical key financial information		
	The audited consolidated balance sheet as at 31 December 2015 and 31 December 2016 and audited consolidated income statement for each of the years ended 31 December 2015 and 31 December 2016 have been extracted without any adjustment from, and should be read in conjunction with, ANTS's consolidated financial statements in respect of those dates and periods:		
	Consolidated balance sheet (extract for ANTS' 2016 Annual Report):		
		31 December 2016	31 December 2015
		£m	£m
	Assets		
	Cash and balances at central banks	3,517	2,279
	Trading assets	29,682	23,649
	Derivative financial instruments	27,954	24,875
	Financial assets designated at fair value	1,854	2,130
	Loans and advances to banks	10,046	21,544
	Loans and advances to customers	15,135	32,455
	Loans and receivables securities	219	15
	Available-for-sale securities	476	1,168
	Macro hedge of interest rate risk	705	521
	Intangible assets	35	25
	Property, plant and equipment	9	12
	Deferred tax assets	8	-
	Other assets	164	194
	Total assets	89,804	108,867
	Liabilities		
	Deposits by banks	25,326	21,333
	Deposits by customers	3,169	2,838
	Trading liabilities	15,560	12,722
	Derivative financial instruments	31,620	25,178
	Financial liabilities designated at fair value	2,119	2,016
	Debt securities in issue	7,895	40,811
	Other liabilities	224	163
	Provisions	15	44
	Current tax liabilities	119	104
	Deferred tax liabilities	-	15
	Total liabilities	86,047	105,224
	Equity		
	Share capital	2,549	2,549
	Retained earnings	1,208	1,027
	Other reserves	-	67
	Total shareholders' equity	3,757	3,643
	Total liabilities and equity	89,804	108,867

Consolidated income statement (extract from ANTS' 2016 Annual Report):			
		31 December 2016	31 December 2015
		£m	£m
	Interest and similar income	948	1,495
	Interest expense and similar charges	(684)	(1,223)
	Net interest income	264	272
	Net fee and commission income	122	114
	Net trading and other income	205	252
	Total operating income	591	638
	Operating expenses before impairment losses, provisions and charges	(290)	(255)
	Impairment (losses)/releases on loans and advances	(18)	5
	Provisions for other liabilities and charges	(16)	(43)
	Total operating impairment losses, provisions and charges	(34)	(38)
	Profit before tax	267	345
	Tax on profit	(86)	(79)
	Profit after tax for the year	181	266
	Attributable to:		
	Equity holders of the parent	181	266

Statements of no significant or material adverse change

There has been no significant change in the financial position of the ANTS Group (including ANTS) since 31 December 2016 and there has been no material adverse change in the prospects of ANTS since 31 December 2016.

SANTANDER UK PLC:

The summary document which forms part of the Base Prospectus is hereby supplemented below following the publication of the Santander UK plc Annual Report for year ended 31 December 2016 by deletion of Element B.12 relating to Santander UK plc commencing on page 4 of the Base Prospectus and its replacement with the following:

B.12 Selected historical key financial information			
The audited consolidated balance sheet as at 31 December 2015 and 31 December 2016 and audited consolidated income statement for each of the years ended 31 December 2015 and 31 December 2016 have been extracted without any adjustment from, and should be read in conjunction with, the Santander UK plc's consolidated financial statements in respect of those dates and periods:			
Consolidated balance sheet (extract for Santander UK plc 2016 Annual Report):			
		31 December 2016	31 December 2015
		£m	£m
	Assets		
	Cash and balances at central banks	17,107	16,842
	Trading assets	30,035	23,961
	Derivative financial instruments	25,471	20,911
	Financial assets designated at fair value	2,140	2,398
	Loans and advances to banks	4,348	3,548
	Loans and advances to customers	199,738	198,045
	Loans and receivables securities	257	52
	Available-for-sale securities	10,561	9,012
	Held-to-maturity investments	6,648	-
	Macro hedge of interest rate risk	1,098	781
	Interests in other entities	61	48
	Intangible assets	2,316	2,231
	Property, plant and equipment	1,491	1,597
	Current tax assets	-	49
	Retirement benefit assets	398	556
	Other assets	1,473	1,375
	Total assets	303,142	281,406

Liabilities			
Deposits by banks		9,769	8,278
Deposits by customers		177,172	164,074
Trading liabilities		15,560	12,722
Derivative financial instruments		23,103	21,508
Financial liabilities designated at fair value		2,440	2,016
Debt securities in issue		50,346	49,615
Subordinated liabilities		4,303	3,885
Macro hedge of interest rate risk		350	110
Other liabilities		2,871	2,335
Provisions		700	870
Current tax liabilities		54	1
Deferred tax liabilities		128	223
Retirement benefit obligations		262	110
Total liabilities		287,058	265,747
Equity			
Share capital and other equity instruments		4,904	4,911
Share premium		5,620	5,620
Retained earnings		4,886	4,679
Other reserves		524	314
Total shareholders' equity		15,934	15,524
Non-controlling interests		150	135
Total equity		16,084	15,659
Total liabilities and equity		303,142	281,406
Consolidated income statement (extract from Santander UK plc 2016 Annual Report):			
		31 December 2016	31 December 2015
		£m	£m
Interest and similar income		6,467	6,695
Interest expense and similar charges		(2,885)	(3,120)
Net interest income		3,582	3,575
Fee and commission income		1,188	1,115
Fee and commission expense		(418)	(400)
Net fee and commission income		770	715
Net trading and other income		443	283
Total operating income		4,795	4,573
Operating expenses before impairment losses, provisions and charges		(2,414)	(2,400)
Impairment losses on loans and advances		(67)	(66)
Provisions for other liabilities and charges		(397)	(762)
Total operating impairment losses, provisions and charges		(464)	(828)
Profit before tax		1,917	1,345
Tax on profit		(598)	(381)
Profit after tax for the year		1,319	964
Attributable to:			
Equity holders of the parent		1,292	939
Non-controlling interests		27	25

Statements of no significant or material adverse change	
There has been no significant change in the financial position of the Santander UK Group (including Santander UK plc) since 31 December 2016 and there has been no material adverse change in the prospects of Santander UK plc since 31 December 2016.	

SECTION C – SECURITIES

The summary document which forms part of the Base Prospectus is hereby supplemented below by:

- deletion of Element C.8 commencing on page 16 of the Base Prospectus and its replacement with the following:

C.8	<p>Description of the rights attaching to the Securities</p> <p>Status: The Securities constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank <i>pari passu</i> without preference amongst themselves and, subject to any applicable statutory provisions or judicial order, at least equally with all other present and future direct, unconditional, unsecured and unsubordinated obligations of the Issuer.</p> <p>[Guarantee: The Securities have the benefit of an unconditional and irrevocable guarantee by Santander UK.] <i>[Insert only in respect of Securities issued by ANTS on or before 30 June 2017]</i></p> <p>Negative pledge: The Securities do not have the benefit of a negative pledge or cross-default provisions (in respect of events of default).</p> <p>Deed of covenant: The Securities have the benefit of a deed of covenant dated 14 December 2016.</p> <p>[Taxation: All payments in respect of the Securities will be made without deduction for or on account of withholding taxes imposed by any tax jurisdiction unless such deduction is required by law. In the event that any such deduction is required, 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. Further, all payments in respect of the Securities will be made subject to any withholding or deduction required pursuant to fiscal and other laws, as provided in Condition 5.5(B) of the General Terms and Conditions of the N&C Securities, and Condition 8.3 of the General Terms and Conditions of the Warrants.] <i>[Insert only in respect of Securities issued by ANTS on or before 30 June 2017]</i></p> <p>[Taxation: All payments in respect of the Securities will be made without deduction for or on account of withholding taxes imposed by any tax jurisdiction unless such deduction is required by law. In the event that any such deduction is required, the Issuer will not be required to pay any additional amounts to cover the amounts so deducted. Further, all payments in respect of the Securities will be made subject to any withholding or deduction required pursuant to fiscal and other laws, as provided in Condition 5.5(B) of the General Terms and Conditions of the N&C Securities, and Condition 8.3 of the General Terms and Conditions of the Warrants.] <i>[Insert only in respect of Securities issued by ANTS on or after 01 July 2017 / Securities issued by Santander UK]</i></p> <p>[Events of Default: This includes non-payment, non-performance or non-observance of the Issuer’s obligations in respect of the Securities and also the insolvency or winding up of the Issuer. An event of default will only be treated as such if at least 25% of the Securityholders in nominal amount or number of units, as applicable, have requested this.]</p> <p>Governing law: English law.</p>
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- deletion of Element C.9 commencing on page 16 of the Base Prospectus and its replacement with the following:

C.9	<p>Payment Features</p> <p><i>[Issue specific summary:</i></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; padding: 5px;">Issue Price:</td> <td style="padding: 5px;">[[●] per cent of the Aggregate Nominal Amount/[●] per Security]</td> </tr> <tr> <td style="padding: 5px;">Issue Date:</td> <td style="padding: 5px;">[●]</td> </tr> <tr> <td style="padding: 5px;">Calculation Amount:</td> <td style="padding: 5px;">[●]</td> </tr> </table> <p><i>]</i></p>	Issue Price:	[[●] per cent of the Aggregate Nominal Amount/[●] per Security]	Issue Date:	[●]	Calculation Amount:	[●]
Issue Price:	[[●] per cent of the Aggregate Nominal Amount/[●] per Security]						
Issue Date:	[●]						
Calculation Amount:	[●]						

Maturity Date /
Settlement Date:

[●]

Early Redemption
Amount / Early
Cancellation Amount:

[Final Redemption Amount]/[●]/[the Amortised Face Amount calculated in accordance with the following formula: $RP \times (1 + AY)^y$, where RP is [insert Reference Price], AY is [insert Accrual Yield] and y is $[30/360]/[Actual/360]/[Actual/365]$]/[The fair market value of the N&C Securities [less associated costs][but not less than [●]]]/[the fair market value of the Warrants plus any exercise price paid less associated costs]/[Not Applicable]

Set out relevant payment features below, completing or, where not relevant, deleting the following provisions:

For partial redemption N&C Securities, insert the following and one of Interest Payment Option 1, Interest Payment Option 2 or Interest Payment Option 3 below:

Partial redemption N&C Securities will pay interest comprising, (i) in respect of the nominal amount of each N&C Security equal to the such nominal amount multiplied by the Partial Redemption Nominal Percentage, such part will accrue interest at a fixed rate of [insert amount] per cent. [per annum] and, (ii) in respect of the nominal amount of each N&C Security equal to such nominal amount multiplied by the Outstanding Partial Redemption Nominal Percentage as follows:

[Interest]

[The N&C Securities will be [fixed rate] [floating rate] [variable interest rate] N&C Securities and interest will be paid in accordance with the following:]

Interest Payment Option 1

*Calculation Amount [(or, when represented by a global N&C Security, a pro rata amount, per N&C Security, of the aggregate outstanding nominal amount of the N&C Securities)] * Rate of Interest [* Day Count Fraction]*

Interest Payment Option 2

(1) *If the Barrier Condition is satisfied:*

*Calculation Amount * Rate of Interest $_{n=1}$; or*

(2) *If the Barrier Condition is not satisfied:*

*Calculation Amount * Rate of Interest $_{n=2}$*

Interest Payment Option 3

(1) *If the Barrier Condition is satisfied:*

*Calculation Amount * Rate of Interest; or*

(2) *If the Barrier Condition is not satisfied:*

zero

Interest amounts [if any] become due on the relevant Interest Payment Date(s) specified below. [The yield of the N&C Securities is [●] determined as described in the applicable Final Terms. The yield is calculated at the Issue Date on the

basis of the Issue Price. It is not an indication of future yield. (insert if Fixed Rate N&C Securities only)]

[[Redemption Amount[s] / Cash Settlement Amount[s]]

For variable redemption N&C Securities or variable settlement Warrants that may be terminated prior to their respective final redemption or settlement date, the following may apply:

- (1) N&C Securities - Subject to any prior purchase and cancellation or early redemption, each N&C Security may be early redeemed at the Automatic Early Redemption Amount which will be equal to the Autocallable Amount on the relevant Automatic Early Redemption Date in [●] if the Calculation Agent determines that Barrier Condition is satisfied:
- (2) Warrants - If Barrier Condition has been satisfied, the Cash Settlement Amount shall be equal to the applicable Autocallable Amount. Otherwise it is determined as provided below:

Such redemption or settlement amounts will become payable, or in the case of Warrants subject to due exercise having occurred, will become payable on the relevant Maturity Date or Settlement Date specified in Element C16 below.

For partial redemption N&C Securities the following may apply:

Subject to any prior purchase and cancellation or early redemption, each N&C Security may be redeemed:

- (1) in part by payment of the Partial Redemption Amount in the [Specified Currency] on the Partial Redemption Date, which amount shall be deemed to be the first instalment of principal in respect of the relevant N&C Security; and [either
- (2) in part, such part representing the final instalment in respect of the N&C Security, at the Autocallable Amount on the relevant Automatic Early Redemption Date in [Specified Currency] if the Calculation Agent determines that Barrier Condition is [not] satisfied; or]
- ([2/3]) in part, such part representing the final instalment in respect of the N&C Security, on the Maturity Date at an amount in [Specified Currency] determined by the Calculation Agent in accordance with the methodology provided below:

For variable redemption Securities terminated on the final redemption or settlement date, any of the following may apply:

- (3) N&C Securities – Subject to any prior purchase and cancellation or early redemption, each N&C Security will be redeemed on the Maturity Date at an amount in [Specified Currency] determined by the Calculation Agent in accordance with the methodology provided below:
- (4) Warrants – Unless previously exercised or cancelled, the Cash Settlement Amount per Warrant will be an amount in [Specified Currency] determined by the Calculation Agent in accordance with the methodology provided below:

Final Payment Option 1

Calculation Amount * [[●] per cent. + Bonus Amount - Barrier Return]

Final Payment Option 2

Calculation Amount * [[●] per cent. + [[●] per cent. * Max[Floor, Min(Cap, ((Participation * Asset Final Performance) [+/-] [●] per cent.))]] [+/-]

- (a) [Max(Floor, Min(Cap, (Participation * Asset Final Performance)))];

(b) [Bonus]; or

(c) [Barrier Return]]

Final Payment Option 3

(1) If the Barrier Condition has been satisfied:

Calculation Amount * [Max(Floor, Min(Cap, (Participation * Asset Final Performance)))]

(2) If the Barrier Condition has not been satisfied:

Calculation Amount * [Max(Floor, Min(Cap, (Participation * Asset Final Performance))) – Max(Floor, (Participation * Asset Final Performance))] [+/-] [Bonus]

Final Payment Option 4

(1) If the Barrier Condition has been satisfied:

Calculation Amount * [Outstanding Partial Redemption Nominal Percentage * [[●] per cent.] [[●] per cent. + [[●] per cent. * Min[Cap_{n=1}, Max(Floor, (Participation * Asset Final Performance), Cap_{n=2})]]]

(2) If the Barrier Condition has not been satisfied:

Calculation Amount * [Outstanding Partial Redemption Nominal Percentage * [[●] per cent.] [[●] per cent. + [[●] per cent. * Max[Floor, Min (Cap, (Participation * Asset Final Performance))]]] [(Participation * Asset Final Performance)]

Final Payment Option 5

(1) If Asset Final Performance is greater than or equal to Barrier_{n=1}:

Calculation Amount * [●] per cent.

(2) If Asset Final Performance is less than Barrier_{n=1} but greater than or equal to Barrier_{n=2}:

Calculation Amount * [[●] per cent.] [Max(Floor, Min(Cap, (Participation * Asset Final Performance)))] [(Participation * Asset Final Performance)]

(3) If Asset Final Performance is less than Barrier_{n=2}:

Calculation Amount * [Min(Cap, (Participation * Asset Final Performance))] [Max(Floor, Min(Cap, (Participation * Asset Final Performance))) – Max(Floor, (Participation * Asset Final Performance))] [(Participation * Asset Final Performance)]

Final Payment Option 6

(1) If the Barrier Condition is satisfied:

Calculation Amount * [[●] per cent.] [[●] per cent. + [[●] per cent. * Max[Floor, Min(Cap, (Participation * Asset Final Performance))]]]

(2) If the Barrier Condition is not satisfied and:

(a) the Trigger Condition is satisfied:

$Calculation\ Amount * [[\bullet] \text{ per cent.}] [Max[Floor, Min(Cap, (Participation * Asset\ Final\ Performance))]]$

(b) *the Trigger Condition is not satisfied:*

$Calculation\ Amount * [[\bullet] \text{ per cent.}] [Max[Floor, Min(Cap, (Participation * Asset\ Final\ Performance))]] [(Participation * Asset\ Final\ Performance)]$

Final Payment Option 7

(1) *If the Barrier Condition has been satisfied and:*

(a) *Asset Final Performance is greater than [or equal to] the Barrier:*

$Calculation\ Amount * [[\bullet] \text{ per cent.}] [[\bullet] \text{ per cent.} + (Cap * (Participation * Asset\ Final\ Performance))]$

(b) *Asset Final Performance is less than [or equal to] the Barrier:*

$Calculation\ Amount * [\bullet] \text{ per cent.}$

(2) *If the Barrier Condition has not been satisfied:*

$Calculation\ Amount * (Participation * Asset\ Final\ Performance)$

Final Payment Option 8

(1) *If Asset Final Performance is greater than the Barrier:*

$Calculation\ Amount * [\bullet] \text{ per cent.}$

(2) *If Asset Final Performance is equal to the Barrier:*

$Calculation\ Amount * [\bullet] \text{ per cent.}$

(3) *If Asset Final Performance is less than the Barrier:*

$Calculation\ Amount * (Participation * Asset\ Final\ Performance)$

Set out the relevant definitions from the below, completing or, where not relevant, deleting the following provisions:

For these purposes:

"Asset" has the meaning [in relation to the relevant Asset Class, a Single Asset or a constituent of a Basket Asset] set out in Element C20 below.

"Asset Class" means [shares [and]/depository receipts [and]/equity index(ices) [and]/exchange traded funds [and]/inflation index(ices) [and]/property index(ices) [and]/fixed income benchmark(s)].

"Asset Early" [means the] [Max] [Min] [Asset Level] [on the relevant [Scheduled Observation Date] [Valuation Date] [Calculation Date]] [Average Level] [Observation Level] [is as specified in the table [above/below]: insert table] [,] [Barrier].

"Asset Early Performance" means the [Early Performance] [Early Performance (Call Spread)] [Early Performance (Rolling Lookback)] [Early Weighted Performance] of [the] [each] [Asset] [Early Laggard] [Early Outperformer].

"Asset Final" means [the] [Max] [Min] [Asset Level on the Final Valuation Date] [Average Level] [,] [Observation Level].

"Asset Final Performance" means the [Final Performance] [Final Performance (Call Spread)] [Final Performance (Lookback)] [Final Performance (Temporis)] [Final Weighted Performance] [Enhanced Weighted Performance] [Upside Performance] [Downside Performance] [Weighted Performance] of [all] the [Asset[s]] [Final Laggard] [Final Outperformer].

"Asset Initial" means [the] [Max] [Min] [Asset Level on the Initial Valuation Date] [Average Level] [Observation Level] [,] [Barrier].

"Asset Level" means the [Opening Level] [Closing Level] [Intraday Level] [Observation Level] of the relevant Asset.

"Asset Lookback" [means the] [Asset Level on the relevant [Scheduled Observation Date] [Valuation Date] [Calculation Date]] [Average Level] [is as specified in the table [above/below]: insert table].

"Autocallable Amount" [has the value set out in the table [above/below] in relation to the [Scheduled Observation Date] [Valuation Date] [Calculation Date] specified in such table in respect of which the Autocallable Amount has become payable or is triggered] [means the Partial Redemption Autocall Amount].

"Automatic Early Redemption Date" means [insert].

"Average Level" means the arithmetic average of each [Opening Level] [Closing Level] [Intraday Level] [Observation Level] observed by the Calculation Agent on each Averaging Date.

"Averaging Date" means each of [●].

"Barrier" means [[●] per cent.] [n * [●] per cent.] [Asset Initial * [●] per cent.] [Asset Initial * n * [●] per cent.] [Asset Early * [●] per cent.] [Asset Early * n * [●] per cent.] [Asset Lookback * [●] per cent.] [Asset Lookback * n * [●] per cent.].

"Barrier (Early)" means:

(a) where Barrier Condition Early (European) is applicable:

[[●] per cent.] [n * [●] per cent.] [means the percentage ascribed to the relevant [Scheduled Observation Date] [Valuation Date] [Calculation Date], as specified in the table [above/below]]; or

(b) where Barrier Condition Early (Bermudan) is applicable:

[[●] per cent.] [n * [●] per cent.]; or

(c) where Barrier Condition Early (American) is applicable:

[Asset Initial * [●] per cent.] / [Asset Initial * [●] per cent. * n].

"Barrier (Final)" means:

(a) where Barrier Condition Final (European) is applicable, [●] per cent.; or

(b) where Barrier Condition Final (American) is applicable, Asset Initial * [●] per cent.

"Barrier Condition" shall mean [Barrier Condition Early] [Barrier Condition Final].

"Barrier Condition Early" shall mean [Barrier Condition Early (European)] [Barrier Condition Early (Bermudan)] [Barrier Condition Early (American)].

"Barrier Condition Early (American)" shall be deemed satisfied if the Calculation Agent determines that on [each] [any] [Scheduled Observation Date] [Valuation Date] [Calculation Date] [related to the relevant Barrier Early Calculation Date] the Asset Level of [each] [any] [the] [Basket] Asset is at [all] [the] [any] time[s] greater than [or equal to] Barrier (Early).

"Barrier Condition Early (Bermudan)" shall be deemed satisfied if the Calculation Agent determines that on any [Scheduled Observation Date] [Valuation Date] [Calculation Date] [during the Observation Period], Asset Early Performance is greater than [or equal to] Barrier (Early).

"Barrier Condition Early (European)" shall be deemed satisfied if the Calculation Agent determines that on [the relevant] [each] [Scheduled Observation Date] [Valuation Date] [Calculation Date], Asset Early Performance is greater than [or equal to] Barrier (Early).

"Barrier Condition Final" shall mean [Barrier Condition Final (European)] [Barrier Condition Final (American)].

"Barrier Condition Final (American)" shall be deemed satisfied if the Calculation Agent determines that on [each] [any] [Scheduled Observation Date] [Valuation Date] [Calculation Date] the Asset Level of [each] [any] [the] [Basket] Asset is [at] [all] [any] [time[s]] greater than [or equal to] Barrier (Final).

"Barrier Condition Final (European)" shall be deemed satisfied if the Calculation Agent determines that on the Final Valuation Date Asset Final Performance is greater than [or equal to] Barrier (Final).

"Barrier Early Calculation Date" means [date to be specified] [each Scheduled Observation Date] [Valuation Date] [Calculation Date].

"Barrier Return" shall mean an amount determined by the Calculation Agent in accordance with the following methodology:-

(a) if Asset Final Performance is greater than [or equal to] the Barrier,

[●] per cent.

(b) if Asset Final Performance is less than [or equal to] the Barrier:

Max[(Cap +/-) (Participation * Asset Final Performance)), Floor]

"Basket Asset" means an Asset that is a constituent of a basket of Assets.

"Bonus" means an amount calculated and determined by the Calculation Agent in accordance with the following:

(a) If the Asset Final Performance is greater than [or equal to] Barrier,

[[●] per cent.] [Min[Max(Floor, (Participation * Asset Final Performance)), Cap]]

(b) If the Asset Final Performance is less than [or equal to] Barrier,

[●] per cent.

"Bonus Amount" shall be determined by the Calculation Agent in respect of each [Scheduled Observation Date] [Valuation Date] [Calculation Date] in accordance with the following formula:

Bonus Number * [●] per cent.

"Bonus Condition" shall be deemed satisfied if the Calculation Agent determines that on each [Scheduled Observation Date] [Valuation Date] [Calculation Date] the Asset Early Performance is greater than [or equal to] the Barrier.

"Bonus Number" shall be [the number of times that the Bonus Condition is satisfied during the Observation Period] [the number corresponding to the last [Scheduled Observation Date] [Valuation Date] [Calculation Date] during the Observation Period upon which the Barrier Condition is satisfied] [or, if the Barrier Condition is not satisfied, zero] [number to be specified].

"Calculation Date" means [insert date(s)] [each Scheduled Trading Day in the Observation Period] [subject to adjustment].

"Cap" means [●] per cent.

"Closing Level" means the [closing level] [or] [price] of the relevant Asset.

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

"Downside Performance" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Initial} - \text{Asset Final}}{\text{Asset Initial}}$$

"Early Laggard" shall mean in relation to the [Scheduled Observation Date] [Valuation Date] [Calculation Date], the Asset with the lowest calculated Early Performance, as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more [Basket] Assets have the same Early Performance as of the [Scheduled Observation Date] [Valuation Date] [Calculation Date], the Calculation Agent shall select any such [Basket] Asset as the Early Laggard acting in good faith and in a commercially reasonable manner.

"Early Outperformer" shall mean in relation to the [Scheduled Observation Date] [Valuation Date] [Calculation Date], the Asset with the highest calculated Early Performance, as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more [Basket] Assets have the same Early Performance as of the [Scheduled Observation Date] [Valuation Date] [Calculation Date], the Calculation Agent shall select any such [Basket] Asset as the Early Outperformer acting in good faith and in a commercially reasonable manner.

"Early Performance" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Early}}{\text{Asset Initial}}$$

"Early Performance (Call Spread)" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Early}}{\text{Asset Initial}} - 1$$

"Early Performance (Rolling Lookback)" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Early}}{\text{Asset Lookback}} - 1$$

"Early Weighted Performance" means an amount (expressed as a percentage) determined by the Calculation Agent being the sum of the values obtained by applying the following formula to each Basket Asset:

$$W \times \frac{\text{Asset Early} - \text{Asset Initial}}{\text{Asset Initial}}$$

"Enhanced Weighted Performance" means an amount (expressed as a percentage) determined by the Calculation Agent being the sum of the values obtained by applying the following formula to each Basket Asset:

$$W * \text{Upside Performance}$$

"Final Laggard" shall mean the Asset with the lowest [calculated Downside Performance] [calculated Final Performance] [calculated Upside Performance] [Observation Level] as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more Assets in the Basket have the same [Downside Performance as of the Final Valuation Date] [Final Performance as of the Final Valuation Date] [Upside Performance as of the Final Valuation Date] [Observation Level], the Calculation Agent shall select any such Asset as the Final Laggard acting in good faith and in a commercially reasonable manner.

"Final Outperformer" shall mean the Asset with the highest [calculated Downside Performance] [calculated Final Performance] [calculated Upside Performance] [Observation Level], as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more Assets in the Basket have the same [Downside Performance as of the Final Valuation Date] [Final Performance as of the Final Valuation Date] [Upside Performance as of the Final Valuation Date] [Observation Level], the Calculation Agent shall select any such Asset as the Final Outperformer acting in good faith and in a commercially reasonable manner.

"Final Performance" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Final}}{\text{Asset Initial}}$$

"Final Performance (Call Spread)" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Early}}{\text{Asset Initial}} - 1$$

"Final Performance (Lookback)" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Final}}{\text{Max} [(\text{Participation} \times \text{Asset Initial}), \text{Observation Level}]}$$

"Final Performance (Temporis)" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Final} - \text{Asset Lookback}}{\text{Asset Initial}}$$

"Final Valuation Date" means [insert].

"Final Weighted Performance" means an amount (expressed as a percentage) determined by the Calculation Agent being the sum of the values obtained by applying the following formula to each Basket Asset:

$$W \times \frac{\text{Asset Final} - \text{Asset Initial}}{\text{Asset Initial}}$$

"Fixed Income Benchmark" shall mean the relevant Rate of Interest specified in Element C20 below.

"Floor" means [●] per cent.

"i" shall mean the corresponding number related to a defined term as specified herein.

"Initial Valuation Date" means [insert].

"Intraday Level" means the intraday level or price of the relevant Asset.

"Interest Payment Date(s)" means [insert].

"Knock-out Level" [means [●] per cent.] [n * [●] per cent.] [Asset Initial * [●] per cent.] [Asset Initial * [●] per cent. * n] [shall mean the level ascribed to the relevant [Scheduled Observation Date] [Valuation Date] [Calculation Date], as specified in the table [above/below]: insert table].

"Max" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a comma inside those brackets.

"Min" followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a comma inside those brackets.

"n" shall mean the corresponding number related to a defined term within the Conditions as specified herein.

"Observation Days" means the total number of [calendar days] [Business Days] [Scheduled Observation Dates] [Valuation Dates] [Calculation Dates] in the [Interest Period] [Observation Period].

"Observation Period" means [insert].

"Observation Level" means [the Opening Level] [the lowest Closing Level observed on each Scheduled Observation Date] [the highest Closing Level observed on each Scheduled Observation Date] [the level of the Asset][the Rate of Interest] observed by the Calculation Agent on the relevant [Initial Valuation Date] [Scheduled Observation Date] at [insert time] [the level of the relevant Asset scheduled to be published by the Inflation Index Sponsor for the Reference Month of [●] where the relevant Asset Class is an Inflation Index] [the level of the relevant Asset scheduled to be published by the Property Index Sponsor for the reference month of [●] where the relevant Asset Class is a Property Index].

"Opening Level" means the [opening level] [or] [price] of the relevant Asset.

"Outstanding Partial Redemption Nominal Percentage" means [insert percentage]

"Paid Interest" means, in respect of a N&C Security, the sum of all interest paid in respect of that N&C Security from (and including) the Issue Date to (and including) the immediately preceding Specified Interest Payment Date, if any.

"Participation" means [●] per cent.

"Partial Redemption Autocall Amount" means Outstanding Partial Redemption Nominal Percentage multiplied by Calculation Amount.

"Partial Redemption Nominal Percentage" means [insert percentage].

"Range Condition" shall be deemed satisfied in respect of any day if the Asset Level for such day observed by the Calculation Agent is greater than [or equal to] [●] [per cent.] per annum and less than [or equal to] [●] [per cent.] [per

annum.]

