

IMPORTANT NOTICE

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FIRSTRAND

Bank Limited

(Registration Number 1929/001225/06)
(incorporated with limited liability in South Africa)

U.S.\$1,500,000,000

Structured Note Programme

This Base Prospectus has been approved by the United Kingdom Financial Services Authority (the **FSA**), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the **Prospectus Directive**) and relevant implementing measures in the United Kingdom, as a base prospectus issued in compliance with Article 5.4 of the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of notes (**Notes**) issued under the Structured Note Programme (the **Programme**) described in this Base Prospectus during the period of twelve months after the date hereof. Applications have been made for such Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List of the FSA and to trading on the regulated market of the London Stock Exchange plc which is a regulated market for the purpose of Directive 2004/39/EC (the Markets in Financial Instruments Directive) (the **London Stock Exchange**). The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

Notes to be issued under the Programme may comprise Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Dual Currency Notes, Credit-Linked Notes and Index Linked Notes (each as defined herein).

Prior written approval of the Financial Surveillance Department (FSD) of the South African Reserve Bank (SARB) is required for the issuance of each Tranche of Notes under the Programme. The prior approval of the Registrar of Banks is not required for the issuance of Notes.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.

The rating of certain series of Notes to be issued under the Programme may be specified in the applicable Final Terms (as defined in the Important Notices section below). Whether or not each credit rating applied for in relation to the relevant series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EU) No. 1060/2009 (the **CRA Regulation**) will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

Arranger and Dealer
FirstRand Bank Limited London Branch

14 December 2011

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IMPORTANT NOTICES

FirstRand Bank Limited (the **Issuer**) accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under *Terms and Conditions of the Notes* below, (the **Conditions**) as amended and/or supplemented by a document specific to such Tranche called final terms (the **Final Terms**) the forms of which are set out in *Form of Final Terms* below or in a separate prospectus specific to such Tranche (the **Drawdown Prospectus**) as described under *Final Terms and Drawdown Prospectuses* below. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Arranger or any Dealer.

None of the Dealers, the Arranger nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms or a Drawdown Prospectus in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see Subscription and Sale below. In particular, Notes have not

been and will not be registered under the United States Securities Act of 1933 (as amended) (the **Securities Act**). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any one of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer on the basis of the information contained in, or incorporated by reference in, this Base Prospectus.

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

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

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

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed U.S.\$1,500,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

In this Base Prospectus, unless otherwise specified, references to a **Member State** are references to a Member State of the European Economic Area, references to **South Africa** are references to the Republic of South Africa, references to **U.S.\$**, **U.S. dollars** or **dollars** are to United States dollars, references to **EUR** or **euro** are to the single currency introduced at the start of the third stage of European Economic and Monetary Union and as defined in Article 2 of the Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended, and references to **ZAR**, **R** or **Rand** are to South African rand.

For ease of information, certain financial information relating to the Issuer included herein has been presented as translated into U.S. dollars at the U.S. dollar/Rand official rates of exchange deemed appropriate by the Issuer. Unless otherwise specified, such rates were applicable as of the end of the relevant specified period(s). Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted into U.S. dollars at that or any other rate.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

RISK FACTORS

The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it, or which it may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus to reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Risks relating to the Issuer

The investments, business, profitability and results of operations of the Issuer may be adversely affected as a result of volatility in the economy and financial markets or a deterioration in the conditions thereof

The Issuer's businesses are inherently subject to the risk of economic and market fluctuations as well as the effects of these. In particular, the Issuer's activities are subject to interest rate risks and may in some cases also be subject to foreign exchange, bond and equity price risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs. The performance of financial markets may cause changes in the value of the Issuer's investment and trading portfolios. The Issuer has implemented risk management methods to mitigate and control these and other market risks to which the Issuer is exposed. However, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Issuer's financial performance. Should market circumstances deteriorate, this could lead to a decline in credit quality, decreases in asset prices, increases in defaults and non-performing debt and/or a worsening of general economic conditions in the markets in which the Issuer operates, all of which may materially adversely affect the Issuer's business, profitability and results of operations.

Furthermore it is not possible to predict what structural and/or regulatory changes may result from market conditions or whether such changes may be materially adverse to the Issuer and its prospects.

Risk Management

The Issuer, in common with other issuers in South Africa and elsewhere, is exposed to commercial and market risks in its ordinary course of business, the most significant of which are credit risk, market risk, liquidity risk, interest rate risk, operational risk and foreign exchange risk. Credit risk is the risk of loss due to non-performance of a counterparty in respect of any financial or performance obligation due to deterioration in the financial status of the counterparty. Market risk is the risk of loss on trading instruments and portfolios due to changes in market prices and rates. Liquidity risk is the inability to discharge funding or trading obligations which fall due at market related prices. Interest rate risk is defined as the sensitivity of the balance sheet and income statement to unexpected, adverse movements of interest rates. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Foreign exchange risk is the risk of losses occurring or a foreign investment's value changing from movement in foreign exchange rates.

In addition, the Issuer is also exposed to counterparty credit risk, equity investment risk, strategic risk, business risk, volume and margin risk, reputational risk, macroeconomic risk and environmental, social and governance risk. Counterparty credit risk is the risk of a counterparty to a bilateral contract, transaction or agreement defaulting prior to the final settlement of the transaction's cash flows. Equity investment risk is the risk of an adverse change in the