"Range Days" means the actual number of [calendar days] [Business Days] [Scheduled Observation Dates] [Valuation Dates] [Calculation Dates] in the [Interest Period] [Observation Period] on which the Range Condition is satisfied.

"Rate of Interest" shall mean in[connection with the relevant N&C Coupon Payout] [Insert one of:]

[[●] per cent.] [per annum];

Screen Rate Determination;

ISDA Determination;

Bank of England Base Rate Determination;

(n * [●] per cent.);

[(n * [●] per cent.)] – Paid Interest;

Max(Floor, Min(Cap, Participation * Asset Early [Performance] + [●] per cent.)) [+/- Barrier Return];

([●] per cent $\times \frac{\text{Range Days}}{\text{Observation Days}}$); or

[the applicable percentage rate specified in the table [above/below]: [insert table].]

"Scheduled Observation Date" means [insert date(s)] [each Scheduled Trading Day in the Observation Period].

"Single Asset" means a single Asset described in item C.20 below.

"Trade Date" means [insert].

"Trigger Condition" shall mean [Trigger Condition (European)] [Trigger Condition (American)].

"Trigger Condition (American)" shall be deemed satisfied if the Calculation Agent determines that on [each] [any] [Scheduled Observation Date] [Valuation Date] [Calculation Date] the Asset Level of [each] [any] [the] [Basket] Asset is [at] [all] [any] [time[s]] greater than [or equal to] the Trigger.

"Trigger Condition (European)" shall be deemed satisfied if the Calculation Agent determines that on the Final Valuation Date Asset Final Performance is greater than [or equal to] the Trigger.

"Trigger" means:

(a) where Trigger Condition (European) is applicable:

[●] per cent.; or

(b) where Trigger Condition (American) is applicable:

Asset Initial * [●] per cent.

"Upside Performance" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Final} - (\text{Barrier} * \text{Asset Initial})}{\text{Asset Initial}}$$

"Valuation Date" means [specify date(s)] [each Scheduled Trading Day in the Observation Period] [subject to adjustment].

"W" means the weighting in respect of the relevant Basket Asset, as specified in the table [above/below]: insert table:

"Weighted Performance" means an amount (expressed as a percentage) determined by the Calculation Agent being the sum of the values obtained by applying the following formula to each Basket Asset:

*W * Final Performance*

The above provisions are subject to adjustment as provided in the conditions of the Securities to take into account events in relation to the Asset(s) or the Securities. This may lead to adjustments being made to the Securities or in some cases the Securities being terminated early at an early redemption or cancellation amount.

SCHEDULE 3

AMENDMENTS TO THE GENERAL TERMS AND CONDITIONS OF THE N&C SECURITIES

GENERAL TERMS AND CONDITIONS OF THE N&C SECURITIES

The following general terms and conditions (the "N&C Security Conditions"), together with the Annex(es) (if applicable), are the terms and conditions (collectively, the "Conditions") of the N&C Securities which will be incorporated by reference into each Global N&C Security (as defined below) and each definitive N&C Security, 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 N&C Security will have endorsed thereon or attached thereto such Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt N&C Securities (as defined below) will complete and supplement the Conditions in relation to each such Tranche of N&C Securities 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 Annex(es) (if applicable), replace or modify the following Conditions for the purpose of such N&C Securities. The applicable Final Terms (or the relevant provisions thereof) or the applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global N&C Security and definitive N&C Security. In the case of Non-Exempt N&C Securities (as defined below), reference should be made to the "applicable Final Terms" 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 N&C Securities. References in these Conditions to "Final Terms" or "Pricing Supplement" shall mean a tranche of N&C Securities issued pursuant to this Base Prospectus and references to "Issue Terms" shall mean either (i) in respect of Non-Exempt N&C Securities, the applicable Final Terms or (ii) in respect of Exempt N&C Securities, the applicable Pricing Supplement, and should be construed accordingly.

This N&C Security is one of a Series of N&C Securities (such N&C Securities being referred to hereinafter as "N&C Securities") issued by whichever of Abbey National Treasury Services plc ("ANTS") or Santander UK plc ("Santander UK") is specified as the Issuer in the applicable Issue Terms (the "Issuer", which expression shall include any substitute pursuant to N&C Security Condition 14 (Substitution) below) pursuant to an Agency Agreement (as defined below). N&C Securities will be either notes ("Notes") or redeemable certificates ("Certificates"), as specified in the applicable Issue Terms, and references in these Terms and Conditions to "N&C Security", "N&C Securities", "Note", "Notes", "Certificate" or "Certificates" will be construed accordingly. This N&C Security is one of a Series (as defined below) of securities issued by the Issuer.

References herein to the "N&C Securities" shall be references to the N&C Security of this Series and shall mean:

1. in relation to any N&C Security(ies) represented by a global N&C Security in bearer form (a "Global N&C Security" (which includes any Bearer Global N&C Security and any Immobilised Bearer Global N&C Security (as defined below)):
 - (a) in the case of N&C Securities issued by nominal amount, units of each Specified Denomination in the Specified Currency of the applicable N&C Securities, each as specified in the applicable Issue Terms; and
 - (b) in the case of N&C Securities issued by unit, each unit of applicable N&C Securities;
2. any Global N&C Security;
3. any certificated depository interests (in the case of Immobilised Bearer Global N&C Securities (as defined below) to be settled through Euroclear and/or Clearstream, Luxembourg) ("CDIs" (as further defined in N&C Security Condition 1.6 below));
4. any Book Entry Interest (as defined in N&C Security Condition 1.6);
5. any definitive N&C Securities in bearer form ("Definitive Bearer N&C Securities") issued in exchange for a Bearer Global N&C Security; and
6. any definitive N&C Securities in registered (or inscribed) form ("Definitive Registered N&C Securities").

The N&C Securities, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement dated on or about 14 December 2016 (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") made between Abbey National Treasury Service plc as an Issuer, Santander UK plc as an Issuer, Citibank, N.A., London as issuing and principal paying agent 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 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 Issue Terms or any successor in such capacity.

The issue terms for this N&C Security (or the relevant provisions thereof) are set out in Part A of the Final Terms (or Pricing Supplement, in the case of Exempt N&C Securities) attached to or endorsed on this N&C Security which supplement these General Terms and Conditions of the N&C Securities (the "**Conditions**", which term shall include one or more Annex(es) in the form annexed hereto (each an "**Annex**") if specified as applicable herein and/or in such Issue Terms) and, if the N&C Security is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an "**Exempt N&C Security**"), 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 N&C Security. The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended by Directive 2010/73/EU) and includes any relevant implementing measure in the relevant Member State. Any references to a "**Non-Exempt N&C Security**" are to a N&C Security that is not an Exempt N&C Security. References to the "**applicable Issue Terms**", "**applicable Final Terms**" or "**applicable Pricing Supplement**", as the case may be, are, unless otherwise stated, to Part A of the Final Terms or the Pricing Supplement, as appropriate, (or the relevant provisions thereof) attached to or endorsed on this N&C Security. Interest bearing Definitive Bearer N&C Securities have interest coupons ("**Coupons**") and in the case of N&C Securities which, when issued in definitive form, have more than 27 interest payments remaining, 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 N&C Securities repayable in instalments (which N&C Securities may only be Exempt N&C Securities and/or Partial Redemption N&C Securities) have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Definitive Registered N&C Securities and Global N&C Securities do not have Receipts, Coupons or Talons attached on issue.

Any reference to "**N&C Securityholders**" or "**holders**" in relation to any N&C Securities shall mean the holders of the relevant N&C Security, as applicable, and shall, in relation to any N&C Securities represented by a Global N&C Security, 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 N&C Securities which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of N&C Securities together with any further Tranche or Tranches of N&C Securities which are (i) expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the issue price and date of issue thereof, the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The N&C Securityholders, the Receiptholders and the Couponholders are entitled to the benefit of the deed of covenant (such deed of covenant as modified, supplemented and/or restated from time to time, the "**Deed of Covenant**") dated 14 December 2016 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear and Clearstream, Luxembourg (each as defined herein).

Copies of the Agency Agreement (which contains the form of the Deed of Covenant) are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the N&C Securities are to be admitted to trading on the regulated market of the Irish Stock Exchange or the London Stock Exchange plc the applicable Final Terms will be published on the

website of the Irish Stock Exchange or London Stock Exchange plc, as applicable (in the case of the London Stock Exchange plc through a regulatory information service). If an N&C Security is not so listed but is not an Exempt N&C Security the applicable Final Terms will be published on the website of the Central Bank of Ireland (www.centralbank.ie) as the competent authority of the home member state for such N&C Securities. If an N&C Security is an Exempt N&C Security, the applicable Pricing Supplement will only be obtainable by a holder holding one or more N&C Securities and such N&C Securityholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such N&C Securities and identity. The N&C Securityholders, 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 Deed of Covenant and the applicable Issue 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 Issue 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 Issue Terms, the applicable Issue Terms shall prevail. In the case of any inconsistency between any Annex(es) specified as applicable herein and/or in the applicable Issue Terms and other parts of these Conditions, the provisions of the applicable Annex(es) shall prevail unless otherwise specified herein. In the case of any inconsistency between the applicable Issue Terms and the Conditions, the applicable Issue Terms shall prevail.

1. FORM, DENOMINATION AND TITLE

1.1 FORM

Other than in the case of Book-Entry Interests, CDIs and Definitive Registered N&C Securities, the N&C Securities will be issued in bearer form in the currency (the "**Specified Currency**") and denominations (the "**Specified Denomination(s)**") specified in the applicable Issue Terms or (if so indicated in the applicable Issue Terms) in security units, and, in the case of definitive N&C Securities, serially numbered. N&C Securities of one Specified Denomination may not be exchanged for N&C Securities of another Specified Denomination. Unless otherwise specified in the applicable Issue Terms, the N&C Securities will be issued in classic global note ("**CGN**") form.

Each Tranche of N&C Securities in bearer form will be initially issued in the form of a temporary global security (a "**Temporary Bearer Global N&C Security**") or, if so specified in the applicable Issue Terms, a permanent global security (a "**Permanent Bearer Global N&C Security**") and, together with a Temporary Bearer Global N&C Security, a "**Bearer Global N&C Security**") which, in either case, will:

- (a) if the Global N&C Securities are intended to be issued in new global note ("**NGN**") form, as stated in the applicable Issue Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"); or
- (b) if the Global N&C Securities are intended to be issued in CGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for, Euroclear and Clearstream, Luxembourg.

Interests in N&C Securities issued as bearer securities in immobilised form ("**Immobilised Bearer N&C Securities**") of certain issues that may not at any time be offered, sold, resold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. Person will initially be represented by a global security in bearer form (a "**Permanently Restricted Global N&C Security**" or a "**Immobilised Bearer Global N&C Security**").

The Immobilised Bearer Global N&C Securities will initially be issued in bearer form, without interest coupons, and title thereto will pass by delivery. If any Securities are issued as Immobilised Bearer Global N&C Securities, then the entire Series of which they form part will be issued as Immobilised Bearer Global N&C Securities. Pursuant to an amended and restated N&C securities depositary agreement (such agreement as amended and/or supplemented and/or restated from time to time, the "**N&C Securities Depositary Agreement**") dated on or around 14 December 2016 between Abbey National Treasury Services plc, Santander UK plc, Citibank N.A., London Branch (the "**Book-Entry Depositary**"), Citibank N.A., London Branch (the "**Custodian**") and Citigroup Global Markets Deutschland AG (the "**Registrar**"), the Immobilised

Bearer Global N&C Securities of each Series will on issue be deposited with the Book-Entry Depository. Pursuant to the terms of the N&C Securities Depository Agreement, the Book-Entry Depository will hold any Immobilised Bearer Global N&C Security for the holders of the CDIs and owners of the Book-Entry Interests as bare trustee and the owners of the Book-Entry Interests will accordingly be tenants in common in respect of the CDIs to the extent of the Book-Entry Interests in respect of which they are owners. The Book-Entry Depository shall have only those rights, discretions, duties, obligations and responsibilities expressly specified in the N&C Securities Depository Agreement and the Conditions and, other than holding any Immobilised Bearer Global N&C Security as bare trustee, as aforesaid, does not assume any relationship of trust for or with the owners of the Book-Entry Interests or any other person. In particular, the Book-Entry Depository may not extinguish, cancel or otherwise terminate this arrangement other than pursuant to the terms of the N&C Securities Depository Agreement and the Conditions. Holders of Book-Entry Interests are deemed to have notice of and shall be bound by the terms of the N&C Securities Depository Agreement.

1.2 Interest and Redemption

For any Non-Exempt N&C Security, the applicable Final Terms will specify whether such N&C Security is an Equity Linked N&C Security, an Equity Index/ETF Linked N&C Security, an Inflation Index Linked N&C Security, a Property Index Linked N&C Security, a Cross-Asset Linked N&C Security and/or a Partial Redemption N&C Security.

For any Non-Exempt N&C Security, such N&C Security may be a Fixed Rate N&C Security, a Floating Rate N&C Security, a Zero Coupon N&C Security or any other type of Variable Interest Rate N&C Security specified in the Payout Annex depending upon the N&C Coupon Payout extracted, included and completed in the applicable Final Terms and/or a Partial Redemption N&C Security, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms. This N&C Security may be a non-interest bearing N&C Security, if specified as such in the applicable Final Terms.

For any Non-Exempt N&C Security, such N&C Security may be also be a Variable Redemption N&C Security (as defined in the Payout Annex) depending upon the N&C Redemption Payout extracted, included and completed in the applicable Final Terms.

If the applicable N&C Security is an Exempt N&C Security, such N&C Security may be (i) a Fixed Rate N&C Security, (ii) a Floating Rate N&C Security, (iii) a non-interest bearing N&C Security, (iv) a Zero Coupon N&C Security, (v) a Dual Currency Interest N&C Security, (vi) a Variable Interest Rate N&C Security, or (vii) any one of an Equity Index/ETF Linked Interest N&C Security, an Equity Linked Interest N&C Security, an Inflation Index Linked Interest N&C Security, a Property Index Linked Interest N&C Security or a Partial Redemption N&C Security, or any other type of interest bearing N&C Securities or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

If the applicable N&C Security is an Exempt N&C Security, such N&C Security may also be designated in the applicable Pricing Supplement as (i) an Instalment N&C Security, (ii) a Dual Currency Redemption N&C Security, (iii) a Partly Paid N&C Security, (iv) a Variable Redemption N&C Security, or (v) any one of an Equity Index/ETF Linked Redemption N&C Security, an Equity Linked Redemption N&C Security, an Inflation Index Linked Redemption N&C Security, a Property Index Linked Redemption N&C Security, or any other type of redeemable N&C Securities or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Pricing Supplement.

1.3 Coupons attached

Definitive Bearer N&C Securities are issued with Coupons and, if applicable in the case of Exempt N&C Securities only, Receipts attached, unless they are Zero Coupon N&C Securities or non-interest bearing N&C Securities in which case references to Coupons and Couponholders in these Conditions are not applicable. For any Non-Exempt N&C Securities, settlement shall be by way of cash payment ("**Cash Settled N&C Securities**"). If the N&C Securities are Exempt N&C Securities, the applicable Pricing Supplement will indicate whether such N&C Securities are Cash Settled N&C Securities or whether settlement shall be by way of physical delivery ("**Physical Delivery N&C Securities**"). Any reference in these Conditions to Physical Delivery N&C Securities shall mean Exempt N&C Securities 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 Pricing Supplement (the "**Relevant Asset(s)**") plus/minus any amount due to/from the N&C Securityholder in respect of each

Exempt N&C Security) 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 Pricing Supplement.

If the N&C Securities are Exempt N&C Securities, the N&C Securities may, if specified in the applicable Pricing Supplement, allow N&C Securityholders upon redemption of such N&C Securities 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 Pricing Supplement. Those N&C Securities where the N&C Securityholder has elected for cash payment will be Cash Settled N&C Securities and those N&C Securities where the N&C Securityholder has elected for physical delivery will be Physical Delivery N&C Securities. The rights of an N&C Securityholder as described in this paragraph may be subject to the Issuer's right to vary settlement upon redemption of N&C Securities as indicated in the applicable Pricing Supplement.

1.4 Title to Definitive Bearer and Definitive Registered Securities

Subject as set out below, title to the Definitive Bearer N&C Securities, Receipts and Coupons will pass by delivery and title to the Definitive Registered N&C Securities will pass upon registration of transfers in the books of the Register, which is kept by the Registrar, in accordance with the provisions of the Agency Agreement. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Definitive Bearer N&C Security, Receipt or Coupon and the registered holder of any Definitive Registered N&C Security 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 N&C Security, without prejudice to the provisions set out in the next succeeding paragraph.

1.5 Title to Securities represented by a Bearer Global N&C Security

For so long as any of the N&C Securities is represented by a Bearer Global N&C Security held on behalf of 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 or number of units of such N&C Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount or number of units of such N&C Securities 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 and the Paying Agents as the holder of such nominal amount or number of units of such N&C Securities for all purposes other than with respect to the payment of principal or interest on such nominal amount or number of units of such N&C Securities, for which purpose the bearer of the relevant Bearer Global N&C Security shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount or number of units of such N&C Securities in accordance with and subject to the terms of the relevant Global N&C Security and the expressions "**N&C Securityholder**" and "**holder of N&C Securities**" and related expressions shall be construed accordingly.

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

References to 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 Part B of the applicable Issue Terms or, in the case of Exempt N&C Securities only, as may be otherwise approved by the Issuer, the Registrar and the Paying Agents (each a "**Clearance System**").

1.6 Title to Securities represented by an Immobilised Bearer Global N&C Security

In respect of Immobilised Bearer Global N&C Securities to be settled through Euroclear and/or Clearstream, Luxembourg ("**Permanently Restricted Immobilised Bearer N&C Securities**") which are deposited with the Book-Entry Depository, the Book-Entry Depository will issue registered certificated depositary interests ("**CDIs**") to a common depository for Euroclear and Clearstream, Luxembourg, or its nominee, and will record the CDIs in the books and records of the Registrar in the name of the nominee of the common depository. Ownership of interests in the Permanently Restricted Immobilised Bearer N&C Securities deposited with the Book-Entry Depository (the "**Book-Entry Interests**") will be limited to persons with an account with Euroclear and/or Clearstream, Luxembourg or persons who may hold interests through such

participants. Book-Entry Interests will be shown on, and transfers thereof will be affected only through records maintained in book-entry form by Euroclear and/or Clearstream, Luxembourg and their participants.

2. TRANSFER

2.1 Transfers of interests in Immobilised Bearer Global N&C Securities

Transfers of Book-Entry Interests will be effected by 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 Book-Entry Interest will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for registered N&C Securities in definitive form or for a Book-Entry Interest in another N&C Security only in the authorised denominations (in the case of N&C Securities) or number of security units (in the case of Certificates) set out in the applicable Issue Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

Pursuant to the N&C Securities Depository Agreement, the Immobilised Bearer Global N&C Securities may be transferred only to a successor to the relevant Book-Entry Depository.

Unless and until Book-Entry Interests are exchanged for Definitive Registered N&C Securities, the CDIs held by the common depository or its nominee for Euroclear and Clearstream, Luxembourg may not be transferred except as a whole to a nominee or a successor approved by the Issuer.

Book-Entry Interests will be subject to certain restrictions on transfer and certification requirements and may bear a legend regarding such restrictions.

All transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream, Luxembourg will be effected by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream, Luxembourg and their respective participants.

Book-Entry Interests in an Immobilised Bearer Global N&C Security may in certain circumstances be exchanged for Definitive Registered N&C Securities upon receipt by the Registrar of instructions from a Paying Agent. It is expected that such instructions of the Paying Agent will be based upon directions received by Euroclear or Clearstream, Luxembourg, as applicable, from the participant which owns the relevant Book-Entry Interests. Definitive Registered N&C Securities issued in exchange for a Book-Entry Interest will, except as otherwise determined by the Issuer in compliance with applicable law, be subject to certain restrictions on transfer and certification requirements and may bear a legend regarding such restrictions.

2.2 Transfers of Definitive Registered N&C Securities

Subject as provided in N&C Security Conditions 2.4 (Costs of registration) and 2.5 (Transfers of interests in Book-Entry Interests) below, upon the terms and subject to the terms and conditions set forth in the Agency Agreement, a Definitive Registered N&C Security may be transferred in whole or in part in the authorised denominations set out in the applicable Issue Terms. In order to effect any such transfer:

- (A) the holder or holders must:
 - (i) surrender the Definitive Registered N&C Security for registration of the transfer of the Definitive Registered N&C Security (or the relevant part of the Definitive Registered N&C Security) 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 N&C Security for the same aggregate nominal amount or number of units as the Definitive Registered N&C Security (or the relevant part of the Definitive Registered N&C Security) transferred. In the case of a transfer of part only of a Definitive Registered N&C Security, a new Definitive Registered N&C Security in respect of the balance of the Definitive Registered N&C Security 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 N&C Securities under N&C Security Condition 6 (Redemption and Purchase), the Issuer shall not be required to register the transfer of any Definitive Registered N&C Security, or part of a Definitive Registered N&C Security, called for partial redemption.

2.4 Costs of registration

N&C Securityholders 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 Book-Entry Interests

Transfers of Book-Entry Interests or of a beneficial interest in a Book-Entry Interest may not at any time be made to a transferee in the United States or to, or for the account or benefit of, a U.S. Person and any offer, sale, resale, trade, pledge, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person will not be recognised.

2.6 Definitions

In this N&C Security Condition 2, "**United States**" 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.

3. STATUS OF THE N&C SECURITIES

The N&C Securities and the related Receipts and Coupons (if any) are direct, unconditional, unsecured and unsubordinated 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 direct, unconditional, unsecured and unsubordinated obligations of the Issuer.

4. INTEREST

4.1 Interest Definitions

The applicable Issue Terms will indicate whether the N&C Securities are Variable Interest Rate N&C Securities of a type specified in the Payout Annex, Fixed Rate N&C Securities, Floating Rate N&C Securities, Zero Coupon N&C Securities or

any combination of the foregoing. In the case of Exempt N&C Securities, the applicable Pricing Supplement will indicate the applicable interest basis.

Where the N&C Securities are specified to be Fixed Rate N&C Securities, the interest payable in respect of the N&C Securities will be calculated in accordance with N&C Security Condition 4.2 (Interest on Fixed Rate N&C Securities) below and/or the relevant provisions of the Payout Annex.

Where the N&C Securities are specified to be Floating Rate N&C Securities, the interest payable in respect of the N&C Securities will be calculated in accordance with N&C Security Condition 4.3 (Interest on Floating Rate N&C Securities and Variable Interest Rate N&C Securities) below and/or the relevant provisions of the Payout Annex.

Where the N&C Securities are Variable Interest Rate N&C Securities, the interest payable in respect of the N&C Securities will be calculated in accordance with N&C Security Condition 4.3 (Interest on Floating Rate N&C Securities and Variable Interest Rate N&C Securities) below and/or the relevant provisions of the Payout Annex.

Where the N&C Securities are specified to be Partial Redemption N&C Securities, the interest payable in respect of the N&C Securities will be calculated in accordance with N&C Security Condition 4.9 (Partial Redemption N&C Securities) below and, if specified in the applicable Issue Terms, in accordance with N&C Condition 4.3 (Interest on Floating Rate N&C Securities and Variable Interest N&C Securities) or Condition 4.4 (Interest on Exempt N&C Securities) below.

Where the N&C Securities are Exempt N&C Securities which are not Fixed Rate N&C Securities or Floating Rate N&C Securities, the interest payable in respect of the N&C Securities, if any, will be calculated in accordance with Condition 4.4 (Interest on Exempt N&C Securities) below.

In these Conditions:

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this N&C Security Condition 4:

- (A) if **"Actual/Actual (ICMA)"** or **"Act/Act (ICMA)"** is specified in the applicable Issue Terms:
- (i) in the case of N&C Securities 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 Issue 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 N&C Securities 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 Issue 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 Issue Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period

(as defined above) 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);

- (C) if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified in the applicable Issue Terms, the actual number of days in the relevant Interest Period, divided by 365;
- (D) if "**Actual/365 (Sterling)**" is specified in the applicable Issue 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;
- (E) if "**Actual/360**", "**Act/360**" or "**A/360**" is specified in the applicable Issue Terms, the actual number of days in the relevant Interest Period, divided by 360;
- (F) if "**30/360 (ICMA)**" is specified in the applicable Issue Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) up to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12-30 day months) divided by 360;
- (G) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Issue Terms, the number of days in the relevant 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 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 included in 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 and D₁ is greater than 29, in which case D₂ will be 30;

- (H) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Issue 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 included in 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 included in 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;

- (I) if "30E/360 (ISDA)" is specified in the applicable Issue 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 included in the Interest Period falls;

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

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

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in 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; and

"**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).

4.2 Interest on Fixed Rate N&C Securities

This N&C Security Condition 4.2 applies to Fixed Rate N&C Securities only. The applicable Issue Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this N&C Security Condition 4.2 and/or the relevant provisions of the Payout Annex for full information on the manner in which interest is calculated on Fixed Rate N&C Securities. In particular, the applicable Issue Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction, the Business Day Convention and any applicable Determination Date.

- (a) If no Fixed Coupon Amount or Broken Amount is specified in the applicable Issue Terms, the following provisions shall apply with respect to a Fixed Rate N&C Security:

Each Fixed Rate N&C Security will bear interest from (and including) the Interest Commencement Date (which unless otherwise specified in the applicable Issue Terms shall be the Issue Date) at the rate(s) (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.

Such interest will be payable in respect of each Fixed Rate N&C Security Interest Period. In these Conditions and for the purposes of Fixed Rate N&C Securities only, "**Fixed Rate N&C Security 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.

If a Business Day Convention is specified in the applicable Issue 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 (as defined in N&C Security Condition 4.6 below), then, if the Business Day Convention specified is:

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

Unless Day Count Fraction is specified as "Not Applicable" in the applicable Issue Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate N&C Securities which are represented by a Global N&C Security, the aggregate outstanding nominal amount of the Fixed Rate N&C Securities represented by such Global N&C Security or, if they are Partly Paid N&C Securities, the aggregate amount paid up; or
- (ii) in the case of Fixed Rate N&C Securities in definitive form held by each N&C Securityholder, the aggregate outstanding nominal amount of such Fixed Rate N&C Securities held by such N&C Securityholder,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure in accordance with the Rounding Convention (as specified in N&C Security Condition 5 (Payments) below). Where the Specified Denomination of a Fixed Rate N&C Security in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate N&C Security 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.

- (b) If a Fixed Coupon Amount or Broken Amount is specified in the applicable Issue Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Rate N&C Security 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 Issue Terms, amount to the Broken Amount so specified.

4.3 Interest on Floating Rate N&C Securities and Variable Interest Rate N&C Securities

This N&C Security Condition 4.3 applies to Floating Rate N&C Securities and Variable Interest Rate N&C Securities only. The applicable Issue Terms contains provisions applicable to the determination of interest in respect of such N&C Securities and must be read in conjunction with this N&C Security Condition 4.3 and/or the relevant provisions of the Payout Annex for full information on the manner in which interest is calculated on Floating Rate N&C Securities and Variable Interest Rate N&C Securities. In particular, the applicable Issue Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention and any Additional Business Centres. In respect of Floating Rate N&C Securities, the applicable Issue Terms will specify whether ISDA Determination, Screen Rate Determination or Bank of England Base Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Principal Paying Agent, the Margin, any

maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Issue Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Issue Terms will also specify the applicable Reference Rate, any Rate Multiplier, Interest Determination Date(s) and Relevant Screen Page. Where Bank of England Base Rate Determination applies to the calculation of interest, the applicable Issue Terms will also specify the Designated Maturity, Interest Determination Date(s) and Relevant Screen Page. In respect of Variable Interest Rate N&C Securities, the applicable Issue Terms will identify those items specified in the applicable paragraph of the Payout Annex.

(A) *Interest Payment Dates*

Each Floating Rate N&C Security and Variable Interest Rate N&C Security will bear interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year, as specified in the applicable Issue Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Issue Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Issue 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. In these Conditions, "**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.

If a Business Day Convention is specified in the applicable Issue 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 (as defined in N&C Security Condition 4.6 below), then, if the Business Day Convention specified is:

- (a) in any case where Specified Periods are specified in accordance with N&C Security Condition 4.3(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
- (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.

(B) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate N&C Securities will be determined in the manner specified in the applicable Issue Terms. The Rate of Interest payable from time to time in respect of

Variable Interest Rate N&C Securities will be determined in accordance with the relevant paragraph of the Payout Annex as completed by the applicable Issue Terms.

(i) *ISDA Determination for Floating Rate N&C Securities*

Where ISDA Determination is specified in the applicable Issue Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be (x) the relevant ISDA Rate (y) plus or minus (as indicated in the applicable Issue Terms) the Margin (if any) the result of which will be (z) multiplied by the Rate Multiplier, if any, provided the Rate of Interest may not be less than zero. 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 Issue 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 (as defined below) and under which:

- (a) the Floating Rate Option is as specified in the applicable Issue Terms;
- (b) the Designated Maturity is that period specified in the applicable Issue Terms; and
- (c) the relevant Reset Date is the day specified in the applicable Issue 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 Issue Terms as the manner in which the Rate of Interest is to be determined, unless otherwise stated in the applicable Issue Terms, the Minimum Rate of Interest shall be deemed to be zero.

(ii) *Screen Rate Determination for Floating Rate N&C Securities*

(a) Where Screen Rate Determination is specified in the applicable Issue 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 (x) 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 (being either the London interbank offered rate ("LIBOR") or the European interbank offered rate ("EURIBOR") as specified in the applicable Issue Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) 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 specified in the applicable Issue Terms) in question, in each case (y) plus or minus (as indicated in the applicable Issue Terms) the Margin (if any), the result of which will be (z) multiplied by the Rate Multiplier (if any), all as determined by the Principal Paying Agent or other person as specified in the applicable Issue Terms and provided the Rate of Interest may not be less than zero. 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 Issue 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 (i) above, no such offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

(iii) *Bank of England Base Rate Determination for Floating Rate N&C Securities*

Where Bank of England Base Rate Determination is specified in the applicable Issue Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be (x) the Bank of England Base Rate (y) plus or minus (as indicated in the applicable Issue Terms) the Margin (if any), the result of which will be (z) multiplied by the Rate Multiplier, if any, all as determined by the Calculation Agent.

"Bank of England Base Rate" means the most recent published rate for deposits for a period equal to the Designated Maturity (as specified in the applicable Issue Terms) which appears on the Relevant Screen Page (as specified in the applicable Issue Terms) as of 5:00 p.m., London time, on the Interest Determination Date (as specified in the applicable Issue Terms) or, if such Relevant Screen Page is not available, such replacement page as the Calculation Agent shall select, or if the Calculation Agent determines no suitable replacement page exists, the rate determined by the Calculation Agent in good faith and in a commercially reasonable manner.

(iv) If, in respect of Exempt N&C Securities, the Reference Rate from time to time in respect of Floating Rate N&C Securities is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Exempt N&C Securities will be determined as provided in the applicable Pricing Supplement.

(C) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Issue 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 Issue 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 N&C Security Condition 4.3(B) above be less than zero.

If the applicable Issue 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 Issue Terms), in the case of Floating Rate N&C Securities, and the Calculation Agent, in the case of Variable Interest Rate N&C Securities 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 N&C Securities, if applicable, the Calculation Agent will determine the Rate of Interest as provided in the Payout Annex as completed by the applicable Issue Terms. The Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

In the case of Variable Interest Rate N&C Securities, if applicable, the Calculation Agent will determine the Interest Amount as provided in the Payout Annex as completed by the applicable Issue Terms.

Unless Day Count Fraction is specified as "Not Applicable" in the applicable Issue Terms, the Principal Paying Agent (or other person as specified in the applicable Issue Terms), in the case of Floating Rate N&C Securities, and the Calculation Agent, in the case of all other Variable Interest Rate N&C Securities, will calculate the amount of interest (the "**Interest Amount**") payable on the N&C Securities for the relevant Interest Period by applying the Rate of Interest to:

- (a) in the case of Floating Rate N&C Securities and Variable Interest Rate N&C Securities which are represented by a Global N&C Security, the aggregate outstanding nominal amount of the applicable N&C Securities represented by such Global N&C Security (or, if they are Partly Paid N&C Securities, the aggregate amount paid up) multiplied, in the case of Partial Redemption Notes, by the Outstanding Partial Redemption Nominal Percentage;
- (b) in the case of Floating Rate N&C Securities and Variable Interest Rate N&C Securities which are in definitive form held by each N&C Securityholder, the aggregate outstanding nominal amount of such Floating Rate N&C Securities or Variable Interest Rate N&C Securities (as applicable) held by such N&C Securityholder multiplied, in the case of Partial Redemption Notes, by the Outstanding Partial Redemption Nominal Percentage,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure in accordance with the Rounding Convention (as specified in N&C Security Condition 5 (Payments) below). Where the Specified Denomination of a Floating Rate N&C Security or a Variable Interest Rate N&C Security in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such N&C Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding. In such case, the Calculation Agent will notify the Principal Paying Agent of the Interest Amount for the relevant Interest Period as soon as practicable after calculating the same.

(E) *Linear Interpolation*

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

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

(F) *Notification of Rate of Interest and Interest Amounts*

The Principal Paying Agent (or other person as specified in the applicable Issue 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 Floating Rate N&C Securities or a Variable Interest Rate N&C Securities are for the time being listed and/or admitted to trading and notice thereof to be published in accordance with N&C Security Condition 13 (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 promptly be notified to each stock exchange and/or market on which the relevant Floating Rate N&C Securities or Variable Interest Rate N&C Securities are for the time being listed and/or admitted to trading and to the N&C Securityholders in accordance with N&C Security Condition 13 (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.

(G) *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 N&C Security Condition 4.3 (Interest on Floating Rate N&C Securities and Variable Interest Rate N&C Securities), whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent (if applicable), the other Paying Agents and all N&C Securityholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the N&C Securityholders, 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.

4.4 **Interest on Exempt N&C Securities**

The rate or amount of interest, if any, payable in respect of Exempt N&C Securities which are not Fixed Rate N&C Securities or Floating Rate N&C Securities shall be determined in the manner specified in the applicable Pricing Supplement.

In the case of Partly Paid N&C Securities (other than Partly Paid N&C Securities which are Zero Coupon N&C Securities), interest will accrue as aforesaid on the paid up nominal amount of such N&C Securities and otherwise as specified in the applicable Pricing Supplement.

4.5 **Accrual of interest**

Subject to the following paragraph, in respect of each N&C Security interest will be deemed to have accrued only on the relevant Interest Payment Date on which it falls due and not in any other circumstances.

Subject as provided in any Annex, each N&C Security (or in the case of the redemption of part only of a N&C Security, that part only of such N&C Security) 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 on the relevant payment of principal on a daily basis at the relevant Rate of Interest and on the basis of the applicable Day Count Fraction or, if Day Count Fraction is specified as "Not Applicable" in the applicable Issue Terms, at such day count fraction as would customarily apply to the calculation of interest on securities denominated in the Specified Currency as selected by the Principal Paying Agent (or other person as specified in the applicable Issue Terms), in the case of Fixed Rate N&C Securities and Floating Rate N&C Securities, or the Calculation Agent, in the case of all other Variable Interest Rate N&C Securities acting in good faith and in a commercially reasonable manner, until whichever is the earlier of:

- (A) the date on which all amounts due in respect of such N&C Security have been paid and/or all assets deliverable in respect of such N&C Security have been delivered; and
- (B) five (5) days after the date on which the full amount of the moneys payable in respect of such N&C Security has been received by the Principal Paying Agent or the Registrar, as the case may be, and/or all assets in respect of such N&C Security have been delivered and notice to that effect has been given to the N&C Securityholders in accordance with N&C Security Condition 13 (Notices).

4.6 Business Day

In these Conditions, "**Business Day**" means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Issue Terms and if TARGET2 is specified, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (or any successor thereto) (the "**TARGET2 System**") is open; and
- (b) 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 currency (which if the 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 (TARGET2) System is open. Unless otherwise provided in the applicable Issue 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 N&C Securities (the "**ISDA Definitions**").

4.7 Interest calculations without a day count fraction

If any amount of interest is to be determined and Day Count Fraction is specified as "Not Applicable" in the applicable Issue Terms such amount of interest will be calculated as specified in the applicable Issue Terms and any reference to a Day Count Fraction in this N&C Security Condition 4 will be deemed not to apply.

4.8 Fixed Income Benchmark

If the applicable Issue Terms specify that a Rate of Interest is to be determined in accordance with this N&C Security Condition 4.8, then, in respect of any relevant Interest Determination Date or Reset Date specified in the applicable Issue Terms for which that Rate of Interest is to be determined, the Rate of Interest will be determined for these purposes only in accordance with this N&C Security Condition 4 (Interest) on the following basis:

- (a) the Securities are deemed to be Floating Rate N&C Securities to which Screen Rate Determination or ISDA Determination or Bank of England Base Rate Determination applies as specified under the heading "Fixed Income Benchmark" in the applicable Issue Terms;
- (b) if Screen Rate Determination applies the Reference Rate will mean the relevant LIBOR or EURIBOR rate as specified under the heading "Fixed Income Benchmark" in the applicable Issue Terms and the Relevant Screen Page will be as specified under the heading "Fixed Income Benchmark" in the applicable Issue Terms;
- (c) if ISDA Determination applies the Floating Rate Option and the Designated Maturity will be deemed to be the relevant option and period respectively specified under the heading "Fixed Income Benchmark" in the applicable Issue Terms;
- (d) if Bank of England Base Rate Determination applies the Designated Maturity and Relevant Screen Page will be deemed to be the relevant period and page respectively specified under the heading "Fixed Income Benchmark" in the applicable Issue Terms;
- (e) each day on which the Rate of Interest is to be determined will be deemed to be a Reset Date;
- (f) each of the Margin, the Minimum Rate of Interest, the Maximum Rate of Interest and the Additional Business Centre, if any, will be the values or centres specified as such under the heading "Fixed Income Benchmark" in the applicable Issue Terms;

- (g) the Calculation Agent will be the party making all Rate of Interest determinations and, where Screen Rate Determination applies, notwithstanding the final paragraph of N&C Security Condition 4.3(B)(ii), if the Calculation Agent is unable to determine the Rate of Interest in accordance with N&C Security Condition 4.3(B)(ii), the Rate of Interest will be determined by the Calculation Agent in good faith and in a commercially reasonable manner as the rate it determines would have prevailed but for the relevant disruption or other event.

4.9 Partial Redemption N&C Securities

This N&C Security Condition 4.9 applies to Partial Redemption N&C Securities only. The applicable Issue Terms contains provisions applicable to the determination of fixed rate interest in respect of Partial Redemption N&C Securities and must be read in conjunction with this N&C Security Condition 4.9 for full information on the manner in which interest is calculated on Partial Redemption N&C Securities. In particular, the applicable Issue Terms will specify the Interest Commencement Date, the Partial Rate of Interest, the Partial Interest Payment Date(s), the Partial Redemption Date, the Partial Redemption Amount, the Partial Fixed Coupon Amount, any applicable Partial Broken Amount, the Calculation Amount, the Day Count Fraction, the Business Day Convention and any applicable Determination Date.

- (a) Partial Redemption N&C Securities pay interest as provided in this N&C Security Condition 4.9 (such interest "**Partial Interest**") and, if specified in the applicable Issue Terms, as provided in N&C Security Condition 4.3 or 4.4 as the case may be, above.
- (b) Each Partial Redemption N&C Security will bear Partial Interest from (and including) the Interest Commencement Date (which unless otherwise specified in the applicable Issue Terms shall be the Issue Date) at the rate(s) (expressed as a percentage) equal to the Partial Rate(s) of Interest. Partial Interest will be payable in arrear on the Partial Interest Payment Date(s) in each year up to (but excluding) the Partial Redemption Date (as specified in the applicable Issue Terms).

Partial Interest will be payable in respect of each Partial Redemption N&C Security Interest Period. In these Conditions and for the purposes of Partial Redemption N&C Securities only, "**Partial Redemption N&C Security Interest Period**" means the period from (and including) a Partial Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Partial 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 a Partial Interest Payment Date should occur or (y) if any Partial Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined in N&C Security Condition 4.6 above), then, if the Business Day Convention specified is:

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

Partial interest shall be calculated in respect of any period by applying the Partial Rate of Interest to:

- (iv) in the case of Partial Redemption N&C Securities which are represented by a Global N&C Security, the aggregate outstanding nominal amount of the Partial Redemption N&C Securities represented by such Global N&C Security multiplied by the Partial Redemption Nominal Percentage; or

- (v) in the case of Partial Redemption N&C Securities in definitive form held by each N&C Securityholder, the aggregate outstanding nominal amount of such Partial Redemption N&C Securities held by such N&C Securityholder multiplied by the Partial Redemption Nominal Percentage,

and, unless Day Count Fraction is specified to be "Not Applicable", in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure in accordance with the Rounding Convention (as specified in N&C Security Condition 5 (*Payments*) below). Where the Specified Denomination of a Partial Redemption N&C Security in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Partial Redemption N&C Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

- (c) If the Partial Redemption N&C Securities are in definitive form, the amount of Partial Interest payable on each Interest Payment Date in respect of the Partial Redemption N&C Security Interest Period ending on (but excluding) such date will amount to the Partial Interest Fixed Coupon Amount. Payments of Partial Interest on any Partial Interest Payment Date will, if so specified in the applicable Issue Terms, amount to the Partial Interest Broken Amount so specified.
- (d) For the purposes of Partial Redemption N&C Securities, "**Partial Redemption Nominal Percentage**" means the percentage specified as such in the applicable Issue Terms.

5. PAYMENTS

5.1 Payments in respect of Definitive Bearer N&C Securities

- (A) *Payments in respect of Definitive Bearer N&C Securities*

Subject as provided below:

- (i) payments in a Specified Currency other than euro or U.S. Dollars will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency;
- (ii) 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; and
- (iii) payments will be made in U.S. Dollars 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 N&C Security Condition 5, means the United States of America, including the States and the District of Columbia and its possessions), or by cheque drawn on a United States bank. In no event will payment in respect of any Definitive Bearer N&C Security be made by a cheque mailed to an address in the United States. All payments of interest in respect of Definitive Bearer N&C Securities 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.

- (B) *Payment of Principal and Interest in respect of Definitive Bearer N&C Securities, Receipts and Coupons*

Payments of principal in respect of Definitive Bearer N&C Securities will (subject as provided below) be made in the manner provided in N&C Security Condition 5.1(A) (*Payments in respect of Definitive Bearer N&C Securities*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer N&C Securities, and payments of interest in respect of Definitive Bearer N&C Securities 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, possessions and other areas subject to its jurisdiction)).

(C) *Missing Unmatured Coupons*

Fixed Rate N&C Securities and Partial Redemption N&C Securities in definitive bearer form (other than Long Maturity N&C Securities (as defined below) and save as provided in N&C Security Condition 5.4 below) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten (10) years after the Relevant Date (as defined in N&C Security Condition 8 (Prescription)) in respect of such principal (whether or not such Coupon would otherwise have become void under N&C Security Condition 8 (Prescription)) or, if later, five (5) years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

(D) *Unmatured Coupons and Talons void*

Upon any Fixed Rate N&C Security or Partial Redemption N&C Security 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 Floating Rate N&C Security, Variable Interest Rate N&C Security or Long Maturity N&C Security in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity N&C Security**" is a Fixed Rate N&C Security or Partial Redemption N&C Security (other than a Fixed Rate N&C Security or Partial Redemption N&C Security which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such N&C Security shall cease to be a Long Maturity N&C Security 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 N&C Security.

If the due date for redemption of any Definitive Bearer N&C Security is not an Interest Payment Date, interest (if any) accrued in respect of such N&C Security 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 N&C Security.

(E) *Payments of Principal and Interest in respect of Global N&C Securities*

Payments of principal and interest (if any) in respect of N&C Securities represented by any Global N&C Security in bearer form will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer N&C Securities and otherwise in the manner specified in the Definitive Bearer Global N&C Securities against presentation or surrender, as the case may be, of such Global N&C Securities at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global N&C Securities, distinguishing between any payment of principal and any payment of interest, will be made on such Global N&C Securities 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 Global N&C Security will be made by mail to an address in the United States or by transfer to an account maintained in the United States.

5.2 Payments in respect of Immobilised Bearer Global N&C Securities

Payments of any amounts owing in respect of the Immobilised Bearer Global N&C Securities (including principal, interest and instalments, if any) will be made by the Issuer in the Settlement Currency to the relevant Paying Agent. The relevant Paying Agent will, in turn, make such payments to the Custodian in its capacity as the bearer of the relevant Immobilised Bearer Global N&C Securities and the amount so received by the Custodian is forwarded by it to the Book-Entry Depositary in accordance with the terms of the N&C Securities Depositary Agreement. Upon receipt of any such amounts, the Book-Entry Depositary will pay the amounts so received to the common depositary for Euroclear and/or Clearstream, Luxembourg, as applicable, which will distribute such payments to participants in accordance with their procedures.

The Issuer, the Principal Paying Agent and the Registrar will treat the bearer of the Immobilised Bearer Global N&C Securities as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Book-Entry Depositary, any Agent, the Registrar or any agent of the Issuer, any Agent or the Registrar has or will have any responsibility or liability for:

- (A) any aspect of the records of Euroclear, Clearstream, Luxembourg or any participants or indirect participant relating to, or payments made on account of, Euroclear, Clearstream, Luxembourg or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest; or
- (B) Euroclear, Clearstream, Luxembourg or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants.

In the event any Immobilised Bearer Global N&C Security (or any portion thereof) is redeemed, the Book-Entry Depositary will, through Euroclear or Clearstream, Luxembourg, as applicable, redeem an equal amount of the Book-Entry Interests in such Immobilised Bearer Global N&C Security from the amount received by it in respect of the redemption of such Immobilised Bearer Global N&C Security. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by the Book-Entry Depositary in connection with the redemption of such Immobilised Bearer Global N&C Securities (or any portion thereof). If fewer than all of the N&C Securities are to be redeemed at any time, Euroclear and Clearstream, Luxembourg will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate.

5.3 Payments in respect of Definitive Registered N&C Securities

- (A) *Payments of principal in respect of Definitive Registered N&C Securities*

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Definitive Registered N&C Security will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Definitive Registered N&C Security 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 Definitive Registered N&C Security appearing in the register of holders of the Definitive Registered N&C Security maintained by the Registrar (the "**Register**") at the close of business on the fifteenth (15th) calendar day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**"). Notwithstanding the previous sentence, if a holder does not have a Designated Account, 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.

- (B) *Payments of interest in respect of Definitive Registered N&C Securities*

Payments of interest in respect of each Definitive Registered N&C Security if any, 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 Definitive Registered N&C Security 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 Definitive Registered N&C Security, 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 Definitive Registered N&C Securities 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 Definitive Registered N&C Security on redemption will be made in the same manner as payment of the principal amount of such Definitive Registered N&C Security.

Holders of Definitive Registered N&C Securities will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Definitive Registered N&C Security as a result of a cheque posted in accordance with this N&C Security 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 Definitive Registered N&C Securities.

5.4 Specific provisions in relation to payments in respect of Partial Redemption N&C Securities and certain types of Exempt N&C Securities

Payments of instalments of principal (if any) in respect of Definitive Bearer N&C Securities, other than the final instalment, will (subject as provided below) be made in the manner provided in N&C Security Condition 5.1(A) (*Payments in respect of Definitive Bearer N&C Securities*) 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 N&C Security Condition 5.1(B) (*Payment of Principal and Interest in respect of Definitive Bearer N&C Securities, Receipts and Coupons*). Payment of the final instalment will be made in the manner provided in N&C Security Condition 5.1(A) (*Payments in respect of Definitive Bearer N&C Securities*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Definitive Bearer N&C Security in accordance with N&C Security Condition 5.1(B) (*Payment of Principal and Interest in respect of Definitive Bearer N&C Securities, Receipts and Coupons*). Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer N&C Security to which it appertains. Receipts presented without the Definitive Bearer N&C Security to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer N&C Security 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.

Payments of instalments of principal (other than the final instalment) in respect of each Definitive Registered N&C Security 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 Definitive Registered N&C Security 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 an instalment in respect of a Definitive Registered N&C Security, the payment may be made by transfer on the due date in the manner provided in N&C Security Condition 5.3(A) (*Payments of principal in respect of Definitive Registered N&C Securities*). Any such application for transfer shall be deemed to relate to all future instalments of principal (other than the final instalment) in respect of the Definitive Registered N&C Securities 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 final instalment of principal will be made in the same manner as payment of the principal amount of such Definitive Registered N&C Security.

Holders of Definitive Registered N&C Securities will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Definitive Registered N&C Security as a result of a cheque posted in

accordance with this N&C Security 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 Definitive Registered N&C Securities.

Upon the date on which any Dual Currency N&C Securities or Variable Interest Rate N&C Securities in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

5.5 General provisions applicable to payments

- (A) The holder of a Global N&C Security shall be the only person entitled to receive payments or to make a claim in respect of N&C Securities represented by such Global N&C Security and the Issuer will be discharged by payment to, or to the order of, the holder of such Global N&C Security in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or the relevant clearance system specified in the applicable Issue Terms, as the beneficial holder of a particular nominal amount or number of units of N&C Securities represented by such Global N&C Security must look solely to Euroclear or Clearstream, Luxembourg or the relevant clearance system specified in the applicable Issue Terms, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global N&C Security.
- (B) Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of N&C Security Condition 7 (Taxation) and (ii) any withholding or deduction required: (a) pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement); and (b) pursuant to Section 871(m) of the Code. Any such amounts withheld or deducted will be treated as paid for all purposes under the N&C Securities, and no additional amounts will be paid on the Securities with respect to any such withholding or deduction.

5.6 Place of Payment

Notwithstanding the foregoing provisions of this N&C Security Condition 5, if any amount of principal and/or interest in respect of N&C Securities (other than those in definitive registered form) is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such N&C Securities 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 N&C Securities 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, adverse tax consequences to the Issuer.

Any amount payable in respect of an N&C Security 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 N&C Securities were issued.

5.7 Payment Days

Subject to N&C Security Condition 4.3(A) (*Interest Payment Dates*), if the date for payment (the "**Relevant Payment Date**") of any amount in respect of any N&C Security, Receipt or Coupon is not a Payment Day, the holder thereof will instead be entitled to payment on the relevant day determined in accordance with the relevant Payment Day Convention as set out below and will not be entitled to any further interest or other payment in respect of any delay.

Where:

- (a) the Payment Day Convention is specified as "Following" in the applicable Issue Terms, or where no Payment Day Convention is specified in the applicable Issue Terms, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place;
- (b) the Payment Day Convention is specified as "Modified Following" in the applicable Issue Terms, the holder thereof shall not be entitled to payment until the next day which is a Payment Day unless such day falls in the next calendar month, in which event such holder shall be entitled to payment on the Payment Day immediately preceding the Relevant Payment Date (the "**Adjusted Date for Payment**"); and
- (c) the Payment Day Convention is specified as "Preceding" in the applicable Issue Terms, the holder thereof shall be entitled to payment on the Payment Day immediately preceding the Relevant Payment Date (the "**Adjusted Date for Payment**"),

Provided That, in the event that any day upon which a valuation or determination is required to be made for the purposes of determining the amount of the payment to be made in respect of the Relevant Payment Date (each such date a "**Relevant Valuation Date**") would, as a result of the adjustment anticipated in paragraph (b) or (c) above, fall after the second Business Day preceding the Adjusted Date for Payment, N&C Securityholders will not be entitled to the relevant payment due in respect of the Relevant Payment Date until the day falling two (2) Business Days following the last occurring Relevant Valuation Date.

"**Payment Day**" means any day which (subject to N&C Security Condition 8 (Prescription)):

- (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) in the case of N&C Securities in definitive form only, the relevant place of presentation; and
 - (b) each Additional Financial Centre specified in the applicable Issue Terms; and
- (ii) either (A) in relation to any sum payable in a relevant 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 each such relevant currency (which if the relevant 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 TARGET2 System is open.

5.8 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the N&C Securities shall be deemed to include, as applicable:

- (A) the Final Redemption Amount of the N&C Securities;
- (B) the Early Redemption Amount of the N&C Securities;
- (C) the Optional Redemption Amount(s) (if any) of the N&C Securities;
- (D) in relation to Exempt N&C Securities redeemable in instalments, the Instalment Amounts;

- (E) in relation to Zero Coupon N&C Securities, the Amortised Face Amount (as defined in N&C Security Condition 6.7 (Early Redemption Amounts));
- (F) the Partial Redemption Amount (if any) of the N&C Securities; and
- (G) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the N&C Securities.

5.9 Rounding Convention

For the purposes of calculations made pursuant to N&C Security Condition 4.2 (Interest on Fixed Rate N&C Securities), N&C Security Condition 4.3 (Interest on Floating Rate N&C Securities and Variable Interest Rate N&C Securities), N&C Security Condition 4.9 (Partial Redemption N&C Securities) and N&C Security Condition 6 (Redemption and Purchase) any figure to be rounded will, if other than a sub-unit in the relevant Specified Currency:

- (A) if "Rounded Up" is specified in the applicable Issue Terms, be rounded upwards to the next sub-unit of the relevant Specified Currency,
- (B) if "Rounded Down" is specified in the applicable Issue Terms, be rounded downwards to the next sub-unit of the relevant Specified Currency; or
- (C) in the event that no Rounding Convention is specified in the applicable Issue Terms be rounded down as if "Rounded Down" had been specified,

provided that, in each case, the Calculation Amount in respect of N&C Securities which are (i) held by the same N&C Securityholder, (ii) of the same Series and (iii) in definitive form, shall be aggregated for the purpose of determining the aggregate amount (a) of interest due in respect of any Interest Payment Date or (b) payable in respect of principal due (including for the avoidance of doubt the Final Redemption Amount).

5.10 Sub-units

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

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below:

- (a) each N&C Security other than an Exempt N&C Security or a Partial Redemption N&C Security, will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms and/or, in the case of certain Variable Redemption N&C Securities set out in the Payout Annex, determined in the manner specified in the relevant paragraph of the Payout Annex in the relevant Specified Currency, on the Maturity Date (each as specified in the applicable Final Terms);
- (b) each Exempt N&C Security (unless otherwise specified in the applicable Pricing Supplement or applicable Annex(es)) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date or if the N&C Securities are Physical Delivery N&C Securities, by delivery of the Asset Amount, subject to fulfilment of the provisions of the applicable Annex; and
- (c) each Partial Redemption N&C Security, will be redeemed by the Issuer:
 - (i) by payment of the Partial Redemption Amount in the relevant Specified Currency on the Partial Redemption Date in each case specified in the applicable Issue Terms; and

- (ii) by payment of the Final Redemption Amount determined in the manner specified in the relevant paragraph of the Payout Annex specified in the applicable Issue Terms (or in the case of a Partial Redemption N&C Security which is an Exempt N&C Security, as specified in the applicable Pricing Supplement) in the relevant Specified Currency, on the Maturity Date specified in the applicable Issue Terms, which amount shall be deemed to be the final instalment of principal in respect of the relevant N&C Security.

6.2 Redemption at the option of N&C Securityholders (Investor Put)

This N&C Security Condition 6.2 applies to N&C Securities which are subject to redemption prior to the Maturity Date at the option of the Securityholder, such option being referred to as an "Investor Put". The applicable Issue Terms contains provisions applicable to any Investor Put and must be read in conjunction with this N&C Security Condition 6.2 for full information on any Investor Put. In particular, the applicable Issue Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Issue Terms, upon the holder of any N&C Security giving to the Issuer in accordance with N&C Security Condition 13 (Notices) not less than the minimum period and not more than the maximum period of notice specified in the applicable Issue Terms the Issuer will, upon the expiry of such notice, redeem, in whole (but not, in the case of a Definitive Bearer N&C Security, in part) such N&C Security on the Optional Redemption Date (as specified in the applicable Issue Terms) and at the Optional Redemption Amount (as specified in the applicable Issue Terms) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Definitive Registered N&C Securities may be redeemed under this N&C Security Condition 6.2 in any multiple of their lowest Specified Denomination. In the case of Exempt N&C Securities only, 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 Pricing Supplement.

The Optional Redemption Amount, in respect of each N&C Security of a nominal amount equal to the Calculation Amount, will be the specified percentage of the Calculation Amount or other fixed amount specified in the applicable Issue Terms.

To exercise the right to require redemption of this N&C Security the holder of this N&C Security must, if this N&C Security is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Definitive Bearer N&C Securities) or the Registrar (in the case of Definitive Registered N&C Securities) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed 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 N&C Security Condition 6.2 and, in the case of Definitive Registered N&C Securities, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Definitive Registered N&C Securities so surrendered is to be redeemed, an address to which a new Definitive Registered N&C Security in respect of the balance of such Definitive Registered N&C Securities is to be sent subject to and in accordance with the provisions of N&C Security Condition 2.2 (Transfers of Definitive Registered N&C Securities). If this N&C Security is in definitive bearer form, the Put Notice must be accompanied by this N&C Security or evidence satisfactory to the Paying Agent concerned that this N&C Security will, following delivery of the Put Notice, be held to its order or under its control.

If this N&C Security is represented by a Global N&C Security or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this N&C Security the holder of this N&C Security must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or 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 Euroclear and Clearstream, Luxembourg from time to time and, if this N&C Security is represented by a Global N&C Security, the terms of which require presentation for recording changes to its nominal amount or number of units, at the same time present or procure the presentation of the relevant Global N&C Security to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any N&C Security pursuant to this N&C Security Condition 6.2 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 N&C Security Condition 6.2 and instead to declare such N&C Security forthwith due and payable pursuant to N&C Security Condition 9 (Events of Default).

6.3 Redemption at the option of the Issuer (Issuer Call)

This N&C Security Condition 6.3 applies to N&C Securities which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons or upon a regulatory event), such option being referred to as an "Issuer Call". The applicable Issue Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this N&C Security Condition 6.3 for full information on any Issuer Call. In particular, the applicable Issue Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of N&C Securities which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Issue Terms, the Issuer may, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Issue Terms to the Securityholders in accordance with N&C Security Condition 13 (Notices) (which notice shall be irrevocable and specify the date fixed for redemption), redeem all or some only of the N&C Securities then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Issue Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount or number of units 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 Issue Terms.

In the case of a partial redemption of N&C Securities, the N&C Securities to be redeemed ("**Redeemed N&C Securities**") will (i) in the case of Redeemed N&C Securities represented by definitive N&C Securities, be selected individually by lot, not more than 30 days prior to the date fixed for redemption, and (ii) in the case of Redeemed N&C Securities represented by a Global N&C Security, be selected in accordance with the rules of 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 N&C Securities represented by definitive N&C Securities, a list of the serial numbers of such Redeemed N&C Securities will be published in accordance with N&C Security Condition 13 (Notices) not less than 15 calendar days prior to the date fixed for redemption.

The Optional Redemption Amount, in respect of each N&C Security of a nominal amount equal to the Calculation Amount, will be the specified percentage of the Calculation Amount or other fixed amount specified in the applicable Issue Terms.

6.4 Redemption for illegality

This N&C Security Condition 6.4 applies to N&C Securities which are subject to redemption prior to the Maturity Date at the option of the Issuer upon an illegality event as described below, such option being referred to as an "Issuer Illegality Call". The applicable Issue Terms contains provisions applicable to any Issuer Illegality Call and must be read in conjunction with this N&C Security Condition 6.4 for full information on any Issuer Illegality Call. In particular, the applicable Issue Terms will identify the applicable notice periods.

If Issuer Illegality Call is specified as being applicable in the applicable Issue Terms, in the event that the Calculation Agent determines in good faith and in a reasonable manner that the performance of the obligations of the Issuer under the N&C Securities has or will in the immediate future 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 (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or the interpretation thereof, the Issuer may, if and to the extent permitted by law, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Issue Terms to the N&C Securityholders in accordance with N&C Security Condition 13 (Notices) (which notice shall be irrevocable), on the expiry of such notice

redeem all, but not some only, of the N&C Securities, each N&C Security being redeemed at the Early Redemption Amount.

6.5 Regulatory Redemption Event

This N&C Security Condition 6.5 applies to N&C Securities which are subject to redemption prior to the Maturity Date at the option of the Issuer upon a regulatory event as described below, such option being referred to as an "Issuer Regulatory Call". The applicable Issue Terms contains provisions applicable to any Issuer Regulatory Call and must be read in conjunction with this N&C Security Condition 6.5 for full information on any Issuer Regulatory Call. In particular, the applicable Issue Terms will identify the applicable notice periods.

If Issuer Regulatory Call is specified as applicable in the applicable Issue Terms, 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 N&C Securities 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 the minimum period and not more than the maximum period of notice specified in the applicable Issue Terms to the N&C Securityholders in accordance with N&C Security Condition 13 (Notices) (which notice shall be irrevocable) may, on the expiry of such notice redeem all, but not some only, of the N&C Securities, each N&C Security being redeemed at the Early Redemption Amount. Payment shall be made in such manner as shall be notified to N&C Securityholders in accordance with N&C Security Condition 13 (Notices).

6.6 Redemption for tax reasons

If Issuer Tax Call is specified as being applicable in the applicable Issue Terms, subject to N&C Security Condition 6.7, the N&C Securities may be redeemed at the option of the Issuer (such option being referred to as an "Issuer Tax Call") in whole, but not in part, at any time (if this N&C Security is not a Floating Rate N&C Security or a Variable Interest Rate N&C Security) or on any Interest Payment Date (if this N&C Security is a Floating Rate N&C Security or a Variable Interest Rate N&C Security), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Issue Terms to the Principal Paying Agent and, in accordance with N&C Security Condition 13, the N&C Securityholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the N&C Securities, the Issuer has or will become obliged to deduct, withhold or otherwise pay or account for any present or future taxes, duties, assessments or governmental charges; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it. Reasonable measures shall not include anything which would cause the Issuer to incur any material costs, and

such circumstance being referred to as "Issuer Tax Call Circumstances" provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to account for any such taxes, duties, assessments or governmental changes were a payment in respect of the N&C Securities then due.

Before the publication of any notice in respect of an Issuer Tax Call, the Issuer shall deliver to the Principal Paying Agent a certificate duly signed by the Issuer stating that the Issuer is entitled to effect such redemption on the basis of an opinion of a firm of independent legal advisers or accountants dated no earlier than three months prior to the date of such notice to the effect either that:

- (a) Issuer Tax Call Circumstances exist; or that
- (b) upon a change in or amendment to the laws or regulations of the United Kingdom or other relevant jurisdiction (including any authority or political subdivision therein or thereof having power to tax), including any treaty to which the relevant jurisdiction is a party, or a change in the official application of those laws or regulations, which at the date of such certificate is proposed to be made and in the opinion of such firm is reasonably expected to become effective on or prior to the date when the relevant payment in respect of the N&C Securities would otherwise be made, becoming so effective, Issuer Tax Call Circumstances would exist.

N&C Securities redeemed pursuant to this N&C Security Condition will be redeemed at their Early Redemption Amount referred to in paragraph 6.7 below.

6.7 Early Redemption Amounts

For the purpose of N&C Security Conditions 6.4 (Redemption for illegality), 6.5 (Regulatory Redemption Event), 6.6 (Redemption for tax reasons) and N&C Security 9 (Events of Default) or in the case of any other early redemption of the N&C Securities in an applicable Annex, each N&C Security will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a N&C Security 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 N&C Security (other than a Zero Coupon N&C Security) 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 N&C Security is denominated, subject as provided below, the amount specified in, the applicable Issue Terms or, if no such amount is so specified in the applicable Issue Terms, at its nominal amount; or
- (c) in the case of a Zero Coupon N&C Security 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 the Day Count Fraction specified in the applicable Issue Terms which will be either (i) 30/360 (in which case the numerator will be 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 N&C Securities to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such N&C Security becomes due and repayable and the denominator 360), (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the N&C Securities to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such N&C Security becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the N&C Securities to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such N&C Security becomes due and repayable and the denominator will be 365);

- (d) if "**Market Value less Associated Costs**" is specified as the Early Redemption Amount in the applicable Issue Terms, the Early Redemption Amount in respect of each unit of N&C Securities or nominal amount of N&C Securities equal to the Calculation Amount or, in the case of Partial Redemption N&C Securities, each unit of N&C Securities or nominal amount of N&C Securities which as of the Issue Date had a nominal amount equal to the Calculation Amount, shall be an amount determined by the Calculation Agent, which on (i) in the case of redemption other than pursuant to N&C Security Condition 9 (Events of Default), the second (2nd) Business Day immediately preceding the due date for the early redemption of the N&C Security or (ii) in the case of redemption pursuant to N&C Security Condition 9 (Events of Default), the due date for the early redemption of the N&C Security, represents the fair market value of such N&C Securities determined by the Calculation Agent using its internal models and methodologies by reference to such factors as the Calculation Agent considers to be appropriate (including, but not limited to, (a) interest rates, index levels, implied volatilities in the option markets and exchange rates; (b) the remaining life of the N&C Securities had they remained outstanding to scheduled maturity and/or any scheduled early redemption; (c) the value at the relevant time of any minimum redemption

amount which would have been applicable had the N&C Securities remained outstanding to scheduled maturity and/or any scheduled early redemption date; and (d) prices at which other market participants might bid for securities similar to the N&C Securities), less, Associated Costs. In respect of N&C Securities bearing interest, the Early Redemption Amount, as determined by the Calculation Agent, in accordance with this paragraph, shall not include any accrued but unpaid interest save to the extent this may be taken into account, where appropriate, in determining the fair market value referred to above.

As used herein:

"Associated Costs" means an amount per nominal amount of the N&C Securities equal to the Calculation Amount or, in the case of Partial Redemption N&C Security, an amount per nominal amount of N&C Securities which as of the Issue Date had a nominal amount equal to the Calculation Amount equal to such N&C Securities *pro rata* share (determined on the basis of such nominal amount of the N&C Security and the aggregate of such nominal amounts of all N&C Securities which have not previously 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, substituting, re-establishing and/or incurring the funding relating to the N&C Securities and/or any costs associated with unwinding, substituting, re-establishing and/or incurring any hedge positions relating to the N&C Securities, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner; or

- (e) if **"Market Value"** is specified as the Early Redemption Amount in the applicable Issue Terms, the Early Redemption Amount in respect of each unit of N&C Securities or nominal amount of N&C Securities equal to the Calculation Amount or, in the case of Partial Redemption N&C Securities, each unit of N&C Securities or nominal amount of N&C Securities which as of the Issue Date had a nominal amount equal to the Calculation Amount, shall be an amount determined by the Calculation Agent, which on (i) in the case of redemption other than pursuant to N&C Security Condition 9 (Events of Default), the second (2nd) Business Day immediately preceding the due date for the early redemption of the N&C Security or (ii) in the case of redemption pursuant to N&C Security Condition 9 (Events of Default), the due date for the early redemption of the N&C Security, represents the fair market value of such N&C Securities determined by the Calculation Agent using its internal models and methodologies by reference to such factors as the Calculation Agent considers to be appropriate (including, but not limited to, (a) interest rates, index levels, implied volatilities in the option markets and exchange rates; (b) the remaining life of the N&C Securities had they remained outstanding to scheduled maturity and/or any scheduled early redemption; (c) the value at the relevant time of any minimum redemption amount which would have been applicable had the N&C Securities remained outstanding to scheduled maturity and/or any scheduled early redemption date; and (d) prices at which other market participants might bid for securities similar to the N&C Securities). In respect of N&C Securities bearing interest, the Early Redemption Amount, as determined by the Calculation Agent, in accordance with this paragraph, shall not include any accrued but unpaid interest save to the extent this may be taken into account, where appropriate, in determining the fair market value referred to above.
- (f) in the case of Exempt N&C Securities only, on such other calculation basis as may be specified in the applicable Pricing Supplement.

6.8 Automatic Early Redemption Event

This N&C Security Condition 6.8 applies to N&C Securities which are subject to redemption prior to the Maturity Date following the occurrence of an Automatic Early Redemption Event as described below, such redemption being referred to as an "Automatic Early Redemption". The applicable Issue Terms and, in the case of Variable Redemption N&C Securities, the relevant provisions of the Payout Annex contain provisions applicable to any Automatic Early Redemption and must be read in conjunction with this N&C Security Condition 6.8 for full information on any Automatic Early Redemption. In particular, the applicable Issue Terms will identify those items specified in the applicable paragraph of the Payout Annex.

If Automatic Early Redemption is (i) specified as applicable in the applicable Issue Terms in respect of any Variable Redemption N&C Securities for which an Automatic Early Redemption Event is specified in the Payout Annex, or (ii) specified as applicable in the applicable Pricing Supplement for any Exempt N&C Securities for which an Automatic Early Redemption Event is specified in such Pricing Supplement, then unless previously redeemed or purchased and cancelled if such Automatic Early Redemption Event occurs, then the Issuer will give notice to N&C Securityholders in accordance with N&C Security Condition 13 (Notices) and the N&C Securities will be redeemed in whole, but not in part, on the Automatic Early Redemption Date as specified in the applicable Issue Terms at the Automatic Early Redemption Amount as specified in the Payout Annex. For the purposes of these Conditions, the Agency Agreement, Global N&C Securities and other forms of N&C Securities, all references to an Early Redemption Date or Early Redemption Amount shall be deemed to include a reference to an Automatic Early Redemption Date or Automatic Early Redemption Amount, as applicable.

6.9 Specific redemption provisions applicable to certain types of Exempt N&C Securities

The Final Redemption Amount, any Optional Redemption Amount, any Automatic Early Redemption Event, Automatic Early Redemption Amount and any Early Redemption Amount in respect of any Exempt N&C Securities may be specified in, or determined in the manner specified in, the applicable Pricing Supplement.

Instalment N&C Securities will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment N&C Securities will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid N&C Securities will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this N&C Security Condition 6 and the applicable Pricing Supplement.

6.10 Purchases

The Issuer or any of its respective Affiliates (as defined below) may at any time purchase N&C Securities (provided that, in the case of Definitive Bearer N&C Securities, 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 N&C Securities may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

6.11 Cancellation

All N&C Securities which are redeemed will forthwith be cancelled (together, in the case of Definitive Bearer N&C Securities, with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All N&C Securities so cancelled and any N&C Securities purchased and cancelled pursuant to N&C Security Condition 6.10 (Purchases) above (together, in the case of Definitive Bearer N&C Securities, with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

6.12 Late payment on Zero Coupon N&C Securities

If the amount payable in respect of any Zero Coupon N&C Security upon early redemption of such Zero Coupon N&C Security pursuant to N&C Security Conditions 6.4 (Redemption for illegality) or 6.5 (Regulatory Redemption Event) above or upon its becoming due and repayable as provided in N&C Security Condition 9 (Events of Default) or otherwise pursuant to any Annex is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon N&C Security shall be the amount calculated as provided in N&C Security Condition 6.7(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon N&C Security 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 N&C Security 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 N&C Securities has been received by the Agent or the Registrar and notice to that effect has been given to the N&C Securityholders in accordance with N&C Security Condition 13 (Notices).

6.13 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 N&C Securities from time to time.

"**Partial Redemption Amount**" means the amount specified as such in the applicable Issue Terms.

7. TAXATION

All payments of principal and interest in respect of the N&C Securities, Receipts and Coupons by or on behalf of the Issuer 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 unless such withholding or deduction is required by law. In such event, the Issuer (or as the case may be, the relevant Paying Agent) will make such payment after the withholding or deduction of such taxes, duties, assessments or governmental charges has been made, shall account to the relevant authorities for the amount required to be withheld or deducted and shall not pay any additional amounts to the holders of the N&C Securities, Receipts or Coupons.

8. PRESCRIPTION

The N&C Securities (whether in bearer or registered form), 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 N&C Security Condition 8 or N&C Security Condition 5.1(D) (*Payment of principal in respect of Definitive Bearer N&C Securities - Unmatured Coupons and Talons void*) or any Talon which would be void pursuant to N&C Security Condition 5.1(D) (*Payment of principal in respect of Definitive Bearer N&C Securities - Unmatured Coupons and Talons void*).

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 or the Registrar, as the case may be 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 N&C Securityholders in accordance with N&C Security Condition 13 (Notices).

9. EVENTS OF DEFAULT

- 9.1 If Events of Default is specified as being applicable in the applicable Issue Terms, 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 or, in the case of N&C Securities issued in units, of the number of the N&C Securities then outstanding so request, the Issuer by notice in relation to the same event given in accordance with N&C Security Condition 13 (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 unless (in the case

of (i) or (ii) below) the relevant default(s) or failure(s) shall have been cured by the Issuer prior to receipt of such written notice, all but not some only of the N&C Securities 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 14 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 N&C Securities or any of them. The Issuer 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 will not be in default if it acts on the advice given to it during such 14 day period by an independent legal adviser; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the N&C Securities 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 (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 N&C Securities)).

At any time after such a declaration of acceleration with respect to the N&C Securities has been made and before a judgment or decree for payment of the money due with respect to any N&C Security has been obtained by any Securityholder, such declaration and its consequences may be rescinded and annulled upon the written consent of holders of a majority in aggregate nominal amount or, in the case of N&C Securities issued in units, of the number of the N&C Securities then outstanding, or by resolution adopted by a majority in aggregate nominal amount or, in the case of N&C Securities issued in units, of the number of the N&C Securities outstanding present or represented at a meeting of holders of the N&C Securities at which a quorum is present, as provided in the Agency Agreement, if:

- (1) (A) the Issuer has paid or deposited with the Principal Paying Agent a sum sufficient to pay:
 - (i) all overdue amounts of interest on the N&C Securities;
 - (ii) all other amounts which have become due in respect of the N&C Securities otherwise than by such declaration of acceleration; or
- (B) in the case of N&C Securities to be redeemed by physical delivery, the Issuer has delivered the Relevant Assets to any agent appointed by the Issuer to deliver such assets to the N&C Securityholders; and
- (2) all Events of Default with respect to the N&C Securities, other than the non-payment of the Early Redemption Amounts which have become due solely by such declaration of acceleration, have been cured or waived by the relevant written resolution or resolution as provided above.

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

9.2 Any default by the Issuer other than the events described in N&C Security Condition 9.1(i) above, may be waived by the written consent of holders of a majority in aggregate principal amount of the N&C Securities then outstanding affected thereby, or by resolution adopted by a majority in aggregate principal amount of such N&C Securities then outstanding present or represented at a meeting of holders of the N&C Securities affected thereby at which a quorum is present, as provided in the Agency Agreement.

10. REPLACEMENT OF N&C SECURITIES, RECEIPTS, COUPONS AND TALONS

Should any N&C Security or, if applicable, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed it may be replaced, in the case of Definitive Bearer N&C Securities, Receipts or Coupons, at the specified office of the Principal Paying Agent or, in the case of Definitive Registered N&C Securities, at the specified office of the Registrar (or in any case such other place of which notice shall have been given to the N&C Securityholders in accordance with N&C Security Condition 13 (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 N&C Securities or, if applicable, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Issue Terms.

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; and
- (B) so long as the N&C Securities are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Definitive Bearer N&C Securities) and a Transfer Agent (in the case of Definitive Registered N&C Securities) 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.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in N&C Security Condition 5.6 (Place of Payment). Notice of any variation, termination, appointment or change in Paying Agents will be given to the N&C Securityholders of the relevant Series of N&C Securities promptly by the Issuer in accordance with N&C Security Condition 13 (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 do not assume any obligation to, or relationship of agency or trust with, any N&C Securityholders, Receiptholders 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 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 Paying Agents, the N&C Securityholders, the Receiptholders and the Couponholders.

12. 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 N&C Security to which it appertains) a further Talon, subject to the provisions of N&C Security Condition 8 (Prescription).

13. NOTICES

All notices regarding the N&C Securities 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 N&C Securities 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. If publication as provided above is not practicable, notice will be given in such other manner as the Issuer deems appropriate. Any such notice will be deemed to have been given on the date of such notice.

Until such time as any definitive N&C Securities are issued, notice may be given (so long as any Global N&C Securities representing the N&C Securities are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg (and so long as the rules of any stock exchange on which the N&C Securities are listed, or the rules of any other relevant authority by which the N&C Securities have been admitted to listing, permit)) by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (instead of by way of publication or mailing) for communication by them to the holders of the N&C Securities provided that, in addition, for so long as any N&C Securities are listed on a stock 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 N&C Securities on the day falling such number of days specified in the Issue Terms after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as the case may be.

All notices regarding the Definitive Registered N&C Securities will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Definitive Registered N&C Securities are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

In the case of Definitive N&C Securities, notices to be given by any N&C Securityholder shall be in writing and given by lodging the same, together with the relative N&C Security or N&C Securities, with the Principal Paying Agent (in the case of Definitive Bearer N&C Securities) or the Registrar (in the case of Definitive Registered N&C Securities). Whilst any of the N&C Securities are represented by a Global N&C Security, such notice may be given by any holder of a N&C Security to the Principal Paying Agent or the Registrar through 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 Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. SUBSTITUTION

(a) Substitution of Issuer

The Issuer (or any previously substituted company from time to time) shall, without the consent of the N&C Securityholders, be entitled at any time to substitute for the Issuer any Affiliate of the Issuer (the "**Substitute Issuer**"), as principal debtor in respect of all obligations arising from or in connection with the N&C Securities provided that (i) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the N&C Securities represent valid, legally binding and enforceable obligations of the Substitute Issuer have been taken, fulfilled and done and are in full force and effect; (ii) the Substitute Issuer shall have assumed all obligations arising from or in connection with the N&C Securities and shall have become a party to the Agency Agreement, with any consequential amendments; (iii) each stock exchange or listing authority on which the N&C Securities are listed shall have confirmed that following the proposed substitution of the Substitute Issuer the N&C Securities would continue to be listed on such stock exchange; (iv) the Issuer shall have given at least 30 calendar days' prior notice of the date of such substitution to the N&C Securityholders in accordance with N&C Security Condition 13 (Notices); and (v) the creditworthiness of the Substitute Issuer at such time is at least equal to the creditworthiness of the Issuer (or of any previous substitute under this Condition), as determined by the Calculation Agent acting in good faith and in a

commercially reasonable manner by reference to, inter alia, the long term senior debt ratings (if any) assigned by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. and/or Moody's Investors Service Ltd. and/or Fitch Ratings Limited, or any successor rating agency or agencies thereto, or such other rating agency as the Calculation Agent determines to the Substitute Issuer or, as the case may be, to the Issuer (or any previous substitute under this Condition).

(b) Substitution of Branch

The Issuer shall have the right upon 30 calendar days' prior notice to the N&C Securityholders in accordance with N&C Security Condition 13 (Notices) to change the branch or office through which it is acting for the purpose of the N&C Securities, 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.

15. MEETINGS OF N&C SECURITYHOLDERS AND MODIFICATIONS

The Agency Agreement contains provisions for convening meetings of the N&C Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in Schedule 7 of the Agency Agreement) of a modification of the N&C Securities, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer at any time and shall be convened by the Issuer at the request of N&C Securityholders holding not less than five per cent. (5%) in nominal amount or number of units of the N&C Securities 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 or number of units of the N&C Securities for the time being outstanding, or at any adjourned such meeting one or more persons being or representing N&C Securityholders whatever the nominal amount or number of units of the N&C Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the N&C Securities, the Receipts or the Coupons (including modifying the date of maturity of the N&C Securities 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 N&C Securities or altering the currency in which payments under the N&C Securities, Receipts and Coupons are to be made), the quorum shall be one or more persons holding or representing in the aggregate 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 or number of units of the N&C Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of the N&C Securityholders shall be binding on all the N&C Securityholders, 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 N&C Securityholders, Receiptholders or Couponholders to:

- (A) any modification of (except as mentioned above) the provisions of the N&C Securities, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the N&C Securityholders; or
- (B) any modification of any of the provisions of these Conditions, the N&C Securities, 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 to comply with mandatory provisions of applicable law.

Any such modification shall be binding on the N&C Securityholders, the Receiptholders and the Couponholders and any such modification shall be notified to the N&C Securityholders in accordance with N&C Security Condition 13 (Notices) as soon as practicable thereafter.

16. REDENOMINATION

16.1 Redenomination

Redenomination may be specified as applicable in the applicable Pricing Supplement for a Series of Exempt N&C Securities. If redenomination is so specified as applicable, the Issuer may, without the consent of the N&C Securityholders, the Receiptholders and the Couponholders on giving prior notice to the Principal Paying Agent, Euroclear and Clearstream,

Luxembourg or the Registrar, as applicable and at least thirty (30) calendar days' prior notice to the N&C Securityholders in accordance with N&C Security Condition 13 (Notices) elect that, with effect from the Redenomination Date specified in the notice, the N&C Securities shall be redenominated in euro.

The election will have effect as follows:

- (a) the N&C Securities and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each N&C Security and Receipt equal to the nominal amount of that N&C Security or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent or the Registrar, as applicable, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the N&C Securityholders, the stock exchange (if any) on which the N&C Securities 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 N&C Security Condition 16.1(d) below, the amount of interest due in respect of the N&C Securities will be calculated by reference to the aggregate nominal amount of N&C Securities 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 N&C Securities 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 N&C Securities, in the denomination of euro 100,000 and/or such higher amounts as the Agent may determine and notify to the N&C Securityholders and any remaining amounts less than euro 100,000 shall be redeemed by the Issuer and paid to the N&C Securityholders in euro in accordance with N&C Security Condition 5 (Payments); and (ii) in the denominations of euro 1,000, euro 10,000, euro 50,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Principal Paying Agent or the Registrar, as applicable may approve) euro 0.01 and such other denominations as the Principal Paying Agent or the Registrar, as applicable shall determine and notify to the N&C Securityholders;
- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the N&C Securities) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated N&C Securities, 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 N&C Securities and Receipts so issued will also become void on that date although those N&C Securities and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated N&C Securities, Receipts and Coupons will be issued in exchange for N&C Securities, Receipts and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent or the Registrar, as applicable may specify and as shall be notified to the N&C Securityholders 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 N&C Securities;
- (e) after the Redenomination Date, all payments in respect of the N&C Securities, 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 N&C Securities 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 N&C Securities are Fixed Rate N&C Securities 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 N&C Securities represented by a Global N&C Security, by applying the Rate of Interest to the aggregate outstanding nominal amount of the N&C Securities represented by such Global N&C Security; and

(ii) in the case of definitive N&C Securities, 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 N&C Security in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate N&C Security 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 N&C Securities are Floating Rate N&C Securities, the applicable Pricing Supplement 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 or the Registrar, as applicable, and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in euro.

16.2 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 Union regulations) into euro established by the Council of the European Union pursuant to Article 140 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;

"Redenomination Date" means (in the case of interest bearing N&C Securities) any date for payment of interest under the N&C Securities or (in the case of any other N&C Securities) any date, in each case specified by the Issuer in the notice given to the N&C Securityholders pursuant to N&C Security Condition 16.1 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;

"Relevant N&C Securities" means all N&C Securities where the applicable Pricing Supplement provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area; and

"Treaty" means the Treaty on the Functioning of the European Union, as amended.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the N&C Securityholders, the Receiptholders or the Couponholders to create and issue further N&C Securities having terms and conditions the same as the N&C Securities or the same in all respects save for the issue price and date of issue thereof, the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding N&C Securities.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the N&C Securities 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.

19. 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.

20. GOVERNING LAW AND JURISDICTION

20.1 Governing law

The Agency Agreement, the N&C Securities Depository Agreement, the Deed of Covenant, the N&C Securities, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the N&C Securities, the Receipts and the Coupons are governed by, and construed in accordance with, English law.

20.2 Jurisdiction

- (a) The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Deed of Covenant, the N&C Securities, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Deed of Covenant, the N&C Securities, the Receipts and/or the Coupons (a "**Dispute**") and the Issuer submits and (by their acquisition of N&C Securities) each N&C Securityholder, Receiptholder and Couponholder is deemed to submit to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this N&C Security Condition 20.2, the Issuer waives and (by their acquisition of N&C Securities) each N&C Securityholder, Receiptholder and Couponholder is deemed to waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

SCHEDULE 4

AMENDMENTS TO THE PAYOUT ANNEX

PAYOUT ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

The terms and conditions applicable to payouts shall comprise (a) the General Terms and Conditions of the N&C Securities (the "N&C Security Conditions") and the additional Terms and Conditions for payouts set out below (the "Payout Conditions") or, as applicable (b) the General Terms and Conditions of the Warrants (the "Warrant Conditions") and the Payout Conditions, in each case, together with any Terms and Conditions as set out in each other Annex which is specified as applicable in the applicable Issue Terms (together with (i) in the case of N&C Securities, the N&C Security Conditions or (ii) in the case of Warrants, the Warrant Conditions, as the case may be, the "Conditions") and, in each case subject to completion in the applicable Issue Terms. In particular, certain sections of the Payout Conditions will be set out and completed in the applicable Issue Terms. In the event of any inconsistency between the N&C Security Conditions or the Warrants Conditions, as the case may be, and the Payout Conditions, the Payout Conditions shall prevail. In the event of any inconsistency between (i) the N&C Security Conditions or the Warrants Conditions, as the case may be, and/or the Payout Conditions and (ii) the Issue Terms, the Issue Terms shall prevail. References in the Payout Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" or "Warrant" and "Warrants" as the context admits and references to "Securityholder" shall be deemed to be references to "N&C Securityholder" or "Warrantholder" as the context admits.

References below to a numbered N&C Security Condition or Warrant Condition, as the case may be, are to such numbered section of the N&C Security Conditions or Warrant Conditions, as applicable, and references to a numbered section of the Payout Conditions are to such numbered section as set out in this Payout Annex. Defined terms used in this Payout Annex where the same term may be used in another Annex shall have the meanings given in this Payout Annex notwithstanding the same terms being used in another Annex.

1. VARIABLE INTEREST RATE N&C SECURITIES, VARIABLE REDEMPTION N&C SECURITIES AND VARIABLE SETTLEMENT WARRANTS

1.1 Use of Payout Conditions

These Payout Conditions set out the methodology for determining various payouts in respect of N&C Securities and Warrants. The applicable text shown below will be extracted, included and completed in the applicable Issue Terms for N&C Securities or Warrants on the following basis:

- (a) for N&C Securities, applicable text (including, where appropriate, section headings and on the basis that inapplicable text need not be included) from (a) if applicable, Payout Condition 2, (derived from the relevant N&C Coupon Payout) and Product Definitions, and/or (b) if applicable, Payout Condition 3.1 (derived from the relevant N&C Redemption Payout) and Product Definitions, and/or (c) if applicable, Payout Condition 4.1(a) and 4.2 (derived from the relevant N&C Redemption Payout) and Product Definitions, will be set out as indicated in the applicable Issue Terms; and
- (b) for Warrants, applicable text (including, where appropriate section headings and on the basis that inapplicable text need not be included) from Payout Conditions 3.2, 3.3, 4.1(b) and 4.2 (in each case derived from the relevant Warrant Payout) and Product Definitions, will be set out as indicated in the applicable Issue Terms.

1.2 N&C Security Conditions

N&C Securities using (a) an N&C Redemption Payout will be "**Variable Redemption N&C Securities**" and (b) an N&C Coupon Payout will be "**Variable Interest Rate N&C Securities**".

1.3 Warrant Conditions

Warrants using a Warrant Payout will be "**Variable Settlement Warrants**".

1.4 N&C Security types

The applicable Issue Terms will specify whether a N&C Security is an Equity Linked N&C Security, an Equity Index/ETF Linked N&C Security, an Inflation Index Linked N&C Security, a Property Index Linked N&C Security or a Cross-Asset Linked N&C Security and, if such N&C Security is an Equity Linked N&C Security or an Equity Index/ETF Linked N&C Security, may specify it is also a Partial Redemption N&C Security.

1.5 Warrant Types

The applicable Issue Terms will specify whether a Warrant is an Equity Linked Warrant, an Equity Index/ETF Linked Warrant, an Inflation Index Linked Warrant, a Property Index Linked Warrant or a Cross-Asset Linked Warrant.

1.6 Use of *n*, *t* and *i*

Terms used in these Payout Conditions may be attributed a numerical suffix value when included in the applicable Issue Terms. The suffix can be denoted as "*n*", "*t*" or "*i*" and the term will be completed on the basis of the number or numbers represented by *n*, *t* or *i*, as chosen at the time of an issue of Securities. For example, if *n* is 1, Barrier_{*n*=1} will appear as "Barrier 1" when set out in the applicable Issue Terms. A term from the Product Definitions may be included in the applicable Issue Terms section more than once if there is more than one number represented by the term *n*, *t* or *i*.

1.7 Definitions and Interpretation

"N&C Coupon Payout" means any payout specified in Payout Condition 2, in each case as extracted, included and completed in the applicable Issue Terms.

"N&C Redemption Payout" means any payout specified in Payout Conditions 3.1, 4.1(a) and 4.2 below, in each case as extracted, included and completed in the applicable Issue Terms.

"Product Definitions" means each of the defined terms in Payout Condition 5 below.

"Warrant Payout" means any payout specified in Payout Condition 3.2, 3.3, 4.1(b) and 4.2 below, in each case as extracted, included and completed in the applicable Issue Terms.

References in the Payout Conditions to an N&C Security will be deemed to refer to each unit of N&C Securities or nominal amount of N&C Securities equal to the Calculation Amount unless otherwise stated.

2. INTEREST BEARING N&C SECURITIES

2.1 Operative paragraph of the Issue Terms

(a) Paragraph 15.1 (Fixed Rate N&C Security Provisions)

Subject to any prior purchase and cancellation or early redemption, the [Rate of Interest applicable to] [amount of interest payable on] each Fixed Rate N&C Security on an Interest Payment Date shall be as set out below:

(b) Paragraph 16.4 (Floating Rate N&C Security Provisions)

Subject to any prior purchase and cancellation or early redemption, the Interest Amount payable in respect of each N&C Security on the relevant Specified Interest Payment Date shall be determined by the Calculation Agent in accordance with the methodology set out below:

(c) Paragraph 18.1 (Other Variable Interest Rate N&C Security Provisions)

Subject to any prior purchase and cancellation or early redemption, the Interest Amount payable in respect of each N&C Security on the relevant Specified Interest Payment Date shall be determined by the Calculation Agent in accordance with the methodology set out below:

2.2 Interest Payment Options

2.2.1 Interest Payment Option 1

Calculation Amount * Rate of Interest

2.2.2 Interest Payment Option 2

(1) If the Barrier Condition is satisfied:

Calculation Amount * Rate of Interest_{n=1}; or

(2) If the Barrier Condition is not satisfied:

Calculation Amount * Rate of Interest_{n=2}

2.2.3 Interest Payment Option 3

(1) If the Barrier Condition is satisfied:

Calculation Amount * Rate of Interest; or

(2) If the Barrier Condition is not satisfied:

zero

3. EARLY REDEMPTION / EXERCISE AND CASH SETTLEMENT FEATURES

3.1 Item 26 (Automatic Early Redemption) – Issue Terms for N&C Securities

Subject to any prior purchase and cancellation or early redemption, each N&C Security will be early redeemed [in whole] [in part, such part representing the Final Redemption Amount and final instalment in respect of the N&C Securities] at the Automatic Early Redemption Amount which will be equal to the Autocallable Amount on the relevant Automatic Early Redemption Date in [*Specified Currency*] if the Calculation Agent determines that Barrier Condition is satisfied.

3.2 Item 12 (Exercise Date(s)) – Issue Terms for Warrants

The exercise date[s] of the Warrants [is] [are] []. (*N.B. insert only single Exercise Date in relation to European Style Warrants*)

[*In respect of European Style auto-callable Warrants, insert: The exercise date of the Warrants will be (i) [●] or (ii) if earlier, the date on which the [Barrier Condition] [Trigger Condition] is satisfied or, in each case, if such date is not an Exercise Business Day the Exercise Date shall be the immediately [preceding] [succeeding] Exercise Business Day.*]

3.3 Item 15.1 (Cash Settlement Amount) - Issue Terms for Warrants

Unless previously exercised, purchased or cancelled in accordance with the Conditions, the Cash Settlement Amount per Warrant payable in [*Specified Currency*] on the Settlement Date shall be determined by the Calculation Agent in accordance with the following methodology:

(a) if Barrier Condition has been satisfied, the Cash Settlement Amount shall be equal to the applicable Autocallable Amount; or

(b) if Barrier Condition has not been satisfied, the Cash Settlement Amount shall be determined in accordance with the methodology below:

4. FINAL REDEMPTION/ CASH SETTLEMENT FEATURES

4.1 Operative paragraph of the Issue Terms

(a) Paragraph 24 (Final Redemption Amount) – Issue Terms for N&C Securities

Subject to any prior purchase and cancellation or early redemption, each N&C Security will be redeemed on the Maturity Date at an amount in [*Specified Currency*] determined by the Calculation Agent in accordance with the methodology as set out below:

(b) Paragraph 15.1 (Cash Settlement Amount) - Issue Terms for Warrants

Unless previously exercised or cancelled in accordance with the Conditions, the Cash Settlement Amount per Warrant will be an amount in [*Specified Currency*] determined by the Calculation Agent in accordance with the methodology as set out below:

4.2 Final Payment Options

4.2.1 Final Payment Option 1

Calculation Amount * [[●] per cent. + Bonus Amount - Barrier Return]

4.2.2 Final Payment Option 2

Calculation Amount * [[●] per cent. + [[●] per cent. * Max[Floor, Min(Cap, ((Participation * Asset Final Performance) [+/-] [●] per cent.))]] [+/-]

(a) [Max(Floor, Min(Cap, (Participation * Asset Final Performance)))];

(b) [Bonus]; or

(c) [Barrier Return]]

4.2.3 Final Payment Option 3

(1) If the Barrier Condition has been satisfied:

Calculation Amount * [Max(Floor, Min(Cap, (Participation * Asset Final Performance)))]

(2) If the Barrier Condition has not been satisfied:

Calculation Amount * [Max(Floor, Min(Cap, (Participation * Asset Final Performance))) – Max(Floor, (Participation * Asset Final Performance))] [+/-] [Bonus]

4.2.4 Final Payment Option 4

(1) If the Barrier Condition has been satisfied:

Calculation Amount * [Outstanding Partial Redemption Nominal Percentage *] [[●] per cent.] [[●] per cent. + [[●] per cent. * Min[Cap_{n=1}, Max(Floor, (Participation * Asset Final Performance), Cap_{n=2})]]]

(2) If the Barrier Condition has not been satisfied:

Calculation Amount * [Outstanding Partial Redemption Nominal Percentage *] [[●] per cent.] [[●] per cent. + [[●] per cent. * Max[Floor, Min (Cap, (Participation * Asset Final Performance))]]] [(Participation * Asset Final Performance)]

4.2.5 Final Payment Option 5

- (1) If Asset Final Performance is greater than or equal to $\text{Barrier}_{n=1}$:

Calculation Amount * [●] per cent.
- (2) If Asset Final Performance is less than $\text{Barrier}_{n=1}$ but greater than or equal to $\text{Barrier}_{n=2}$:

Calculation Amount * [[●] per cent.] [Max(Floor, Min(Cap, (Participation * Asset Final Performance)))]
[(Participation * Asset Final Performance)]
- (3) If Asset Final Performance is less than $\text{Barrier}_{n=2}$:

Calculation Amount * [Min(Cap, (Participation * Asset Final Performance))] [Max(Floor, Min(Cap,
(Participation * Asset Final Performance)) - Max(Floor, (Participation * Asset Final Performance))]
[(Participation * Asset Final Performance)]

4.2.6 Final Payment Option 6

- (1) If the Barrier Condition is satisfied:

Calculation Amount * [[●] per cent.] [[●] per cent. + [[●] per cent. * Max[Floor, Min(Cap, (Participation * Asset
Final Performance))]]]
- (2) If the Barrier Condition is not satisfied and:
 - (a) the Trigger Condition is satisfied:

Calculation Amount * [[●] per cent.] [Max[Floor, Min(Cap, (Participation * Asset Final
Performance))]]]
 - (b) the Trigger Condition is not satisfied:

Calculation Amount * [[●] per cent.] [Max[Floor, Min(Cap, (Participation * Asset Final
Performance))]] [(Participation * Asset Final Performance)]

4.2.7 Final Payment Option 7

- (1) If the Barrier Condition has been satisfied and:
 - (a) Asset Final Performance is greater than [or equal to] the Barrier:

Calculation Amount * [[●] per cent.] [[●] per cent. + (Cap * (Participation * Asset Final
Performance))]
 - (b) Asset Final Performance is less than [or equal to] the Barrier:

Calculation Amount * [●] per cent.
- (2) If the Barrier Condition has not been satisfied:

Calculation Amount * (Participation * Asset Final Performance)

4.2.8 Final Payment Option 8

- (1) If Asset Final Performance is greater than the Barrier:

Calculation Amount * [●] per cent.

- (2) If Asset Final Performance is equal to the Barrier:

Calculation Amount * [●] per cent.

- (3) If Asset Final Performance is less than the Barrier:

Calculation Amount * (Participation * Asset Final Performance)

5. PRODUCT DEFINITIONS

The Product Definitions below, where incomplete, will be set out and completed in the applicable Issue Terms as described in Payout Condition 1 above. Where a table is referred to, the relevant table will be set out in the section of the applicable Issue Terms referred to in the relevant Product Definition as completed in the applicable Issue Terms. Complete Product Definitions may also be set out in the applicable Issue Terms.

For these purposes:

"**Asset**" means in relation to the relevant Asset Class, a Single Asset or a constituent of a Basket Asset, in each case as specified or determined as provided in the applicable Issue Terms.

"**Asset Class**" means one or more of Shares, Depositary Receipts, Equity Index(ices), Exchange Traded Funds, Inflation Index(ices), Property Index(ices) or Fixed Income Benchmark(s), as specified in the applicable Issue Terms.

"**Asset Early**" [means the] [Max] [Min] [Asset Level] [on the relevant [Scheduled Observation Date] [Valuation Date] [Calculation Date]] [Average Level] [Observation Level] [is as specified in the table in [this] paragraph [●] of these Issue Terms] [,] [Barrier].

"**Asset Early Performance**" means the [Early Performance] [Early Performance (Call Spread)] [Early Performance (Rolling Lookback)] [Early Weighted Performance] of [the] [each] [Asset] [Early Laggard] [Early Outperformer].

"**Asset Final**" means [the] [Max] [Min] [Asset Level on the Final Valuation Date] [Average Level] [,] [Observation Level].

"**Asset Final Performance**" means the [Final Performance] [Final Performance (Call Spread)] [Final Performance (Lookback)] [Final Performance (Temporis)] [Final Weighted Performance] [Enhanced Weighted Performance] [Upside Performance] [Downside Performance] [Weighted Performance] of [all] the [Asset[s]] [Final Laggard] [Final Outperformer].

"**Asset Initial**" means [the] [Max] [Min] [Asset Level on the Initial Valuation Date] [Average Level] [Observation Level] [,] [Barrier].

"**Asset Level**" means the [Opening Level] [Closing Level] [Intraday Level] [Observation Level] of the relevant Asset.

"**Asset Lookback**" [means the] [Asset Level on the relevant [Scheduled Observation Date] [Valuation Date] [Calculation Date]] [Average Level] [is as specified in the table in [this] paragraph [●] of these Issue Terms].

"**Autocallable Amount**" [has the value set out in the table in [this] paragraph [●] of these Issue Terms in relation to the [Scheduled Observation Date] [Valuation Date] [Calculation Date] specified in such table in respect of which the Autocallable Amount has become payable or is triggered][means the Partial Redemption Autocall Amount].

"**Automatic Early Redemption Date**" means [the date(s) specified as such in the Issue Terms].

"**Average Level**" means the arithmetic average of each [Opening Level] [Closing Level] [Intraday Level] [Observation Level] observed by the Calculation Agent on each Averaging Date.

"**Averaging Date**" means each date specified as such in the applicable Issue Terms.

"Barrier" means $[\bullet]$ per cent. $[n * \bullet]$ per cent. $[\text{Asset Initial} * \bullet]$ per cent. $[\text{Asset Initial} * n * \bullet]$ per cent. $[\text{Asset Early} * \bullet]$ per cent. $[\text{Asset Early} * n * \bullet]$ per cent. $[\text{Asset Lookback} * \bullet]$ per cent. $[\text{Asset Lookback} * n * \bullet]$ per cent.

"Barrier (Early)" means:

(a) where Barrier Condition Early (European) is applicable:

$[\bullet]$ per cent. $[n * \bullet]$ per cent. [means the percentage ascribed to the relevant [Scheduled Observation Date][Valuation Date][Calculation Date], as specified in the table in [this] paragraph $[\bullet]$ of these Issue Terms];
or

(b) where Barrier Condition Early (Bermudan) is applicable:

$[\bullet]$ per cent. $[n * \bullet]$ per cent.; or

(c) where Barrier Condition Early (American) is applicable:

$[\text{Asset Initial} * \bullet]$ per cent. / $[\text{Asset Initial} * \bullet]$ per cent. * n.

"Barrier (Final)" means:

(a) where Barrier Condition Final (European) is applicable, $[\bullet]$ per cent.; or

(b) where Barrier Condition Final (American) is applicable, $[\text{Asset Initial} * \bullet]$ per cent.

"Barrier Condition" shall mean [Barrier Condition Early] [Barrier Condition Final].

"Barrier Condition Early" shall mean [Barrier Condition Early (European)] [Barrier Condition Early (Bermudan)] [Barrier Condition Early (American)].

"Barrier Condition Early (American)" shall be deemed satisfied if the Calculation Agent determines that on [each] [any] [Scheduled Observation Date] [Valuation Date] [Calculation Date] [related to the relevant Barrier Early Calculation Date] the Asset Level of [each] [any] [the] [Basket] Asset is at [all] [the] [any] time[s] greater than [or equal to] Barrier (Early).

"Barrier Condition Early (Bermudan)" shall be deemed satisfied if the Calculation Agent determines that on any [Scheduled Observation Date] [Valuation Date] [Calculation Date] [during the Observation Period], Asset Early Performance is greater than [or equal to] Barrier (Early).

"Barrier Condition Early (European)" shall be deemed satisfied if the Calculation Agent determines that on [the relevant] [each] [Scheduled Observation Date] [Valuation Date] [Calculation Date], Asset Early Performance is greater than [or equal to] Barrier (Early).

"Barrier Condition Final" shall mean [Barrier Condition Final (European)] [Barrier Condition Final (American)].

"Barrier Condition Final (American)" shall be deemed satisfied if the Calculation Agent determines that on [each] [any] [Scheduled Observation Date] [Valuation Date] [Calculation Date] the Asset Level of [each] [any] [the] [Basket] Asset is [at] [all] [any] [time[s]] greater than [or equal to] Barrier (Final).

"Barrier Condition Final (European)" shall be deemed satisfied if the Calculation Agent determines that on the Final Valuation Date Asset Final Performance is greater than [or equal to] Barrier (Final).

"Barrier Early Calculation Date" means *[date to be specified]* [each Scheduled Observation Date] [Valuation Date] [Calculation Date].

"Barrier Return" shall mean an amount determined by the Calculation Agent in accordance with the following methodology:-

- (a) if Asset Final Performance is greater than [or equal to] the Barrier,

[●] per cent.

- (b) if Asset Final Performance is less than [or equal to] the Barrier:

Max [(Cap +/-) (Participation * Asset Final Performance)], Floor]

"Basket Asset" means an Asset that is a constituent of a basket of Assets, as specified or determined as provided in the applicable Issue Terms.

"Bonus" means an amount calculated and determined by the Calculation Agent in accordance with the following:

- (a) If the Asset Final Performance is greater than [or equal to] Barrier,

[[●] per cent.] [Min[Max(Floor, (Participation * Asset Final Performance)), Cap]]

- (b) If the Asset Final Performance is less than [or equal to] Barrier,

[●] per cent.

"Bonus Amount" shall be determined by the Calculation Agent in respect of each [Scheduled Observation Date] [Valuation Date] [Calculation Date] in accordance with the following formula:

Bonus Number * [●] per cent.

"Bonus Condition" shall be deemed satisfied if the Calculation Agent determines that on each [Scheduled Observation Date] [Valuation Date] [Calculation Date] the Asset Early Performance is greater than [or equal to] the Barrier.

"Bonus Number" shall be [the number of times that the Bonus Condition is satisfied during the Observation Period] [the number corresponding to the last [Scheduled Observation Date] [Valuation Date] [Calculation Date] during the Observation Period upon which the Barrier Condition is satisfied] [or, if the Barrier Condition is not satisfied, zero] [number to be specified].

"Calculation Date" means [the date(s) specified as such in these Issue Terms] [each Scheduled Trading Day in the Observation Period] [and as further described in the applicable Annex for the relevant Asset].

"Cap" means [●] per cent.

"Closing Level" means the Closing Level (as defined in the Equity Index/ETF Linked Conditions) of the relevant Asset where the relevant Asset Class is either an Equity Index or Exchange Traded Fund, or the Closing Price (as defined in the Equity Linked Conditions) of the relevant Asset, where the relevant Asset Class is a Share or a Depositary Receipt.

"Downside Performance" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Initial} - \text{Asset Final}}{\text{Asset Initial}}$$

"Early Laggard" shall mean in relation to the [Scheduled Observation Date] [Valuation Date] [Calculation Date], the Asset with the lowest calculated Early Performance, as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more [Basket] Assets have the same Early Performance as of the [Scheduled Observation Date] [Valuation Date] [Calculation Date], the Calculation Agent shall select any such [Basket] Asset as the Early Laggard acting in good faith and in a commercially reasonable manner.

"**Early Outperformer**" shall mean in relation to the [Scheduled Observation Date] [Valuation Date] [Calculation Date], the Asset with the highest calculated Early Performance, as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more [Basket] Assets have the same Early Performance as of the [Scheduled Observation Date] [Valuation Date] [Calculation Date], the Calculation Agent shall select any such [Basket] Asset as the Early Outperformer acting in good faith and in a commercially reasonable manner.

"**Early Performance**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Early}}{\text{Asset Initial}}$$

"**Early Performance (Call Spread)**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Early}}{\text{Asset Initial}} - 1$$

"**Early Performance (Rolling Lookback)**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Early}}{\text{Asset Lookback}} - 1$$

"**Early Weighted Performance**" means an amount (expressed as a percentage) determined by the Calculation Agent being the sum of the values obtained by applying the following formula to each Basket Asset:

$$W \times \frac{\text{Asset Early} - \text{Asset Initial}}{\text{Asset Initial}}$$

"**Enhanced Weighted Performance**" means an amount (expressed as a percentage) determined by the Calculation Agent being the sum of the values obtained by applying the following formula to each Basket Asset:

$$W * \text{Upside Performance}$$

"**Final Laggard**" shall mean the Asset with the lowest [calculated Downside Performance] [calculated Final Performance] [calculated Upside Performance] [Observation Level], as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more Assets in the Basket have the same [Downside Performance as of the Final Valuation Date] [Final Performance as of the Final Valuation Date] [Upside Performance as of the Final Valuation Date] [Observation Level], the Calculation Agent shall select any such Asset as the Final Laggard acting in good faith and in a commercially reasonable manner.

"**Final Outperformer**" shall mean the Asset with the highest [calculated Downside Performance] [calculated Final Performance] [calculated Upside Performance] [Observation Level], as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more Assets in the Basket have the same [Downside Performance as of the Final Valuation Date] [Final Performance as of the Final Valuation Date] [Upside Performance as of the Final Valuation Date] [Observation Level], the Calculation Agent shall select any such Asset as the Final Outperformer acting in good faith and in a commercially reasonable manner.

"**Final Performance**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Final}}{\text{Asset Initial}}$$

"**Final Performance (Call Spread)**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Final}}{\text{Asset Initial}} - 1$$

"**Final Performance (Lookback)**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Final}}{\text{Max}[(\text{Participation} \times \text{Asset Initial}), \text{Observation Level}]}$$

"**Final Performance (Temporis)**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Final} - \text{Asset Lookback}}{\text{Asset Initial}}$$

"**Final Weighted Performance**" means an amount (expressed as a percentage) determined by the Calculation Agent being the sum of the values obtained by applying the following formula to each Basket Asset:

$$W \times \frac{\text{Asset Final} - \text{Asset Initial}}{\text{Asset Initial}}$$

"**Fixed Income Benchmark**" shall mean the relevant Rate of Interest specified as such in the applicable Issue Terms.

"**Floor**" means [●] per cent.

"**i**" shall mean the corresponding number related to a defined term within the Conditions as specified in the applicable Issue Terms.

"**Intraday Level**" means the Intraday Level (as defined in the Equity Index/ETF Linked Conditions) of the relevant Asset where the relevant Asset Class is either an Equity Index or Exchange Traded Fund or Intraday Price (as defined in the Equity Linked Conditions) of the relevant Asset, where the relevant Asset Class is a Share or a Depositary Receipt.

"**Knock-out Level**" [means [●] per cent.] [n * [●] per cent.] [Asset Initial * [●] per cent.] [Asset Initial * [●] per cent. * n] [shall mean the level ascribed to the relevant [Scheduled Observation Date] [Valuation Date] [Calculation Date], as specified in the table in [this] paragraph [●] of these Issue Terms].

"**Max**" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a comma inside those brackets.

"**Min**" followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a comma inside those brackets.

"**n**" shall mean the corresponding number related to a defined term within the Conditions as specified in the applicable Issue Terms.

"**Observation Days**" means the total number of [calendar days] [Business Days] [Scheduled Observation Dates] [Valuation Dates] [Calculation Dates] in the [Interest Period] [Observation Period].

"**Observation Level**" [shall have the meaning expressed in the applicable Annex for the relevant Asset][means the Rate of Interest determined as provided in N&C Securities Condition 4.8 (as defined in the Base Prospectus)].

"**Opening Level**" means the Opening Level (as defined in the Equity Index/ETF Linked Conditions) of the relevant Asset where the relevant Asset Class is either an Equity Index or Exchange Traded Fund or Opening Price (as defined in the Equity Linked Conditions) of the relevant Asset, where the relevant Asset Class is a Share or a Depositary Receipt.

"**Outstanding Partial Redemption Nominal Percentage**" means a percentage specified as such in the applicable Issue Terms.

"**Paid Interest**" means, in respect of a N&C Security, the sum of all interest paid in respect of that N&C Security from (and including) the Issue Date to (and including) the immediately preceding Specified Interest Payment Date, if any.

"**Participation**" means [●] per cent.

"**Partial Redemption Autocall Amount**" means Outstanding Partial Redemption Nominal Percentage multiplied by Calculation Amount.

"**Range Condition**" shall be deemed satisfied in respect of any day if the Asset Level for such day observed by the Calculation Agent is greater than [or equal to] [●] [per cent.] per annum and less than [or equal to] [●] [per cent.] [per annum].

"**Range Days**" means the actual number of [calendar days] [Business Days] [Scheduled Observation Dates] [Valuation Dates] [Calculation Dates] in the [Interest Period] [Observation Period] on which the Range Condition is satisfied.

"**Rate of Interest**" shall mean in connection with the relevant N&C Coupon Payout specified in these Issue Terms: *[Insert one of:]*

[[●] per cent.] [per annum];

Screen Rate Determination;

ISDA Determination;

Bank of England Base Rate Determination;

(n * [●] per cent.);

[(n * [●] per cent.)] – Paid Interest;

Max(Floor, Min(Cap, Participation * Asset Early [Performance] + [●] per cent.)) [+/- Barrier Return];

$\left([●] \text{ per cent.} \times \frac{\text{Range Days}}{\text{Observation Days}} \right)$; or

[the applicable percentage rate specified in the table in [this] paragraph [●] of these Issue Terms].

"**Scheduled Observation Date**" means [the date(s) specified as such in these Issue Terms] [each Scheduled Trading Day in the Observation Period].

"**Single Asset**" means a single Asset, as specified or determined as provided in the applicable Issue Terms.

"**Trigger Condition**" shall mean [Trigger Condition (European)] [Trigger Condition (American)].

"**Trigger Condition (American)**" shall be deemed satisfied if the Calculation Agent determines that on [each] [any] [Scheduled Observation Date] [Valuation Date] [Calculation Date] the Asset Level of [each] [any] [the] [Basket] Asset is [at] [all] [any] [time[s]] greater than [or equal to] the Trigger.

"**Trigger Condition (European)**" shall be deemed satisfied if the Calculation Agent determines that on the Final Valuation Date Asset Final Performance is greater than [or equal to] the Trigger.

"**Trigger**" means:

(a) where Trigger Condition (European) is applicable:

[●] per cent.; or

(b) where Trigger Condition (American) is applicable:

Asset Initial * [●] per cent.

"**Upside Performance**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Asset Final} - (\text{Barrier} * \text{Asset Initial})}{\text{Asset Initial}}$$

"**Valuation Date**" means [the date(s) specified as such in these Issue Terms] [each Scheduled Trading Day in the Observation Period] [and as further described in the applicable Annex for the relevant Asset].

"**W**" means the weighting in respect of the relevant Basket Asset, as specified in the table in [this] paragraph [●] of these Issue Terms:

"**Weighted Performance**" means an amount (expressed as a percentage) determined by the Calculation Agent being the sum of the values obtained by applying the following formula to each Basket Asset:

$$W * \text{Final Performance}$$

SCHEDULE 5

AMENDMENTS TO THE EQUITY INDEX/ETF ANNEX

EQUITY INDEX/ETF ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR EQUITY INDEX LINKED SECURITIES AND ETF LINKED SECURITIES

*The terms and conditions applicable to Equity Index Linked Securities and/or ETF Linked Securities shall comprise (a) the General Terms and Conditions of the N&C Securities (the "**N&C Security Conditions**") and the additional Terms and Conditions set out below (the "**Equity Index/ETF Linked Conditions**") or (b) the General Terms and Conditions of the Warrants (the "**Warrant Conditions**") and the Equity Index/ETF Linked Conditions, in each case, together with the Terms and Conditions as set out in each other Annex which is specified as applicable in the applicable Issue Terms (together with, (i) in the case of N&C Securities the N&C Security Conditions and the Equity Index/ETF Linked Conditions, or (ii) in the case of Warrants, the Warrant Conditions and the Equity Index/ETF Linked Conditions, as the case may be, the "**Conditions**") and, in each case subject to completion in the applicable Issue Terms. In the event of any inconsistency between the N&C Security Conditions or Warrant Conditions, as the case may be, and the Equity Index/ETF Linked Conditions, the Equity Index/ETF Linked Conditions shall prevail. In the event of any inconsistency between (i) the N&C Security Conditions or Warrant Conditions, as the case may be, and/or the Equity Index/ETF Linked Conditions and (ii) the Issue Terms, the Issue Terms shall prevail. References in the Equity Index/ETF Linked Conditions to "**Security**" and "**Securities**" shall be deemed to be references to "**N&C Security**" and "**N&C Securities**" or "**Warrant**" and "**Warrants**" as the context admits and references to "**Securityholder**" shall be deemed to be references to "**N&C Securityholder**" or "**Warrantholder**" as the context admits. Any reference to "**Index**" within this Annex shall be deemed to be a reference to an Equity Index or a Related Index, as applicable (as hereinafter defined).*

References below to a numbered N&C Security Condition or Warrant Condition, as the case may be, are to such numbered section of the N&C Security Conditions or Warrant Conditions, as applicable, and references to a numbered Equity Index/ETF Linked Condition are to such numbered section as set out in this Equity Index/ETF Annex. Defined terms used in this Equity Index/ETF Annex or the related section of the Issue Terms where the same term may be used in another Annex (e.g. Valuation Date) shall have the meanings given in this Equity Index/ETF Annex or in the section of the Issue Terms relating to Equity Index/ETF Linked Securities notwithstanding the same terms being used in another Annex or section of the Issue Terms.

1. EQUITY INDEX/ETF LINKED SECURITIES

This Equity Index/ETF Linked Condition 1 will apply to N&C Securities only.

(a) Equity Index/ETF Linked Interest N&C Securities

Unless previously redeemed or purchased and cancelled in accordance with the N&C Security Conditions and subject to these Equity Index/ETF Linked Conditions, each Equity Index/ETF Linked Interest N&C Security will bear interest, if applicable, in the manner specified in the applicable Issue Terms and the Conditions.

(b) Equity Index/ETF Linked Redemption N&C Securities

Unless previously redeemed or purchased and cancelled, each N&C Security will be redeemed by the Issuer (A) by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Issue Terms and the Conditions on the Maturity Date or (B) if Physical Delivery is specified in the applicable Issue 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 Pricing Supplement, by payment of the Final Redemption Amount and/or by delivery of the Asset Amount on the terms set out in the applicable Pricing Supplement and the Conditions, in each case on the Maturity Date (subject as provided below). Options (B) or (C) may only be specified for Exempt N&C Securities.

2. EXCHANGE TRADED FUNDS

These Equity Index/ETF Conditions will apply to any Exchange Traded Fund or ETF to which the Securities relate as specified in the applicable Issue Terms. For each such Exchange Traded Fund a Related Index will be specified in the applicable Issue Terms. In this case all references to an Index in these Equity Index/ETF Conditions will be deemed to refer to each such Related Index.

3. MARKET DISRUPTION

"Market Disruption Event" means, in relation to Securities relating to a single Index or Exchange Traded Fund or basket containing any Index or Exchange Traded Fund:

- (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, for purposes of determining an Opening Level, begins at or, for purposes of determining a Closing Level, Intraday Level or Observation Level, 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, for purposes of determining an Opening Level, begins at or, for purposes of determining a Closing Level, Intraday Level or Observation Level, ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
 - (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, for purposes of determining an Opening Level, begins at or, for purposes of determining a Closing Level, Intraday Level or Observation Level, 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 Non-Composite Indices or an ETF Share, the occurrence or existence of (1) at any time during the one hour period that, for purposes of determining an Opening Level, begins at or, for purposes of determining a Closing Level, Intraday Level or Observation Level 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 Securityholders in accordance with N&C Security Condition 13 (Notices) or Warrant Condition 10 (Notices), as applicable, 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. 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 acting in good faith and in a commercially reasonable manner; or
- (ii) replaced by a successor index using, in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index,

then in each case that Index (the "**Successor Index**") will be deemed to be the Index.

(b) Modification and Cessation of Calculation of an Index

If, in the determination of the Calculation Agent,

- (i) on or prior to the last Valuation Date or the last Averaging Date or Scheduled Observation 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 or Scheduled Observation 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, each an "**Index Adjustment Event**";

then the Issuer shall:

- (A) require the Calculation Agent to determine, acting in good faith and in a commercially reasonable manner, if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Index/ETF Level using, in lieu of a published level for that Index or the related ETF, the level for that Index or ETF as at the Valuation Time on that Valuation Date or Averaging Date or Scheduled Observation Date, as the case may be, as determined by the Calculation Agent,

acting in good faith and in a commercially reasonable manner, which in the case of an Index will be determined 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 and in the case of an ETF will be determined as the fair market value of the relevant ETF; or

- (B) if the Calculation Agent determines that it cannot or can no longer calculate the relevant Index/ETF Level as described in paragraph (A), require the Calculation Agent to replace the affected Index/ETF by a new Index/ETF provided that such new index or ETF 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) if this Equity Index/ETF Linked Condition 4(b)(C) is specified as applicable in the applicable Issue Terms and if the Calculation Agent determines that there is not such a new Index/ETF and/or that the application of paragraph (B) would not achieve a commercially reasonable result, on giving notice to Securityholders in accordance with N&C Security Condition 13 (Notices) or Warrant Condition 10 (Notices), as applicable, redeem or cancel, as the case may be, all but not some only of the Securities, each Security being redeemed by payment of the relevant Early Redemption Amount, in the case of N&C Securities, or relevant Early Cancellation Amount, in the case of Warrants.

(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 Securityholders copies of any such determinations.

5. CORRECTION OF INDEX OR ETF SHARE PRICE

With the exception of any corrections published after the day which is three (3) Exchange Business Days prior to (i) in the case of N&C Securities, the Maturity Date or (ii) in the case of Warrants, the Settlement Date, if the level of an Index or ETF published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant Index Sponsor, Exchange or Related Exchange within one Settlement Cycle after the original publication, the level to be used for calculation of any relevant value in relation to the Securities shall be the level of the Index or ETF Share as so corrected and the Calculation Agent may make any relevant adjustment to the Conditions or any subsequent amount payable under the Securities to account therefor, as the Calculation Agent determines appropriate in good faith and in a commercially reasonable manner. The Calculation Agent shall, as soon as practicable, notify the relevant Agent of any adjustment made by it pursuant to this Equity Index/ETF Linked Condition 5 and such Agent shall make available for inspection by Securityholders copies of any such adjustment.

6. POTENTIAL ADJUSTMENT EVENTS

"**Potential Adjustment Event**" means in respect of ETF Shares any of the following:

- (a) a subdivision, consolidation or reclassification of relevant ETF Shares (unless resulting in a Merger Event or, if Tender Offer is specified as applying in the applicable Issue Terms, a Tender Offer) or a free distribution or dividend of any such ETF Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant ETF Shares of (A) such ETF Shares or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the ETF equally or proportionately with such payments to holders of such ETF Shares or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the ETF, as a result of a spin-off or other similar transaction or (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;

- (c) an Extraordinary Dividend as determined by the Calculation Agent;
- (d) a repurchase by the ETF Issuer or any of its subsidiaries of ETF Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (e) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant ETF Shares.

Following the declaration by the ETF Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, acting in good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETF Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of (a) any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery N&C Securities), (b) any Relevant Asset and/or Entitlement (in each case with respect to Physical Delivery Warrants) and/or (c) any of the other terms of the Conditions and/or the applicable Issue Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner 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 ETF 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 ETF Shares relating to any Potential Adjustment Event, and any related adjustments to the terms of the Securities, 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 ETF 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 or Warrant Agent, as the case may be, and (ii) the Securityholders in accordance with N&C Security Condition 13 (Notices) or Warrant Condition 10 (Notices), as applicable, stating the adjustment to (a) any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery N&C Securities), (b) any Relevant Asset and/or Entitlement (in each case with respect to Physical Delivery Warrants) and/or (c) any of the other terms of the Conditions and/or the applicable Issue 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.

7. ADDITIONAL DISRUPTION EVENTS

"Additional Disruption Event" means:

- (A) if "Elected Events Only" is specified in the applicable Issue Terms, any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Loss of Stock Borrow, Merger Event, Tender Offer, Nationalisation, Insolvency, De-Listing and/or ETF Event, but in each case, only to the extent that such events are specified as applying to Equity Index/ETF Linked Securities in the applicable Issue Terms; or
- (B) if "Elected Events Only" is specified not to apply in the applicable Issue Terms, any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Loss of Stock Borrow and/or (where the Securities relate to an Exchange Traded Fund) ETF Event.

Consequences of an Additional Disruption Event

- (a) If an Additional Disruption Event occurs, the Issuer shall:

- (i) require the Calculation Agent to replace the affected Index or ETF Share by a new Index or ETF Share (as applicable) provided that such new Index or ETF Share (as applicable) 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
- (ii) if the Calculation Agent determines that it cannot replace the affected Index or ETF Share as described in paragraph (i),
 - (A) require the Calculation Agent to determine acting in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any of the terms of the Securities to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (B) provided that this Equity Index/ETF Linked Condition 7(a)(ii)(B) is specified as applicable in the applicable Issue Terms, redeem or cancel, as the case may be, the Securities by giving notice to the Securityholders in accordance with N&C Security Condition 13 (Notices) or Warrant Condition 10 (Notices), as applicable. If the Securities are so redeemed or cancelled, the Issuer will pay each Securityholder the Early Redemption Amount, in the case of N&C Securities, or Early Cancellation Amount, in the case of Warrants, in respect of each Security held by him determined taking into account the Additional Disruption Event. Payments will be made in such manner as shall be notified to the Securityholders in accordance with N&C Security Condition 13 (Notices) or Warrant Condition 10 (Notices), as applicable.
- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Securityholders in accordance with N&C Security Condition 13 (Notices) or Warrant Condition 10 (Notices), as applicable stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event or the proposed action.

8. INDEX DISCLAIMER

The Securities 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 Securities. The Issuer shall have no liability to the Securityholders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Neither the Issuer nor 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, its Affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

9. DEFINITIONS

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Issue Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless 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 Issue Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Index/ETF 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 Issue 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 Issue Terms then:
 - (i) where the Securities relate to a single Index or ETF, 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 Securities relate to a basket of assets, the Averaging Date for each Index or ETF 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 or ETF affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index or ETF. If the first succeeding Valid Date in relation to such Index or ETF 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 or ETF, 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 Issue 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).

"**Calculation Date**" means each date specified as a Calculation Date in the applicable Issue Terms which shall be deemed to be a Valuation 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 these Equity Index/ETF Linked Conditions.

"**Change in Law**" means where:

- (a) "Change in Law 1" is specified to be applicable in the applicable Issue Terms, Change in Law 1; or
- (b) "Change in Law 2" is specified to be applicable in the applicable Issue Terms, Change in Law 2.

"**Change in Law 1**" means that, on or after the Trade Date (as specified in the applicable Issue 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 Calculation Agent determines acting in good faith and in a commercially reasonable manner that (i) it has become illegal for any Hedging Party to hold, acquire or dispose of any relevant hedging arrangements relating to a Component Security or the relevant hedge positions relating to an Index or Exchange Traded Fund and/or (ii) any Hedging Party will incur a materially increased cost in performing its obligations in relation to the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer, any of its Affiliates or any Hedging Party).

"Change in Law 2" means that, on or after the Trade Date (as specified in the applicable Issue 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 Calculation Agent determines that it has become illegal for any Hedging Party to hold, acquire or dispose of any relevant hedging arrangements relating to a Component Security or the relevant hedge positions relating to an Index or Exchange Traded Fund.

"Clearance System" means in respect of any security or asset comprised in an Index or an ETF the principal domestic clearance system customarily used for setting trades in that security or asset or the ETF.

"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 Level" means, in relation to:

- (a) a Non-Composite Index, an amount equal to the official closing level of the Index as published by the relevant Index Sponsor;
- (b) a Composite Index, the official closing level of such Index as published by the relevant Index Sponsor; or
- (c) in the case of an Exchange Traded Fund, an amount equal to the official closing price of such ETF Share on the relevant Exchange,

in each case as determined by the Calculation Agent.

"Component Security" means each and any component security or asset of any Index.

"Composite Index" means any Index in respect of which the securities comprising such Index are listed, traded or quoted on more than one exchange or quotation system as determined by the Calculation Agent and provided that, notwithstanding this definition, the Calculation Agent may elect to treat an Index as a Non-Composite Index if it determines this is appropriate acting in good faith and in a commercially reasonable manner.

"De-Listing" means, in respect of any relevant ETF Shares, the relevant Exchange announces that pursuant to the rules of such Exchange, such ETF Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or, if Tender Offer is specified as applying in the applicable Issue Terms, a Tender

Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"Disrupted Day" means any day which is:

- (a) (i) in the case of a Composite Index, any Scheduled Trading Day on which: (A) the Index Sponsor fails to publish the level of the Index; (B) the Related Exchange fails to open for trading during its regular trading session; or (C) a Market Disruption Event has occurred; or
- (ii) in the case of any Non-Composite Index, any Scheduled Trading Day on which: (A) the Exchange or the Related Exchange fails to open for trading during their regular trading session or (B) a Market Disruption Event has occurred; or
- (b) in the case of an ETF, (i) any Scheduled Trading Day on which a Market Disruption Event has occurred, or (ii) a relevant Exchange or any Related Exchange fails to open during its regular trading session; or
- (c) where both Exchange Business Day (Cross Asset Basis) and Scheduled Trading Day (Cross Asset Basis) are specified as applicable in the Issue Terms for Equity Index/ETF Linked Securities and Equity Linked Securities, a Disrupted Day occurs under and as defined in the Equity Linked Conditions.

"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 that would apply to the determination of a Closing Level on such Exchange Business Day; and
- (b) in the case of any Non-Composite Index or ETF, 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 that would apply to the determination of a Closing Level on such Exchange Business Day.

"ETF" means (in respect of an ETF Share) an Exchange Traded Fund.

"ETF Event" means, in respect of an Exchange Traded Fund and/or the ETF Shares in respect of such Exchange Traded Fund, the occurrence or existence, at any time, in respect of such Exchange Traded Fund or ETF Shares, as the case may be, of any of the following, as determined by the Calculation Agent:

- (a) the Exchange Traded Fund is dissolved or the Exchange Traded Fund or ETF Shares cease to exist;
- (b) any voluntary or involuntary liquidation, bankruptcy, insolvency or analogous proceedings are commenced with respect to the Exchange Traded Fund or a resolution is proposed for the winding up or dissolution of the Exchange Traded Fund;
- (c) the Exchange Traded Fund is reclassified, consolidated, amalgamated or merged with another fund whose investment objective(s), risk profile and/or investment benchmark(s) is or are deemed by the Calculation Agent to be different from the investment objective(s), risk profile and/or benchmark(s) that applied to the Exchange

Traded Fund as at the Trade Date, or a resolution or other decision is proposed to effect any such reclassification, consolidation, amalgamation or merger;

- (d) the Exchange Traded Fund consolidates, amalgamates or merges with any other fund such that the Exchange Traded Fund is not the continuing entity, the Exchange Traded Fund changes its form or a resolution or other decision is proposed to effect any such consolidation, amalgamation, merger or change;
- (e) there is a change or any announcement regarding such change that in the opinion of the Calculation Agent is material in the investment objective(s), investment restrictions, investment process, investment guidelines, risk profile, or investment benchmark(s) of the Exchange Traded Fund (howsoever described, including the underlying type of assets in which the ETF invests), the information about the Exchange Traded Fund disclosed in the Fund Documents, any additional public statement of information concerning the Exchange Traded Fund or any rule, law, regulation, similar guideline or other document governing the activities of the Exchange Traded Fund or a resolution or other decision is proposed to effect any such material change;
- (f) any event occurs which is likely to have a material adverse effect on the solvency or liquidity of the Exchange Traded Fund as well as the value of the ETF Shares, including, but not limited to, any material litigation concerning the Exchange Traded Fund between any holders of the ETF Shares and the Exchange Traded Fund or the Exchange Traded Fund and any Fund Service Provider;
- (g) there is any restriction under the constitution of the Exchange Traded Fund or the law of the jurisdiction in which the Exchange Traded Fund is incorporated that is likely to prevent a Hedging Party subscribing for ETF Shares or as a result of which a Hedging Party is likely to be required to redeem any ETF Shares;
- (h) the activities of the Exchange Traded Fund or any Fund Service Provider are placed under review by its regulators for reasons of wrongdoing, breach of any rule or regulation or similar reason;
- (i) (A) a Fund Service Provider ceases to act in such capacity in relation to the ETF (including by way of Merger Event or Tender Offer) and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent; and/or (B) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the ETF and/or any Fund Service Provider to meet or maintain any obligation or undertaking under the Fund Documents which failure is reasonably likely to have an adverse impact on the value of the ETF Shares or on the rights or remedies of any investor therein;
- (j) an Exchange announces that pursuant to the rules of such Exchange, ETF Shares cease (or will cease) to be listed, traded or publicly quoted on the 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 the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union);
- (k) the ETF ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction, provided that on the relevant Issue Date, the ETF was such an undertaking and any such cessation would, in the sole and absolute discretion of the Calculation Agent, have a material adverse effect on any investor in such ETF Shares;
- (l) all the shares or all the assets or substantially all the assets of the Exchange Traded Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (m) any subscription or redemption orders with respect to the ETF Shares are not executed as described in the Fund Documents;
- (n) any suspension or delay of the calculation or publication of the net asset value of the Exchange Traded Fund or ETF Shares or any failure by any Fund Service Provider to deliver when due any relevant report detailing the net asset value of the Exchange Traded Fund;

- (o) the increase of, or introduction by the Exchange Traded Fund of, charges for dealings in ETF Shares; or
- (p) changes in the regulatory, tax, accounting and/or another treatment applicable to the Exchange Traded Fund and/or which might reasonably be expected to have an economic, legal or regulatory impact on a holder of ETF Shares.

"ETF Issuer" means, in respect of an Exchange Traded Fund, the entity specified in the applicable Issue Terms as the issuer of that Exchange Traded Fund.

"ETF Share" means, in respect of an Exchange Traded Fund, the share, unit or other interest or unit of holding in the ETF Issuer (including, without limitation, any debt security) issued to or held by an investor in respect of the relevant Exchange Traded Fund.

"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);
- (b) in the case of any Non-Composite Index, the relevant exchange or quotation system specified for such Index in the applicable Issue Terms or if no such exchange or quotation system is specified for such Index in the Issue Terms, the exchange or quotation system on which all or substantially all relevant Component Securities are listed (being for the avoidance of doubt, where any Component Security has more than one listing, the exchange or quotation system used by the relevant Index Sponsor for the purposes of valuing the relevant price of such Component Security) or, in each case, 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 in relation to the Component Securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); and
- (c) in respect of an ETF Share, each exchange or quotation system specified as such for such ETF Share in the applicable Issue Terms or, if none is specified, the principal exchange or quotation system for trading in such ETF Share, as determined by the Calculation Agent, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which trading in the ETF Share has temporarily relocated, provided that the Calculation Agent has determined that there is comparable liquidity relative to such ETF Share on such temporary substitute exchange or quotation system as on the original Exchange.

"Exchange Business Day" means (a) in the case of a single Index or ETF, Exchange Business Day (Single Index/ETF Basis) or (b) in the case of a basket of Indices or ETFs or assets, (i) Exchange Business Day (All Indices/ETFs Basis) or (ii) Exchange Business Day (Per Index/ETF Basis) or (iii) Exchange Business Day (Cross Asset Basis), in each case as specified in the applicable Issue Terms, provided that, in the case of (b), if no such specification is made in the applicable Issue Terms, Exchange Business Day (All Indices/ETFs Basis) shall apply.

"Exchange Business Day (All Indices/ETFs Basis)" means, in respect of a basket of Indices or ETFs or assets any Scheduled Trading Day on which (a) in respect of any Non-Composite Index, each relevant Exchange and each Related Exchange (if any) is open for trading for its regular trading session in respect of all Indices and/or ETFs comprised in the basket, notwithstanding any such relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time and (b) in respect of any Composite Index, (i) the relevant Index Sponsor calculates and publishes the level of such Composite Index and (ii) each Exchange (in respect only of an ETF) and each Related Exchange (if any) in respect of each Composite Index or ETF in the basket, is open for trading during its regular trading session notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Business Day (Cross Asset Basis)" means, in respect of a basket of assets, any Scheduled Trading Day on which (a) in respect of any Non-Composite Index, each relevant Exchange and each Related Exchange (if any) is open for trading for its regular trading session in respect of all Indices and/or ETFs comprised in the basket, notwithstanding any such relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time and (b) in respect of any Composite Index, (i) the relevant Index Sponsor calculates and publishes the level of such Composite Index and (ii) each Exchange (in respect only of an ETF) and each Related Exchange (if any) in respect of each Composite Index or ETF in the basket, is open for trading during its regular trading session (notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time) which, in each case, is also an Exchange Business Day under and as defined in the Equity Linked Conditions.

"Exchange Business Day (Per Index/ETF Basis)" means any Scheduled Trading Day on which: (a) in the case of any Composite Index (i) the Index Sponsor calculates and publishes the level of such Composite Index; and (ii) each Exchange (in respect only of an ETF) and each Related Exchange (if any) in respect of such Composite Index or an ETF is open for trading during its regular trading session, notwithstanding such Exchange or Related Exchange closing prior to its Scheduled Closing Time; and (b) for any other Index, the relevant Exchange and each Related Exchange (if any) in respect of such Index or an ETF is open for trading during its regular trading session, notwithstanding any such relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Business Day (Single Index/ETF Basis)" means any Scheduled Trading Day on which (a) in respect of a Non-Composite Index, the relevant Exchange and each relevant Related Exchange (if any) in respect of such Index or an ETF is open for trading during its regular trading session, notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (b) in respect of a Composite Index (i) the relevant Index Sponsor calculates and publishes the level of such Composite Index and (ii) each Exchange (in respect only of an ETF) and each Related Exchange (if any) in respect of such Composite Index or an ETF, is open for trading during its regular trading session notwithstanding 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; or
- (b) in the case of any Non-Composite Index or an ETF, 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 ETF Shares on the Exchange (or in the case of an Index, on any relevant Exchange(s) relating to 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 or ETF Shares (as the case may be) on any relevant Related Exchange.

"Exchange Traded Fund" means each fund that is specified in the applicable Issue Terms as an ETF.

"Extraordinary Dividend" means an amount per ETF Share specified in the applicable Issue Terms. If no Extraordinary Dividend is specified in the applicable Issue Terms, the characterisation of a dividend or portion thereof as an Extraordinary Dividend shall be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

"Final Valuation Date" means the date specified as the Final Valuation Date in the applicable Issue Terms, which shall be deemed to be a Valuation 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 these Equity Index/ETF Linked Conditions.

"Fund Documents" means, in respect of an Exchange Traded Fund, the constitutive and governing documents of that Exchange Traded Fund, the prospectus or offering document relating to the Exchange Traded Fund and the relevant ETF Shares, and any subscription or other agreements of the Exchange Traded Fund specifying the terms and conditions relating to the Exchange Traded Fund, each as amended from time to time.

"Fund Service Provider" means, in respect of an Exchange Traded Fund, any person or entity from time to time appointed to provide services, directly or indirectly, in respect of such Exchange Traded Fund, as investment advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, trustee, registrar, domiciliary agent, sponsor, general partner or transfer agent in respect of that Exchange Traded Fund.

"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 any relevant price risk, including but not limited to the currency risk, of the Issuer issuing and performing its obligations with respect to the Securities, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s), as determined by Calculation Agent acting in good faith and in a commercially reasonable manner.

"Hedging Party" means, at any relevant time, the Issuer or any Affiliate(s) or any entity (or entities) providing the Issuer directly or indirectly with hedging arrangements in relation to the Securities as the Issuer may select at such time.

"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 Securities.

"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 Securities, 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/ETF Linked Conditions, the equity index or equity indices and in relation to an Exchange Traded Fund, each related index or related indices specified in the applicable Issue Terms and related expressions shall be construed accordingly.

"Index/ETF Level" means, in respect of an Index or ETF, the Opening Level, Closing Level, Intraday Level or Observation Level of such Index or ETF, as set out in the applicable Issue Terms provided: (a) in respect of any ETF Shares for which the Exchange is an auction or "open outcry" exchange that has a price as of the Relevant Time at which any trade can be submitted for execution, the relevant level shall be the price per ETF Shares as of the Relevant Time on the relevant day, as reported in the official real time price dissemination mechanism for such Exchange; and (b) in respect of any ETF Shares for which the Exchange is a dealer exchange or dealer quotation system, the relevant level shall be the mid point of the highest bid and lowest ask prices quoted as of the Relevant Time on the relevant day (or the last such prices quoted immediately before the Relevant Time) without regard to quotations that "lock" or "cross" the dealer exchange or dealer quotation system.

"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, which as of the Issue Date of the Securities is the index sponsor specified for such Index in the applicable Issue Terms.

"Initial Stock Loan Rate" means, in respect of the relevant Component Security, the rate which the Hedging Party would have incurred to borrow such Component Security on any Relevant Market as of the Trade Date, as determined by the Calculation Agent.

"Initial Valuation Date" means the date specified as the Initial Valuation Date in the applicable Issue Terms, which shall be deemed to be a Valuation 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 these Equity Index/ETF Linked Conditions.

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the ETF (i) all the ETF Shares of that ETF are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the ETF Shares of that ETF become legally prohibited from transferring them.

"Intraday Level" means the level of an Index or ETF Share observed by the Calculation Agent at any time during the regular trading session hours of the relevant Exchange, without regard to after hours or any other trading outside of the regular trading session hours.

"Local Taxes" shall mean taxes, duties and similar charges imposed by the taxing authority of the country in which the ETF Issuer 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 ETF Shares or 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, unless otherwise specified in the applicable Issue Terms, and in respect of the relevant Component Security, the lowest rate which the Hedging Party, after using commercially reasonable efforts, would have incurred to borrow such Component Security in the Relevant Market, in an amount equal to the Hedging Shares, as of the Trade Date, as determined by the Calculation Agent.

"Merger Date" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means, in respect of any relevant ETF Shares, any (i) reclassification or change of such ETF Shares that results in a transfer of or an irrevocable commitment to transfer all of such ETF Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a ETF with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such ETF is the continuing entity and which does not result in a reclassification or change of all of such ETF 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 ETF Shares of the ETF that results in a transfer of or an irrevocable commitment to transfer all such ETF Shares (other than such ETF Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the ETF or its sub-funds with or into another entity in which the ETF is the continuing entity and which does not result in a reclassification or change of all such ETF Shares outstanding but results in the outstanding ETF Shares (other than ETF Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETF Shares immediately following such event, in each case if the Merger Date is on or before (1) in the case of Cash Settled Securities, the last occurring Valuation Date or Scheduled Observation Date or where Averaging is specified in the applicable Issue Terms, the final Averaging Date, (2) in the case of Physical Delivery N&C Securities, the relevant Maturity Date or (3) in the case of Physical Delivery Warrants, the relevant Settlement Date.

"Nationalisation" means that all the ETF Shares or all or substantially all the assets of the ETF are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

"Non-Composite Index" means an Index that is not a Composite Index (together **"Non-Composite Indices"**).

"Observation Level" means any of the following levels, each as specified in the applicable Issue Terms: (a) the lowest Closing Level observed by the Calculation Agent on the Scheduled Observation Dates, (b) the highest Closing Level observed by the Calculation Agent on the Scheduled Observation Dates, or (c) the level of the Index or ETF observed by

the Calculation Agent on the relevant Initial Valuation Date or Scheduled Observation Date at the time specified in the applicable Issue Terms.

"Observation Period" means the period specified as the Observation Period in the applicable Issue Terms.

"Offshore Investor" shall mean a holder of ETF Shares who is an institutional investor not resident in the country in which the ETF Issuer 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 acting in good faith and in a commercially reasonable manner and (ii) may be the jurisdiction of a Hedging Party.

"Opening Level" means, in relation to:

- (a) a Non-Composite Index, an amount equal to the official opening level of the Index as published by the relevant Index Sponsor;
- (b) a Composite Index, the official opening level of such Index as published by the relevant Index Sponsor; or
- (c) in the case of an Exchange Traded Fund, an amount equal to the official opening price of such ETF Share on the relevant Exchange or Related Exchange,

in each case as determined by the Calculation Agent.

"Related Exchange" means, in respect of Equity Index/ETF Linked Securities and in relation to an Index and/or ETF, each exchange or quotation system on which option contracts or futures contracts relating to such Index and/or ETF are traded, as determined by the Calculation Agent, or each exchange or quotation system specified as such for such Index and/or ETF in the applicable Issue Terms, any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index and/or in the ETF 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 and/or the ETF, as applicable, 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 Issue 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 and/or such ETF as determined by the Calculation Agent.

"Related Index" means, in respect of an ETF, the underlying index to which the ETF relates.

"Relevant Market" means, for the purpose of determining any value or other amount pursuant to these Equity Index/ETF Linked Conditions, any relevant quotation system, exchange, dealing system, screen page, over-the-counter derivatives or other market which the Calculation Agent determines appropriate for such purpose and which it may select taking into account hedging arrangements of the Issuer and/or its Affiliates for the Securities.

"Relevant Time" shall have the meaning specified in the applicable Issue Terms.

"Reuters Screen" shall mean, when used in connection with any designated page, specified in the applicable Issue 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 Observation Date" means each date specified as a Scheduled Observation Date in the applicable Issue Terms, which shall be deemed to be a Valuation 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 these Equity Index/ETF Linked Conditions.

"Scheduled Opening Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday opening time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to any pre-opening or any other trading outside of the regular trading session hours.

"Scheduled Trading Day" means (a) in the case of a single Index or ETF, Scheduled Trading Day (Single Index/ETF Basis) or (b) in the case of a basket of Indices or ETFs or assets, (i) Scheduled Trading Day (All Indices/ETFs Basis) or (ii) Scheduled Trading Day (Per Index/ETFs Basis) or (iii) Scheduled Trading Day (Cross Asset Basis), in each case as specified in the applicable Issue Terms, provided that if, in the case of (b), no such specification is made in the applicable Issue Terms, Scheduled Trading Day (All Indices/ETFs Basis) shall apply.

"Scheduled Trading Day (All Indices/ETFs Basis)" means, in respect of a basket of Indices or ETFs or assets any day on which (a) in respect of any Non-Composite Indices, each relevant Exchange and each Related Exchange (if any) in respect of each Index or ETF in the basket is scheduled to be open for trading for its regular trading session, and (b) in respect of any Composite Indices, (i) the relevant Index Sponsor is scheduled to calculate and publish the levels of each Composite Index in the basket and (ii) each Exchange (in respect only of an ETF) and each Related Exchange (if any) in respect of such Composite Indices or an ETF is scheduled to be open for trading during its regular trading session.

"Scheduled Trading Day (Cross Asset Basis)" means, in respect of a basket of assets, any day on which (a) in respect of any Non-Composite Indices, each relevant Exchange and each Related Exchange (if any) in respect of each Index or ETF in the basket is scheduled to be open for trading for its regular trading session, and (b) in respect of any Composite Indices, (i) the relevant Index Sponsor is scheduled to calculate and publish the levels of each Composite Index in the basket and (ii) each Exchange (in respect only of an ETF) and each Related Exchange (if any) in respect of such Composite Indices or an ETF is scheduled to be open for trading during its regular trading session which in each case is also a Scheduled Trading Day under and as defined in the Equity Linked Conditions.

"Scheduled Trading Day (Per Index/ETF Basis)" means (a) in respect of a Non-Composite Index, any day on which the relevant Exchange and each Related Exchange (if any) in respect of such Index or an ETF is scheduled to be open for trading for its regular trading session, and (b) in respect of any Composite Index, any day on which (i) the Index Sponsor is scheduled to calculate and publish the level of such Composite Index; and (ii) each Exchange (in respect only of an ETF) and each Related Exchange (if any) in respect of such Composite Index or an ETF is scheduled to be open for trading for its regular trading session.

"Scheduled Trading Day (Single Index/ETF Basis)" means any day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and each Related Exchange (if any) is scheduled to be open for trading during its regular trading session, and (b) in respect of a Composite Index (i) the relevant Index Sponsor is scheduled to calculate and publish the level of such Composite Index and (ii) each Exchange (in respect only of an ETF) and each Related Exchange (if any) in respect of such Composite Index or an ETF is scheduled to be open for trading during its regular trading session.

"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 Issue Terms, or any successor page or service thereto.

"Settlement Cycle" means, in respect of any Index or ETF, the period of Clearance System Business Days following a trade in the securities underlying such Index or the ETF 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).

"Specified Maximum Days of Disruption" means the lesser of (a) either (i) eight (8) Scheduled Trading Days or (ii) such other number of Scheduled Trading Days specified as such in the applicable Issue Terms and (b) such number of

Scheduled Trading Days in the period from (but excluding) the Scheduled Valuation Date or Scheduled Averaging Date, as applicable to (but excluding) the third (3rd) Business Day prior to any due date or scheduled date for any payment under the Securities for which valuation on the relevant Averaging Date or Valuation Date is relevant, all as determined by the Calculation Agent.

"Tender Offer" means, in respect of any ETF Shares, as determined by the Calculation Agent, acting in a commercially reasonable manner, 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 ETF, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"Trade Date" means the date specified as such in relation to Equity Index/ETF Linked Securities in the applicable Issue Terms.

"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 a Non-Composite Index or ETF Shares, 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 ETF Shares or the 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 or ETF Shares on any relevant Related Exchange.

"Valuation Date" means the date specified as such in the applicable Issue Terms and otherwise in accordance with the above provisions or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) in the case of Securities relating to a single Index or ETF, 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/ETF Level by determining the level or price of the Index or ETF Share 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 or ETF Share 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 or asset comprised in the Index or ETF, as applicable (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security or asset or ETF, as applicable, on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security or asset or ETF, as applicable, as of the Valuation Time on that eighth Scheduled Trading Day); or
- (b) in the case of Securities relating to a basket of assets, the Valuation Date for each Index or ETF, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index or ETF, 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/ETF Level using, in relation to the Affected Item, the level or price of that Index or ETF Share 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 or ETF Share 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 or asset comprised in that Index or ETF, as applicable (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security or asset or ETF, as applicable, on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security or asset or ETF, as applicable, as of the Valuation Time on that eighth Scheduled Trading Day).

"Valuation Time" means the Relevant Time specified in the applicable Issue Terms or if not so specified:

- (a) in the case of a Composite Index, 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, for the purposes of determining an Opening Level, the Scheduled Opening Time or, for the purposes of determining a Closing Level, 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, for purposes of determining an Opening Level, the open of trading or, for purposes of determining a Closing Level, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the relevant Index/ETF Level is calculated and published by the Index Sponsor or quoted on the relevant Exchange; and
- (b) in the case of any Non-Composite Index or an ETF, (i) for the purposes of determining an Opening Level, the Scheduled Opening Time or, for the purposes of determining a Closing Level, 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 and (ii) in all other circumstances, the time at which the relevant Index/ETF Level is calculated and published by the Index Sponsor or quoted on the relevant Exchange.

10. PHYSICAL DELIVERY N&C SECURITIES

This Equity Index/ETF Linked Condition 10 will only apply to Exempt N&C Securities that relate to ETF Shares.

(A) Physical Delivery

(1) Asset Transfer Notices

In relation to Physical Delivery N&C Securities, in order to obtain delivery of the Asset Amount(s) in respect of any N&C Security:

- (X) if such N&C Security is represented by a Global N&C Security, the relevant N&C Securityholder 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 Equity Index/ETF Cut-Off Date, a duly completed Asset Transfer Notice in the form set out in the Agency Agreement; and
- (Y) if such N&C Security is in definitive form, the relevant N&C Securityholder must deliver (i) if this N&C Security is a Bearer N&C Security, to any Paying Agent or (ii) if this N&C Security is a Definitive Registered N&C Security, 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 Equity Index/ETF 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 N&C Security is represented by a Global N&C Security, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, or (ii) if such N&C Security is in definitive form, in writing.

If this N&C Security is in definitive form, this N&C Security 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 N&C Securityholder and the person from whom the Issuer may obtain details for the delivery of the Asset Amount;
- (ii) specify the series number of the N&C Securities and the number of N&C Securities which are the subject of such notice;
- (iii) in the case of N&C Securities represented by a Global N&C Security, specify the nominal amount or, in case of N&C Securities issued in units, number of N&C Securities which are the subject of such notice and the number of the N&C Securityholder's account at Euroclear or Clearstream, Luxembourg as the case may be to be debited with such N&C Securities and irrevocably instruct and authorise the relevant Clearance System to debit the relevant N&C Securityholder's account with such N&C Securities on or before the Delivery Date;
- (iv) include an undertaking to pay all Delivery Expenses (as defined below) and, in the case of N&C Securities represented by a Global N&C Security, an authority to Euroclear or Clearstream, Luxembourg, as the case may be to debit a specified account of the N&C Securityholder 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 N&C Securityholder'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 N&C Security is not a U.S. Person (as defined in the Asset Transfer Notice), the N&C Security 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 N&C Securityholder

In the case of N&C Securities represented by a Global N&C Security, 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 N&C Securities 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 N&C Securities which are the subject of such notice, the relevant account details and the details for the delivery of the Asset Amount of each N&C Security. 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 N&C Securityholder with the relevant N&C Securities.

(3) Determinations and Delivery Expenses

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made, in the case of N&C Securities represented by a Global N&C Security, by Euroclear or Clearstream, Luxembourg, as the case may be or, in the case of N&C Securities 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 N&C Securityholder. 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 N&C Securities represented by a Global N&C Security, Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of N&C Securities 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 N&C Securityholder may not transfer the N&C Securities which are the subject of such notice.

All costs, taxes, duties and/or expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other costs, duties or taxes which the Calculation Agent determines may be or would be, or would have been incurred (i) in connection with the redemption of the N&C Securities and/or the delivery of the Asset Amount in respect of such N&C Securities and (ii) by the Issuer or any Affiliate had such entity unwound or varied any underlying related hedging arrangements in respect of the N&C Security ("**Delivery Expenses**") shall be for the account of the relevant N&C Securityholder and no Asset Amount will be deliverable until the relevant Delivery Expenses have been met or otherwise accounted for to the satisfaction of the Issuer.

(4) Delivery

(a) Subject to:

- (i) an Asset Transfer Notice having been duly delivered as provided above on or prior to the Equity Index/ETF Cut-Off Date; and
- (ii) all Delivery Expenses having been paid or otherwise accounted for to the satisfaction of the Issuer by the relevant N&C Securityholder,

the Issuer shall, at the risk of the relevant N&C Securityholder, deliver or procure the delivery of the Asset Amount for each N&C Security, 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 N&C Securityholder in the relevant Asset Transfer Notice, on the date fixed for redemption (such date, subject to adjustment in accordance with this Equity

Index/ETF Linked Condition, the "**Delivery Date**"). Where the Asset Transfer Notice stipulates that the Asset Amount should be delivered to a specified clearing system, the Issuer's obligation to deliver such Asset Amount will be discharged by delivery to, or to the order of, the relevant clearing system and each of the persons shown in the records of the relevant clearing system as the account holder must look solely to the relevant clearing system for his share of any Asset Amount so delivered.

- (b) If a N&C Securityholder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Paying Agent, on or prior to the Equity Index/ETF Cut-Off Date, then:
 - (i) the Issuer may elect, in its sole discretion to deliver or procure the delivery of the aggregate Asset Amounts for all such affected N&C Securities, at the risk of the relevant N&C Securityholder, to, or to the order of, the relevant Clearance System(s) in which the N&C Securities are held (and this may be after the date fixed for redemption) and its obligation to deliver any such Asset Amount so delivered shall be discharged thereby. Each of the persons shown in the records of the relevant Clearance System as the holder of a particular amount of the N&C Securities must look solely to the relevant Clearance System for his share of each such Asset Amount so delivered to, or to the order of, such Clearance System. For the purposes of paragraph (5) below, each Clearance System will be deemed to be a single N&C Securityholder and each Clearance System will be requested to divide and deliver such Asset Amounts in accordance with its rules; or
 - (ii) 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 N&C Securityholder in the manner provided in paragraph (a) above. For the avoidance of doubt, in such circumstances such N&C Securityholder 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.
- (c) To the extent that the Issuer is not satisfied that the Delivery Expenses have been or will be paid in full by the relevant N&C Securityholder on or prior to the relevant Delivery Date, the Issuer may, in its sole discretion, elect to reduce the Asset Amount(s) to be delivered by an amount(s) which by market value (determined at the time of reduction by reference to such valuation sources as the Issuer determines appropriate) in aggregate is at least equal to the aggregate Delivery Expenses that it determines, in its sole discretion, have not been paid or otherwise accounted for (the Asset Amount as so reduced, the "**Reduced Asset Amount**"). Where the Issuer elects to make such a reduction, in accordance with this Equity Index/ETF Linked Condition 10(A)(4)(c), the Issuer's obligation to deliver the Asset Amount(s) shall be discharged in full by delivery of the Reduced Asset Amount in accordance with the provisions of this Equity Index/ETF Linked Condition 10(A)(4). The provisions of paragraphs (5) and (6) of this Equity Index/ETF Linked Condition 10(A) and the provisions of Equity Index/ETF Linked Condition 10(B) shall apply *mutatis mutandis* to any such delivery of the Reduced Asset Amount.

(5) General

For the purpose of determining the Asset Amounts in respect of the N&C Securities, N&C Securities held by the same N&C Securityholder will be aggregated. The aggregate Asset Amount(s) to be delivered in respect of each such aggregated holding will be rounded down to the nearest whole unit of the Relevant Asset (or, where there is more than one type of Relevant Asset, 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 N&C Securityholders in respect of their respective holding an additional amount in the Specified Currency equal to the fair market value of such fraction(s) in such manner as shall be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner and notified to N&C Securityholders in accordance with N&C Security Condition 13 (Notices).

Following the Delivery Date of a ETF Share all dividends on the relevant ETF 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 N&C Securityholder will be paid to the account specified by the N&C Securityholder in the relevant Asset Transfer Notice as referred to in Equity Index/ETF Linked Condition 10(A)(1) or otherwise paid to the relevant Clearance System for the account of N&C Securityholders.

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 N&C Securityholder 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 N&C Securityholder in respect of any loss or damage which such N&C Securityholder 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 Pricing Supplement.

(6) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Asset Amount using the method of delivery specified in the applicable Pricing Supplement 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 N&C Security 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 N&C Security by payment to the relevant N&C Securityholder 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 N&C Securityholders in accordance with N&C Security Condition 13 (Notices). Payment of the Disruption Cash Redemption Amount will be made in such manner as shall be notified to the N&C Securityholders in accordance with N&C Security Condition 13 (Notices). The Calculation Agent shall give notice as soon as practicable to the N&C Securityholders in accordance with N&C Security Condition 13 (Notices) that a Settlement Disruption Event has occurred. No N&C Securityholder shall be entitled to any payment in respect of the relevant N&C Security 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.

(B) Definitions specific to Physical Delivery

"Agency Agreement" has the meaning given in the N&C Security Conditions.

"**Asset Amount**" has the meaning specified in the applicable Pricing Supplement.

"**Asset Transfer Notice**" shall mean the notice in the form set out in the Agency Agreement.

"**Equity Index/ETF Cut-Off Date**" has the meaning specified in the applicable Pricing Supplement.

"**Disruption Cash Redemption Amount**", in respect of any relevant N&C Security, shall be the Market Value of such N&C Security 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 acting in good faith and in a commercially reasonable manner.

"**Settlement Business Day**" has the meaning specified in the applicable Pricing Supplement.

"**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 Pricing Supplement.

11. VARIATION OF SETTLEMENT

This Equity Index/ETF Linked Condition 11 will only apply to Exempt N&C Securities that relate to ETF Shares.

If the applicable Pricing Supplement indicates that the Issuer has the option to vary settlement in respect of the N&C Securities, the Issuer may acting in good faith and in a commercially reasonable manner in respect of each such N&C Security give notice pursuant to N&C Security Condition 13 (Notices) no later than the second (2) Business Day prior to the Maturity Date that the N&C Securities shall be (x) Cash Settled N&C Securities instead of Physical Delivery N&C Securities or (y) Physical Delivery N&C Securities instead of Cash Settled N&C Securities and in this case the provisions of Equity Index/ETF Linked Condition 1(b)(A) or (B) (Equity Index/ETF Linked Redemption N&C Securities) respectively shall apply.

SCHEDULE 6

AMENDMENTS TO THE FORM OF FINAL TERMS FOR NON EXEMPT N&C SECURITIES

APPLICABLE FINAL TERMS

FORM OF FINAL TERMS FOR NON EXEMPT N&C SECURITIES

Set out below is the form of Final Terms which will be completed for each Tranche of Non-Exempt N&C Securities issued under the Programme pursuant to this Base Prospectus.

PLEASE CAREFULLY READ THE RISK FACTORS IN THE BASE PROSPECTUS

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN FINANCIAL AND LEGAL ADVISORS ABOUT THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE N&C SECURITIES AND THE SUITABILITY OF AN INVESTMENT IN THE N&C SECURITIES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES

[Date]

[Abbey National Treasury Services plc] [Santander UK plc]

Issue of [Aggregate Nominal Amount/Number of Units of Tranche] [Title of N&C Securities]
(the "N&C Securities")

under the
Note, Certificate and Warrant Programme
(the "Programme")

Any person making or intending to make an offer of the N&C Securities may only do so[

- (i) in those Non-exempt Offer Jurisdictions mentioned in Paragraph 9.5 of Part B below, provided such person is a Dealer or Authorised Offeror (as such term is defined in the Base Prospectus) and that the offer is made during the Offer Period specified in that paragraph and that any conditions relevant to the use of the Base Prospectus are complied with; or
- (ii) otherwise,¹ 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 to 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 N&C Securities in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended by Directive 2010/73/EU) and includes any relevant implementing measure in the relevant Member State.

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 N&C Securities (the "**N&C Security Conditions**" and, together with the applicable Annex(es), the "**Conditions**") set forth in the Base Prospectus dated 14 December 2016 [and the supplement[s] to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"). [This document constitutes the Final Terms of the N&C Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus.]² Full information on the Issuer and the offer of the N&C Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the websites of the Irish

¹ Delete where not applicable.

² Delete for an exempt offer.

Stock Exchange (www.ise.ie), the Central Bank of Ireland (<http://www.centralbank.ie>) and the Issuer's website (<http://www.santander.co.uk>). [The Base Prospectus is also 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.] In the event of any inconsistency between the Conditions and the Final Terms, these Final Terms prevail. [A summary of the N&C Securities (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms.]³

The N&C Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or under any state securities laws, and the N&C Securities may not be offered, sold, transferred, pledged, delivered, redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. Person (as defined below). Furthermore, the N&C Securities do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the U.S. Commodity Exchange Act, as amended (the "**CEA**"), and trading in the N&C Securities has not been approved by the U.S. Commodity Futures Trading Commission (the "**CFTC**") pursuant to the CEA, and no U.S. Person may at any time trade or maintain a position in the N&C Securities. For a description of the restrictions on offers and sales of N&C Securities, see "*Important Notice to Purchasers and Transferees of N&C Securities*" and "*Subscription and Sale*" in the Base Prospectus.

For the purposes of these Final Terms, "U.S. Person" means (i) a "U.S. person" as defined in Regulation S under the Securities Act ("**Regulation S**"), (ii) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the Commodity Futures Trading Commission (the "**CFTC**") pursuant to the United States Commodity Exchange Act of 1936, as amended (the "**CEA**"), (iii) a person other than a "Non-United States person" as defined in CFTC Rule 4.7, or (iv) a "United States person" as defined in the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder, in each case, as such definition may be amended, modified or supplemented from time to time (each such person, a "**U.S. Person**").

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

[By investing in the N&C Securities each investor is deemed to represent that:

- (a) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to invest in the N&C Securities and as to whether the investment in the N&C Securities is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or any Dealer as investment advice or as a recommendation to invest in the N&C Securities, it being understood that information and explanations related to the terms and conditions of the N&C Securities shall not be considered to be investment advice or a recommendation to invest in the N&C Securities. No communication (written or oral) received from the Issuer or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the N&C Securities.*
- (b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the N&C Securities. It is also capable of assuming, and assumes, the risks of the investment in the N&C Securities.*
- (c) **Status of Parties.** Neither the Issuer nor any Dealer is acting as fiduciary for or adviser to it in respect of the investment in the N&C Securities.]*

1.	1.1	Issuer:	[Abbey National Treasury Services plc] [Santander UK plc]
2.	2.1	Type of N&C Security:	[Note] / [Certificate]
	2.2	Series Number:	[]

³ Include this wording if the minimum denomination is less than €100,000 (or its equivalent in another currency).

- 2.3 Tranche Number: []
- 2.4 [Date on which the N&C Securities will be consolidated and form a single Series: The N&C Securities will be consolidated and form a single Series with *[identify earlier Tranches]* on [the Issue Date/exchange of the Temporary Bearer Global N&C Security for interests in the Permanent Bearer Global N&C Security, as referred to in paragraph 34 below, which is expected to occur on or about *[insert date]*][Not Applicable]]
- 2.5 Trading Method: [Nominal] / [Unit]
- 2.6 Applicable Annex(es): [Not Applicable] / [Payout] / [Equity] / [Equity Index/ETF] / [Inflation Index] / [Property Index]
(N.B. more than one Annex may apply)
3. Specified Currency: []
4. [Aggregate Nominal Amount] / [Aggregate Issue Size]:
- 4.1 Series: []⁴
- 4.2 Tranche: []⁵
- [4.3 Nominal Amount per Unit: For calculation purposes only, each Unit shall be deemed to have a nominal amount of [].
*(Each N&C Security must have a minimum Nominal Amount per Unit of €1,000 (or, if the N&C Securities are denominated in a currency other than euro, the equivalent in such currency. If N&C Securities are not traded by unit, delete this item))*⁶
5. [5.1] [Issue Price] / [Unit Issue Price] for Tranche:⁷ [[] per cent. of the Aggregate Nominal Amount] / [[] *[Insert currency]*] per Unit (the "**Issue Price**") [plus accrued interest from and including *[insert date]* to but excluding the Issue Date (which is equal to [] days' accrued interest) (*in the case of fungible issues, if applicable*)]

[The aggregate Offer Prices (as specified in paragraph 10.1 of Part B to these Final Terms) received by the [Initial] Authorised Offeror in respect of the N&C Securities which shall be payable by the Dealer to the Issuer prior to the Issue Date]

The Issue Price specified [in/at [paragraph []]/above] may be more than the market value of the N&C Securities as at the Issue Date, and the price, if any, at which the Dealer or any other person is willing to purchase the N&C Securities in secondary market transactions is likely to be lower than the

⁴ For N&C Securities issued by Unit, "Aggregate Issue Size" should be specified and expressed as a number of Units.

⁵ For N&C Securities issued by Unit, "Aggregate Issue Size" should be specified and expressed as a number of Units.

⁶ For N&C Securities issued by Unit only.

⁷ Note that for N&C Securities issued by nominal amount the "Issue Price" is the gross amount received by the Issuer in respect of the N&C Securities 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).

Issue Price. In particular, the Issue Price may describe the overall proceeds received by the Issuer in connection with the issue of the N&C Securities expressed as a percentage of the Aggregate Nominal Amount. In addition to the purchase price received from the Dealer, the Issuer may receive up front payment(s) under the hedging arrangements for the N&C Securities and secondary market prices may exclude such amounts [see further Part B; item 10.10 below].

To the extent permitted by applicable law, if any fees relating to the issue and sale of the N&C Securities have been paid or are payable by the Dealer to an intermediary (which may or may not have acted as an Authorised Offeror) (an "**Intermediary**"), then such Intermediary may be obliged to fully disclose to its clients the existence, nature and amount of any such fees (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to such Intermediary, including any legislation, regulation and/or rule implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC), or as otherwise may apply in any non-EEA jurisdictions.

Investors in the N&C Securities intending to invest in N&C Securities through an Intermediary (including by way of introducing broker) should request details of any such fee payment from such Intermediary before making any purchase thereof.

[5.2 Unit Value on Issue: *[[Insert currency]]* per Unit]

Investors should note that the value of a Unit in the secondary market or on redemption may be less than the Unit Value on Issue

(If N&C Securities are not traded by unit, delete this item)

[5.3 Aggregate Proceeds Amount:]

*(If N&C Securities are not traded by unit, delete this item)*⁸

6. [6.1 Specified Denominations:]

(N.B. The minimum denomination of each N&C Security will be €1,000 (or, if the N&C Securities are denominated in a currency other than euro, the equivalent in such currency))

[[Where Bearer N&C Securities and multiple denominations above €100,000 or its equivalent in another currency are being used, the following sample wording should be followed:

[[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No N&C Securities in definitive form will be issued with a denomination exceeding [€199,000].]]⁹

⁸ The Aggregate Proceeds Amount should be an amount equal to the Aggregate Issue Size multiplied by the Unit Issue Price.
⁹ Not Applicable in the case of Definitive Registered N&C Securities.

(If N&C Securities are not traded by nominal amount, delete this item)

[6.2 Minimum Tradable Size: [[€100,000]¹⁰ [[] Units and in multiples of [] Unit[s] (the "**Multiple Tradeable Size**") in excess thereof.]¹¹

6.3 Calculation Amount per N&C Security: []

(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 N&C Securities such as a Zero Coupon N&C Security)

8. Type of N&C Security:
[Fixed Rate N&C Security]
[Floating Rate N&C Security]
[Zero Coupon N&C Security]
[Partial Redemption N&C Security]
[Cross-Asset Linked N&C Security:
(specify each relevant Type as follows)]
[Equity Linked N&C Security]
[Equity Index/ETF Linked N&C Security]
[Inflation Index Linked N&C Security]
[Property Index Linked N&C Security]

(Specify all N&C Security types which apply)

9. Maturity Date: [For Fixed Rate N&C Security insert: [specify date]]

[For Floating Rate N&C Security insert: [The Interest Payment Date falling in or nearest to [specify month and year/specify other]]]

[For Zero Coupon N&C Security insert: [specify maturity date]]

[For non-interest bearing N&C Security insert: [specify maturity date]]

¹⁰ Insert for N&C Securities issued by nominal amount only.

¹¹ Insert for N&C Securities issued by Unit only.

[For Equity Linked N&C Securities (including if they are also Partial Redemption N&C Securities), if applicable insert: [[] (the "Scheduled Maturity Date"), subject to the provisions of the Equity Annex and these Final Terms]]

[For Equity Index/ETF Linked N&C Securities (including if they are also Partial Redemption N&C Securities), if applicable, insert: [[] (the "Scheduled Maturity Date"), subject to the provisions of the Equity Index/ETF Annex and these Final Terms]]

[For Inflation Index Linked N&C Securities, if applicable, insert: [[] (the "Scheduled Maturity Date"), subject to the provisions of the Inflation Index Annex and these Final Terms]]

[For Property Index Linked N&C Securities, if applicable, insert: [[] (the "Scheduled Maturity Date"), subject to the provisions of the Property Index Annex and these Final Terms]]

10. Interest Basis: [[] per cent. Fixed Rate N&C Security]
[[Bank of England Base Rate/LIBOR/EURIBOR/[Specify relevant ISDA Rate]]+/-[] per cent. Floating Rate N&C Security]
[Zero Coupon N&C Security]
[Variable Interest Rate N&C Security]
[non-interest bearing N&C Security]
[Partial Redemption N&C Security (NB. a Partial Redemption N&C Security may also be a Variable Interest Rate N&C Security)]
11. Redemption / Payment Basis: [Subject to any purchase and cancellation or early redemption, each N&C Security of a nominal amount equal to the Calculation Amount will be redeemed on the Maturity Date at [] per cent. of their Calculation Amount]
[Variable Redemption N&C Security]
[Partial Redemption N&C Security]

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value or Unit Value on Issue the N&C Securities may 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: [Applicable] / [Not Applicable]
[Specify the date when any fixed to floating rate change occurs or cross-refer to paragraphs 15 and 16 below and identify there]
13. Put/Call Options: [Not Applicable] / [Investor Put] / [Issuer Call]
[(further particulars specified below)]
14. 14.1 Status of N&C Securities: Senior

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 15. Fixed Rate N&C Security Provisions** [Applicable] / [Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- 15.1 Rate(s) of Interest/determination of interest: [] per cent. [per annum] payable in arrear on each Interest Payment Date
- (or, if applicable, insert relevant provisions from the Payout Annex: i.e. Payout Condition 2.1(a), the relevant Interest Payment Option from Payout Condition 2.2 and/or related definitions from Payout Condition 5.)*
- 15.2 Interest Payment Date[s]: [[] in each year from (and including) [] and up to (and including) [insert date] / [specify other]
- [(NB: do not specify the final Interest Payment Date to be "Maturity Date", instead specify the calendar date or "Scheduled Maturity Date")]*
- (N.B. to provide for adjustment of the Interest Periods by reference to which interest is calculated, please specify the appropriate Business Day Convention in paragraph 15.7 below. For "unadjusted" interest calculation the Business Day Convention should be specified as "Not Applicable". Where Interest Payment Dates are required to adjust for payment purposes only (i.e. to roll to an appropriate Payment Day without affecting the length of the relevant Interest Period used for interest calculations) this can be achieved by specifying the appropriate Payment Day Convention in paragraph 36 below)*
- (NB: This will need to be amended in the case of irregular coupons)*
- 15.3 Fixed Coupon Amount(s): [] per Calculation Amount [payable on the Interest Payment Dates falling in []]/ [Not Applicable]
(Applicable to N&C Securities in definitive form)
- 15.4 Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [] / [Not Applicable]
(Applicable to N&C Securities in definitive form)
- 15.5 Day Count Fraction: [Actual/Actual (ICMA)]/[Act/Act (ICMA)]
[Actual/Actual (ISDA)]/[Actual/Actual]/[Act/Act]/
[Act/Act (ISDA)]
[Actual/365 (Fixed)]/[Act/365 (Fixed)]/[A/365 (Fixed)]/[A/365F]
[Actual/365 (Sterling)]
[Actual/360]/[Act/360]/[A/360]
[30/360 (ICMA)]
[30/360]/[360/360]/[Bond Basis]
[30E/360]/[Eurobond Basis]
[30E/360 (ISDA)]
[unadjusted/adjusted]

[Not Applicable]

(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)

(N.B. Actual/Actual (ICMA) is normally only appropriate for Fixed Rate N&C Securities denominated in euros)

15.6 Determination Date(s): in each year][Not Applicable]

(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In which case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)

15.7 Business Day Convention: [Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention] / [Not Applicable]

15.8 Additional Business Centre(s): / [TARGET2] / [Not Applicable]

16. Floating Rate N&C Security Provisions [Applicable] / [Not Applicable]

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

16.1 Specified Period(s)/Specified Interest Payment Dates: in each year from (and including) up to (and including) [specify date]/[specify other] [, subject to adjustment in accordance with the Business Day Convention set out below/not subject to any adjustment, as the Business Day Convention below is specified to be Not Applicable]

[(NB: do not specify the final Specified Interest Payment Date to be "Maturity Date", instead specify the calendar date or "Scheduled Maturity Date")]

(N.B. to provide for adjustment of the Interest Periods by reference to which interest is calculated, please specify the appropriate Business Day Convention in paragraph 16.2 below. For "unadjusted" interest calculation the Business Day Convention should be specified as "Not Applicable". Where Interest Payment Dates are required to adjust for payment purposes only (i.e. to roll to an appropriate Payment Day without affecting the length of the relevant Interest Period used for interest calculations) this can be achieved by specifying the appropriate Payment Day Convention in paragraph 36 below)

16.2 Business Day Convention: [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention] / [Not Applicable]

16.3 Additional Business Centre(s): / [TARGET2] / [Not Applicable]

16.4 Manner in which the Rate of Interest and [Screen Rate Determination / ISDA Determination / Bank of

- Interest Amount is to be determined: England Base Rate Determination]
(further particulars specified below)
(or, if applicable, insert relevant provisions from the Payout Annex: i.e. Payout Condition 2.1(b), the relevant Interest Payment Option from Payout Condition 2.2 and/or related definitions from Payout Condition 5.)
- 16.5 Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent) (*Note: Should always specify the Calculation Agent if Bank of England Base Rate Determination applies*): [The Calculation Agent: See paragraph 39 below] / [*specify other*]
[Address]
- 16.6 Screen Rate Determination: [Applicable] / [Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Reference Rate: [] month LIBOR / EURIBOR
- (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 TARGET2 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)
- (d) Rate Multiplier: [Not Applicable] / [[●] per cent.]
- 16.7 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: []
(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)
- (d) Rate Multiplier [Not Applicable] / [[●] per cent.]

- 16.8 Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)
- 16.9 Bank of England Base Rate Determination: [Applicable] / [Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Designated Maturity: [Daily] []
- (b) Interest Determination Date: []
- (c) Relevant Screen Page: [Reuters UKBASE] []
- (d) Rate Multiplier: [Not Applicable] / [[●] per cent.]
- 16.10 Margin(s): [+/-] [] per cent. per annum
- 16.11 Minimum Rate of Interest: [] per cent. per annum
- 16.12 Maximum Rate of Interest: [] per cent. per annum
- 16.13 Day Count Fraction: [Actual/Actual (ISDA)]/[Actual/Actual]/[Act/Act]/[Act/Act (ISDA)]
[Actual/Actual (ICMA)]/[Act/Act (ICMA)]
[Actual/365 (Fixed)]/[Act/365(Fixed)]/[A/365 (Fixed)]/[A/365F]
[Actual/365 (Sterling)]
[Actual/360]/[Act/360]/[A/360]
[30/360][360/360]/[Bond Basis]
[30/360 (ICMA)]
[30E/360]/[Eurobond Basis]
[30E/360 (ISDA)]
[unadjusted/adjusted]
[Not Applicable]
[(NB: Actual/Actual (ICMA) is normally only appropriate for Fixed Rate N&C Securities denominated in euros)]
- 16.14 Determination Date(s): [[] in each year]/[Not Applicable]
[Only relevant where Day Count Fraction is Actual/Actual (ICMA). In which case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]
- 17. Zero Coupon N&C Security Provisions** [Applicable] / [Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- 17.1 Accrual Yield: [] per cent. per annum
- 17.2 Reference Price: [] [per cent. of the Calculation Amount]

17.3	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] / [Actual/360] / [Actual/365]
18.	Other Variable Interest Rate N&C Security Provisions	[Applicable] / [Not Applicable]
		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
18.1	Type of Variable Interest Rate N&C Securities:	<i>(Insert relevant provisions from the Payout Annex: i.e. Payout Condition 2.1(c), the relevant Interest Payment Option from Payout Condition 2.2 and/or related definitions from Payout Condition 5.)</i>
18.2	Specified Period(s) / Specified Interest Payment Dates:	[[] in each year from (and including) [] and up to (and including) [specify date] / [specify other]
		<i>[(NB: do not specify the final Specified Interest Payment Date to be "Maturity Date", instead specify the calendar date or "Scheduled Maturity Date")]</i>
18.3	Business Day Convention:	[Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention]
18.4	Additional Business Centre(s):	[] / [TARGET2] / [Not Applicable]
18.5	Minimum Rate of Interest:	[[] per cent. per annum][Not Applicable]
18.6	Maximum Rate of Interest:	[[] per cent. per annum][Not Applicable]
18.7	Day Count Fraction:	[Actual/Actual (ISDA)]/[Actual/Actual]/[Act/Act]/[Act/Act (ISDA)] [Actual/Actual (ICMA)]/[Act/Act (ICMA)] [Actual/365 (Fixed)]/[Act/365 (Fixed)]/[A/365 (Fixed)]/[A/365F] [Actual/365 (Sterling)] [Actual/360]/[Act/360]/[A/360] [30/360 (ICMA)] [30/360]/[360/360]/[Bond Basis] [30E/360]/[Eurobond Basis] [30E/360 (ISDA)] [adjusted / unadjusted] [Not Applicable] <i>[(NB: Actual/Actual (ICMA) is normally only appropriate for Fixed Rate N&C Securities denominated in euros)]</i>
18.8	Determination Date(s):	[[] in each year]/[Not Applicable]
		<i>[Only relevant where Day Count Fraction is Actual/Actual (ICMA). In which case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]</i>

19. Interest provisions in respect of Partial Redemption N&C Securities: [Applicable][Not Applicable]

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

19.1 Partial Rate(s) of Interest: [] per cent. [per annum] payable in arrear on each Partial Interest Payment Date

19.2 Partial Interest Payment Date[s]: [[] in each year from (and including) [] and up to (and including) the Partial Redemption Date] / [specify other]

(N.B. to provide for adjustment of the Interest Periods by reference to which interest is calculated, please specify the appropriate Business Day Convention in paragraph 19.7 below. For "unadjusted" interest calculation the Business Day Convention should be specified as "Not Applicable". Where Partial Interest Payment Dates are required to adjust for payment purposes only (i.e. to roll to an appropriate Payment Day without affecting the length of the relevant Partial Interest Period used for interest calculations) this can be achieved by specifying the appropriate Payment Day Convention in paragraph 36 below)

(NB: This will need to be amended in the case of irregular coupons)

19.3 Partial Fixed Coupon Amount(s): [] per Calculation Amount] / [Not Applicable]
(Applicable to N&C Securities in definitive form)

19.4 Partial Broken Amount(s): [] per Calculation Amount, payable on the Partial Interest Payment Date falling [in/on] [] / [Not Applicable]
(Applicable to N&C Securities in definitive form)

19.5 Day Count Fraction:
[Actual/Actual (ICMA)]/[Act/Act (ICMA)]
[Actual/Actual (ISDA)]/[Actual/Actual]/[Act/Act]/
[Act/Act (ISDA)]
[Actual/365 (Fixed)]/[Act/365 (Fixed)]/[A/365 (Fixed)]/[A/365F]
[Actual/365(Sterling)]
[Actual/360]/[Act/360]/[A/360]
[30/360 (ICMA)]
[30/360]/[360/360]/[Bond Basis]
[30E/360]/[Eurobond Basis]
[30E/360 (ISDA)]
[unadjusted/adjusted]
[Not Applicable]

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

(N.B. Actual/Actual (ICMA) is normally only appropriate for

Partial Redemption N&C Securities denominated in euros)

19.6 Determination Date(s): in each year][Not Applicable]

(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In which case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon

19.7 Business Day Convention: [Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention] / [Not Applicable]

19.8 Additional Business Centre(s): /[Not Applicable]

PROVISIONS RELATING TO REDEMPTION

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

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

20.1 Optional Redemption Date(s):

20.2 Optional Redemption Amount: per cent. per Calculation Amount]/[specify other fixed amount]

20.3 If redeemable in part:

(a) Minimum Redemption Amount:

(b) Maximum Redemption Amount:

20.4 Notice periods for Issuer Call:

(a) Maximum period: [calendar]days

(b) Minimum period: [calendar] days

[N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example as between the Issuer and the Principal Paying Agent/Registrar]

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

22. Notice periods for Issuer Illegality Call, Issuer Regulatory Call and Issuer Tax Call [Applicable /] [Not Applicable]

22.1 Maximum period: days

22.2 Minimum period: days

[N.B. When setting notice periods, 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/Registrar]

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

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

23.1 Optional Redemption Date(s): []

23.2 Optional Redemption Amount: [[] per cent. per Calculation Amount] / [specify other fixed amount]

23.3 Notice periods for Investor Put:

(a) Maximum period: [●] days

(b) Minimum period: [●] days

[N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example as between the Issuer and the Principal Paying Agent]

24. Final Redemption Amount: [[] [per Calculation Amount] / [Not Applicable]]

(or, if applicable, insert relevant provisions from the Payout Annex: i.e. Payout Condition 4.1(a), the relevant Final Payment Option from Payout Condition 4.2 and/or related definitions from Payout Condition 5.)

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value or Unit Value on Issue the N&C Securities will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

25. Early Redemption

25.1 Early Redemption events:

(a) Issuer Illegality Call: [Applicable] / [Not Applicable]

(b) Issuer Tax Call: [Applicable] / [Not Applicable]

25.2 Events of Default: [Applicable] / [Not Applicable]

25.3 Early Redemption Amount payable on [Not Applicable] / [Market Value [less Associated Costs]][but

redemption for illegality (N&C Security Condition 6.4 (Redemption for illegality)), Regulatory Redemption Event (N&C Security Condition 6.5 (Regulatory Redemption Event)), redemption for tax reasons (N&C Security Condition 6.6 (Redemption for tax reasons)), on an Event of Default (N&C Security Condition 9 (Events of Default)) or in any other circumstances specified in the N&C Security Conditions and/or the relevant Annex:

not less than [●] [[●] per [Calculation Amount][Unit]]
(NB. To be specified per Calculation Amount or per unit, as applicable.)

26. Automatic Early Redemption Event(s): [Applicable] / [Not Applicable]

(If applicable, insert relevant provisions from the Payout Annex: i.e. Payout Condition 3.1 and related definitions from Payout Condition 5 and set out relevant Automatic Early Redemption Date(s) (i.e. set out next to each relevant Scheduled Observation Date and, if applicable, Autocallable Amount(s)) in table format.)

27. Key Dates relating to Variable Interest Rate N&C Securities and/or Variable Redemption N&C Securities

- (a) Trade Date: []
- (b) Valuation Date(s): [] / [Not Applicable]
- (c) Initial Valuation Date: [] / [Not Applicable]
- (d) Scheduled Observation Date(s): [] / [Not Applicable]
- (e) Calculation Date(s): [] / [Not Applicable]
- (f) Observation Period: [] / [Not Applicable]
- (g) Averaging Dates: [Averaging [applies / does not apply] to the N&C Securities.]
 [The Averaging Dates are [].]

 [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (h) Final Valuation Date: [] / [Not Applicable]
- (i) Specified Maximum Days of Disruption: [See [Equity Linked Condition 10 (for Equity Linked N&C Securities)] / [Equity Index/ETF Linked Condition 9] (for Equity Index/ETF N&C Securities))] / [[Specify number] Scheduled Trading Days] / [Not Applicable]

28. Additional provisions relating to Equity Linked N&C Securities [Applicable] / [Not Applicable]

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

- 28.1 Whether the N&C Securities relate to a [Single Share] / [Basket containing one or more Shares] single share or a basket containing one or more shares (each a "**Share**");
- 28.2 Share(s) and Share Company(ies):
- (a) [Name of Share]
 - (b) [*Name of Share Company/Basket Company*]
 - (c) Bloomberg Screen: []
 - (d) ISIN Code: []
- (In case of more than one Share repeat the prompts set out in items 28.2 – 28.7 inclusive and include the relevant information. In this case before such items set out the title: **Information in relation to [name of Share]**)*
- 28.3 Depository Receipts provisions: [Applicable] / [Not Applicable]
(If Not Applicable, delete the remaining sub-paragraph of this paragraph)
- (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 name of the underlying issuer*]
 - (d) Share Exchange: [*specify - exchange for underlying share*]
- 28.4 Exchange(s): The relevant Exchange[s] [is/are] []
- 28.5 Settlement Price: [Opening Price] / [Intraday Price] / [Observation Level] / [Closing Price]
- (NB:- If Observation Level is elected please specify one of (a) the [lowest] [highest] Closing Price observed by the Calculation Agent on the Scheduled Observation Dates or (b) the price of the Shares observed by the Calculation Agent in accordance with the definition of Settlement Price at or about the Relevant Time on the [Initial Valuation Date] [Scheduled Observation Date]).*
- 28.6 Related Exchange: [*specify*] / [All Exchanges]
- 28.7 Relevant Time: [Scheduled Opening Time] [Scheduled Closing Time]/[The relevant time is []], being a time specified on a [Valuation Date/Averaging Date/Scheduled Observation Date], as the case may be, for the calculation of the Settlement Price.]
- 28.8 Exchange Business Day: [Exchange Business Day (Single Share Basis)] / [Exchange Business Day (All Shares Basis)] / [Exchange Business Day (Per Share Basis)] / [Exchange Business Day (Cross Asset Basis) (*note only to be specified for Cross-Asset Linked N&C Securities which relate only to Equities and Equity Indices/ETFs*)]

- 28.9 Scheduled Trading Day: [Scheduled Trading Day (Single Share Basis)] / [Scheduled Trading Day (All Shares Basis)] / [Scheduled Trading Day (Per Share Basis)] [Scheduled Trading Day (Cross Asset Basis) (*note only to be specified for Cross-Asset Linked N&C Securities which relate only to Equities and Equity Indices/ETFs*)]
- 28.10 Further provisions relating to Extraordinary Events:
- (a) Tender Offer: [Applicable] / [Not Applicable]
- (b) Share Substitution: [Applicable] / [Not Applicable]
- (c) De-Merger: [Applicable/Not Applicable]
- (d) Participation Event: [Applicable/Not Applicable]
- (e) Illiquidity: [Applicable/Not Applicable]
- 28.11 Additional Disruption Events: [Applicable]/[Not Applicable] (*if not applicable, delete remaining parts of this item 28.11*)
- (a) Elected Events Only: [Applicable] / [Not Applicable]
- (b) [The following Additional Disruption Events apply to the N&C Securities: [Analogous Event] [Change in Law] [Currency Event] [Failure to Deliver] [Force Majeure Event] [Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow] [Insolvency Filing] [Jurisdiction Event] [Loss of Stock Borrow] [Termination or Adjustment Event (if applicable)]]
- (NB: *delete this item (b) if "Elected Events Only" is specified as Not Applicable*)
- (c) [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*)
- (d) [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*)
- 29. Additional provisions relating to Equity Index/ETF Linked N&C Securities** [Applicable] / [Not Applicable]
- (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- 29.1 Whether the N&C Securities relate to single index or ETF or a basket containing one or [Single index] / [Basket containing one or more indices] / [Single ETF] / [Basket containing one or more ETFs]

more indices or ETFS and the identity of each relevant Index/ETF:

- 29.2 Equity Index: [Applicable] / [Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) [Name of Index/Basket Index]
 - (b) The relevant Index Sponsor is [Name of Index Sponsor]
 - (c) Bloomberg Screen: []
- (In case of more than one Index repeat the prompts set out in items 29.2 – 29.7 inclusive below and include the relevant information in a tabular format.)*
- 29.3 Exchange Traded Fund: [Applicable] / [Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) [Name of ETF/Basket ETF]
 - (b) The ETF Issuer is [Name of ETF Issuer]
 - (c) ETF Bloomberg Screen: []
 - (d) ISIN Code: []
 - (e) The Related Index is [Name of Related Index]
 - (f) Related Index Bloomberg Screen: []
 - (g) Related Index ISIN Code: []
- (In case of more than one ETF repeat the prompts set out in items 29.3 – 29.7 inclusive below and include the relevant information in a tabular format.)*
- 29.4 Index / ETF Level: [Opening Level] / [Intraday Level] / [Observation Level] / [Closing Level]
- (NB:- If Observation Level is selected please specify one of (a) the [lowest] [highest] Closing Level observed by the Calculation Agent on the Scheduled Observation Dates or (b) the level of the [Index] [ETF] observed by the Calculation Agent in accordance with the definition of Index/ETF Level at or about the Relevant Time on the [Initial Valuation Date] [Scheduled Observation Date]).*
- 29.5 Exchange(s) [The relevant Exchange[s] [is/are] []]
- 29.6 Related Exchange: [specify] / [All Exchanges]

- 29.7 Relevant Time: [Scheduled Closing Time] / [The relevant time is [], being the time specified on the [Valuation Date/Averaging Date/Scheduled Observation Date] for the calculation of the Index/ETF Level.]
- 29.8 Exchange Business Day: [Exchange Business Day (Single Index Basis)] / [Exchange Business Day (All Indices Basis)] / [Exchange Business Day (Per Index Basis)]/[Exchange Business Day (Cross Asset Basis)]
(Note: final option only to be specified for Cross-Asset Linked N&C Securities which relate only to Equities and Equity Indices/ETFs)
- 29.9 Scheduled Trading Day: [Scheduled Trading Day (Single Index Basis)] / [Scheduled Trading Day (All Indices Basis)] / [Scheduled Trading Day (Per Index Basis)] [Scheduled Trading Day (Cross Asset Basis)]
(Note: final option only to be specified for Cross-Asset Linked N&C Securities which relate only to Equities and Equity Indices/ETFs)
- 29.10 Additional Disruption Events: [Applicable]/[Not Applicable: the provisions of Equity Index/ETF Linked Condition 7 do not apply] *(if Not Applicable, delete the remaining parts of this item 29.10)*
- (a) Elected Events Only: [Applicable] / [Not Applicable]
[where the N&C Securities are linked to an ETF or basket of ETFs, include the following language: provided that "Additional Disruption Event" will be deemed to include Merger Event, Tender Offer, Insolvency, Nationalisation and De-Listing]
- (b) [The following Additional Disruption Events apply to the N&C Securities: [Change in Law 1] [Change in Law 2] [Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow] [Loss of Stock Borrow] [Merger Event] [Tender Offer] [Insolvency] [Nationalisation] [De-listing][ETF Event]]
- (NB: delete this item (b)) if "Elected Events Only" is specified as Not Applicable)*
- (c) [The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Component Security] is []]
- (NB: only applicable if Loss of Stock Borrow is applicable)*
- (d) [The Initial Stock Loan Rate in respect of [specify in relation to each relevant Component Security] is [].]
- (NB: only applicable if Increased Cost of Stock Borrow is applicable)*
- 29.11 Equity Index/ETF Linked Condition 4(b)(C) [Applicable] / [Not Applicable]

(Modification and Cessation of Calculation of an Index):

29.12 Equity Index/ETF Linked Condition [Applicable] / [Not Applicable]
7(a)(ii)(B) (Additional Disruption Events):

30. Additional provisions relating to Inflation Index Linked N&C Securities [Applicable] / [Not Applicable]

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

30.1 Inflation Index/Inflation Indices: []

(Give or details of index/indices. In case of more than one Inflation Index, repeat the prompts set out in items 30.1 –30.7 inclusive below and include the relevant information. In this case immediately before such items set out the title: **Information in relation to [name of Inflation Index]**)

30.2 Inflation Index Sponsor(s): []

30.3 Reference source(s): []

30.4 Related Bond: [Applicable] / [Not Applicable]

The Related Bond is: [] [Fallback Bond]

The issuer of the Related Bond is: []

30.5 Fallback Bond: [Applicable] / [Not Applicable]

30.6 Observation Level: [Applicable / Not Applicable]

(NB:- If applicable please specify one of (a) the [lowest] [highest] level of the Inflation Index observed by the Calculation Agent in accordance with the Inflation Index Linked Conditions in respect of the Scheduled Observation Dates or (b) the level of the Inflation Index observed by the Calculation Agent in accordance with the Inflation Index Linked Conditions in respect of the [Initial Valuation Date] [Scheduled Observation Date].)

30.7 Inflation Index Dates in relation to [name of Key Date]: (In case of more than one Key Date, repeat the prompts set out in items 30.7(a) – 30.7(d) inclusive below (if different for each Key Date) and include the relevant information in a tabular format.)

(a) Reference Month: []

(b) Determination Date(s): []

(Note this may be the relevant Key Date)

(c) Inflation Cut-Off Date: [] [As defined in the Inflation Index Linked Conditions]

- (d) End Date: [Maturity Date]
(This is necessary whenever Fallback Bond is Applicable)
- 30.8 Additional Disruption Events: [The following Additional Disruption Events apply to the N&C Securities: [Change in Law][,/and] [Hedging Disruption][,/and] [Increased Cost of Hedging]]/[Not Applicable: the provisions of Inflation Index Linked Condition 4 do not apply]
- 31. Additional provisions relating to Property Index Linked N&C Securities** [Applicable] / [Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, insert provisions here)*
- 31.1 Property Index: []
- (Give details of index / indices. In case of more than one Property Index, repeat the prompts set out in items 31.1 – 31.4 inclusive below and include the relevant information. In this case immediately before such items set out the title **Information in relation to [name of Property Index]**)*
- 31.2 Property Index Sponsor []
- 31.3 Property Index Dates in relation to [Name of Key Date]: *(In case of more than one Key Date, repeat the prompts set out in items 31.3(a) - 31.3(c) inclusive below (if different for each Key Date) and include the relevant information in a tabular format.)*
- (a) Publication Date(s): [As defined in the Property Index Linked Conditions]
(Note this may be the relevant Key Date)
- (b) Reference Period: []
- (c) Cure Period: [Applicable: [] *(If applicable, Cure Period to be specified)*] / [Not Applicable] *(NB. ensure that the Cure Period cannot extend beyond Scheduled Maturity Date).*
- 31.4 Observation Level: [Applicable / Not Applicable]
- [If applicable, please specify with the following or a similar formulation (a) the [lowest] [highest] [Index Level], [level] of the Property Index [with respect to [Insert Reference Period]] observed by the Calculation Agent in accordance with the Property Index Linked Conditions in respect of the Scheduled Observation Date[s] or (b) the [Index Level] [level] of the Property Index [with respect to [insert Reference Period]] observed by the Calculation Agent in accordance with the Property Index Linked Conditions in respect of [the] [Initial Valuation Date] [Scheduled Observation Date].]*
- 31.5 Additional Disruption Events: [The following Additional Disruption Events apply to the N&C Securities: [Change in Law][,/and][Hedging Disruption][,

/and][Increased Cost of Hedging]/[Not Applicable: the provisions of Property Index Linked Condition 5 do not apply]]

32. Additional provisions relating to Fixed Income Benchmark N&C Securities

[Applicable] / [Not Applicable]

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

32.1 Additional Business Centre(s): [] / [TARGET2] / [Not Applicable]

32.2 Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination / ISDA Determination / Bank of England Base Rate Determination]

(further particulars specified below)

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

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

(a) Interest Determination Date(s): []

(b) Reference Rate: [] month LIBOR / EURIBOR

(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)

32.4 ISDA Determination: [Applicable] / [Not Applicable]

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

(a) Reset Date(s): []

(b) Floating Rate Option: []

(c) Designated Maturity: []

32.5 Bank of England Base Rate Determination: [Applicable] / [Not Applicable]

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

(a) Designated Maturity: [Daily] []

(b) Relevant Screen Page: [Reuters UKBASE] []

32.6 Margin(s): [+/-] [] per cent. per annum

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

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

33. Redemption provisions relating to Partial Redemption N&C Securities: [Applicable] [Not Applicable]

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

- 33.1 Partial Redemption Amount: [insert amount] per N&C Security (NB. Should equal Partial Redemption Nominal Percentage multiplied by Calculation Amount)
- 33.2 Partial Redemption Date: [specify date]
- 33.3 Partial Redemption Nominal Percentage: [specify percentage] (NB. together, Partial Redemption Nominal Percentage plus Outstanding Partial Redemption Nominal Percentage should equal 100%. This part represents the fixed interest part)
- 33.4 Outstanding Partial Redemption Nominal Percentage: [specify percentage] (NB. This part represents the variable interest part)

GENERAL PROVISIONS APPLICABLE TO THE N&C SECURITIES

34. Form of N&C Securities:

- 34.1 Form: [Bearer N&C Securities:

[Temporary Bearer Global N&C Security exchangeable for a Permanent Bearer Global N&C Security which is exchangeable for definitive Bearer N&C Securities [on 60 days' notice given at any time/only upon an Exchange Event]].

[Temporary Bearer Global N&C Security exchangeable for Definitive Bearer N&C Securities on and after the Exchange Date.]

[Permanent Bearer Global N&C Security exchangeable for Definitive Bearer N&C Securities [on 60 days' notice given at any time/only upon an Exchange Event]].

(Ensure that this is consistent with the wording in the "Form of the N&C Securities" section in the Base Prospectus and the N&C Securities themselves. (N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the N&C Securities in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of N&C Securities which is to be represented on issue by a Temporary/Permanent Bearer Global N&C Security

exchangeable for Definitive N&C Securities:

"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No N&C Securities in definitive form will be issued with a denomination above [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of N&C Securities which is to be represented on issue by a Temporary/Permanent Bearer Global N&C Security exchangeable for Definitive N&C Securities.)

[Immobilised Bearer N&C Securities:

[Permanently Restricted Global N&C Security held by the Book-Entry Depository and CDIs registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg]]

(Permanently Restricted Global N&C Security to be used for securities which are to be represented by CREST Depository Interests)

[CREST Depository Instruments:

CREST Depository Interests ("**CREST Depository Interests**") representing the N&C Securities may also be issued in accordance with the usual procedures of Euroclear UK & Ireland Limited ("**CREST**").]

- 34.2 New Global Note: [Yes] / [No]
35. Additional Financial Centre(s): London / [give details]
- (Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 15.8, 16.3, 18.3 and 19.8 relate)*
36. Payment Day Convention: [Following] / [Modified Following] / [Preceding]
- (NB: If no Payment Day Convention is specified, "Following" will apply)*
37. Talons for future Coupons to be attached to Definitive Bearer N&C Securities: [Yes as the N&C Securities have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made] / [No]
38. Rounding Convention: [Rounded up] / [Rounded down] / [Not Applicable]
39. Calculation Agent: [Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London NW1 3AN]

United Kingdom]

[specify other, including address]

40. Specified Securities:

[Not Applicable] / [The N&C Securities shall be treated as Specified Securities (as defined in the Base Prospectus) for the purpose of Section 871(m) of the U.S. Internal Revenue Code of 1986.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms 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:

By:

Duly authorised

PART B – OTHER INFORMATION

[When completing this Part B prompts marked:

- * should be deleted if minimum denomination is less than €100,000 (or its equivalent in the relevant currency as at the date of issue).*
- ** should be deleted if minimum denomination is €100,000 or more (or its equivalent in the relevant currency as at the date of issue).*
- *** should be deleted if minimum denomination is €100,000 or more (or its equivalent in the relevant currency as at the date of issue) and if the securities are not Derivative Securities.*
- **** should be deleted if the securities are Derivative Securities.]*

1. LISTING AND ADMISSION TO TRADING

- 1.1 Listing and admission to trading: [Application [has been][is expected to be] made by the Issuer (or on its behalf) for the N&C Securities 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 [has been][is expected to be] made by the Issuer (or on its behalf) for the N&C Securities to be admitted to the Official List of the Irish Stock Exchange and trading on its regulated market with effect from [●] [the Issue Date].]
- [Specify any other listing, if applicable]*
- (Where documenting a fungible issue, indication must be given that the original N&C Securities are already admitted to trading).****
- [Not Applicable]
- 1.2 Estimate of total expenses related to admission to trading:*/**** []

2. RATINGS

- 2.1 Ratings: [None. Please note that as at the Issue Date it is not intended that this specific Series of N&C Securities will be rated.]
- [The N&C Securities to be issued [have been][are expected to be] rated [insert rating] by [insert the legal name of the relevant credit rating agency entity(ies)]./[The following ratings reflect ratings assigned to N&C Securities of this type issued under the Programme generally.]
- [Each of [defined terms] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation")]

[Include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating specifically allocated to N&C Securities 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 [and any Authorised Offeror[s]], so far as the Issuer is aware, no person involved in the issue of the N&C Securities 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 Base 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 Base 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 N&C Securities 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 4.2 and 4.3 above where disclosure is included at 4.1 above.)

5. YIELD - Fixed Rate N&C Securities Only****

Indication of yield: []

[Calculated as *[include specific 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 N&C Securities Only**

Details of historic [LIBOR/EURIBOR/Bank of England Base Rate/] rates can be obtained from [Reuters and/or Bloomberg].

7. PERFORMANCE OF [IDENTIFY REFERENCE ITEM], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT [AND OTHER INFORMATION CONCERNING [IDENTIFY REFERENCE ITEM]] – Variable Interest Rate N&C Securities And Variable Redemption N&C Securities***

[If there is a derivative component in the interest or the N&C Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, an example of how the value of the investment is affected by the value of the underlying may be included.]

- *[Need to include details of where past and future performance and volatility of the Reference Item can be obtained].*
- *[Where the underlying is an index, include the name of [the/each] index and details of where information about [the/each] index can be obtained.]*
- *[Where the underlying is a basket of underlyings, include details of the relevant weighting of each underlying in the basket.]*

[(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. OPERATIONAL INFORMATION

- 8.1 ISIN: []
- 8.2 Common Code: []
- 8.3 Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
[The N&C Securities will also be eligible for CREST via the issue of CREST Depository Interests representing the N&C Securities]
- 8.4 Delivery: Delivery [against/free of] payment
- 8.5 Names and addresses of additional Paying Agent(s) (if any): [] / [Not Applicable]
- 8.6 Deemed delivery of clearing system notice for the purposes of N&C Security Condition 13 (Notices): Any notice delivered to Securityholders through the clearing system will be deemed to have been given on the [second][business] day after the day on which it was given to [Euroclear] [and/,] [Clearstream, Luxembourg] [and/,] [specify other].
- 8.7 Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the N&C Securities are intended upon issue to be deposited with [one of the international central securities depositories ("ICSDs")] as common safekeeper][specify other] and does not

necessarily mean that the N&C Securities will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

(If "Yes" is selected and the N&C Securities are deposited with an ICSD, the N&C Securities must be issued in NGN form.)

[No. [Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the N&C Securities are capable of meeting them the N&C Securities may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the N&C Securities will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

8.8 Governing law: English

9. DISTRIBUTION

9.1 Method of distribution: [Syndicated/Non-syndicated]

9.2 (i) If syndicated, names [and addresses]*** of Managers [and underwriting commitments/quotas]***: [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.)****

(ii) Date of Subscription Agreement***: []

(iii) Stabilisation Manager(s) (if any): [Not Applicable] / *[give name]*

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

[In connection with the issue of any Tranche of N&C Securities, the relevant Dealer (if any) named as the stabilisation manager (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms or Base Prospectus (as the case may be) (the "**Stabilisation Manager**") may over-allot N&C Securities (provided that, in the case of any Tranche of N&C Securities 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 N&C Securities allotted does not exceed 105.00 per cent. of the aggregate nominal amount of the Tranche of N&C Securities) or effect transactions with a view to supporting the market price of the N&C Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of the Stabilisation 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 N&C Securities 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 N&C Securities and 60 days after the date of the allotment of the Tranche of N&C Securities.]

9.4 U.S. Selling Restrictions:

[The N&C Securities are only for offer and sale outside the United States in offshore transactions to non-U.S. Persons in reliance on Regulation S under the Securities Act and may not be offered, sold, transferred, pledged, delivered, redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. Person.

Each initial purchaser of the N&C Securities and each subsequent purchaser or transferee of the N&C Securities shall be deemed to have agreed with the Issuer or the seller of such Securities that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, such Securities so purchased in the United States or to, or for the account or benefit of, any U.S. Person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. Person and (ii) it is not purchasing any Securities for the account or benefit of any U.S. Person.]

[include the preceding two paragraphs for issuance of Bearer Securities pursuant to Regulation S]

[Reg. S Compliance Category 2; TEFRA D / TEFRA C / TEFRA not applicable] *(NB. N&C Securities which will be represented by CREST Depository Interests to be TEFRA C [and Immobilised Bearer Securities will be TEFRA not applicable])*

9.5 (a) Non-exempt Offer:**

[Applicable] [Not Applicable]. *(delete remaining sub-paragraph if not Applicable)*

(b) Non-exempt Offer Jurisdiction:

[Specify relevant Member States where the issuer intends to make Non-exempt Offers, which must be jurisdictions into which the Base Prospectus and any relevant supplements have been passported (in addition to Ireland, where the Base Prospectus is approved and published)]

(c) Offer Period

[Specify date] until [specify date or a formulation such as "the Issue Date" or "the date which falls [●] Business Days thereafter"

(Consider walk-away rights if extending Offer Period beyond the

Issue Date)

- (d) Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the Conditions in it: *[Insert names and addresses of financial intermediaries receiving consent (specific consent)]* *[Not Applicable]*
- (e) General Consent: *[Applicable]*/*[Not Applicable]*
- (f) Other Authorised Offeror Terms: *[Not Applicable]**[Add here any other Authorised Offeror Terms (Authorised Offeror Terms should only be included here where General Consent is applicable.)]*

(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the Base Prospectus (and any supplement) has been notified / passported.)

10. TERMS AND CONDITIONS OF THE OFFER**

[Applicable] / *[Not Applicable]* *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* *[The N&C Securities will be offered to the public in each Non-exempt Offer Jurisdiction[s] in accordance with the arrangements listed below.]*

- 10.1 Offer Price: *[Not Applicable]**[See 10.10 below]* / *[give details]*
- 10.2 [Conditions to which the offer is subject:]: *[Not Applicable]* / *[give details]*

[Offers of the N&C Securities are conditional on their issue and are subject to such conditions as are set out in the [Distribution Agreement]. As between Dealers and their customers (including Authorised Offerors) or between Authorised Offerors and their customers, offers of the N&C Securities 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 [Details of the minimum and/or maximum amount of application]: *[Not Applicable]* / *[give details]*
- 10.5 [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants]: *[Not Applicable]* / *[give details]*
- 10.6 [Details of the method and time limits for paying up and delivering the N&C Securities:]: *[Not Applicable]* / *[give details]*

[NB: Under normal circumstances, on the Issue Date, allocated N&C Securities will be made available to the Dealer(s) / Authorised Offerors in such account as may be held by them directly or indirectly at Euroclear or Clearstream. Luxembourg.]

- 10.7 [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).]
- 10.8 [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] [Not Applicable] / [give details]
- 10.9 [Whether tranche(s) have been reserved for certain countries:] [Not Applicable] / [give details]
- 10.10 Indication of the expected price at which the N&C Securities 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 N&C Securities to the Dealer(s) (and no one else) at the Issue Price [less a total commission of [upto] [] [per cent] [of the Issue Price]]. The Dealer(s) and Authorised Offerors will offer and sell the N&C Securities to their customers in accordance with the arrangements in place between each such Dealer and its customers (including the Authorised Offerors) or each such Authorised Offeror and its customers at the Issue Price and the market conditions prevailing at the time.]
 [The Issue Price for the N&C Securities includes a number of costs including sale commissions and hedging related payments and may not be an accurate reflection of the market value of the N&C Securities as of the Issue Date. The price at which the N&C Securities may be sold in secondary market transactions may be significantly lower than the Issue Price as a result. Accordingly, investors should be prepared to hold the N&C Securities until maturity.
 The Issue Price for the N&C Securities includes an embedded commission which will be payable to one or more distributors for the N&C Securities. An investor should enquire of any distributor from which it purchases N&C Securities as to the level of commissions received by the distributor.]
 [Other]
- 10.11 [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 Securityholders will be notified by the relevant Dealer(s) and Authorised Offeror in accordance with the arrangements in place between such Dealer(s) or Authorised Offeror and its customers. Any dealings in the N&C Securities, which take place will be at the risk of the prospective Securityholders.]
- 10.12 [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] [Not Applicable] / [give details]

10.13 [Name(s) and address(es), to the extent [The Authorised Offerors are identified in 9.5 above.] / [None] / known to the Issuer, of the placers in the [give details] various countries where the offer takes place.]

[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]¹². 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 Authorised Offeror(s). The Issuer shall not be liable for any offers, sales or purchases of N&C Securities to persons (other than in respect of offers and sales to, and purchases of, N&C Securities by the Dealer(s) and only then pursuant to the [Distribution Agreement] [Programme Agreement], which are made by the Dealer(s) or Authorised Offeror(s) in accordance with the arrangements in place between any such Dealer or [any such][the] Authorised Offeror and its customers.]

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

¹² Delete as applicable depending on whether syndicated trade or not.

SUMMARY OF THE N&C SECURITIES

[Insert completed summary for the N&C Securities, unless minimum denomination is equal to or greater than EUR 100,000 (or its equivalent in another currency)]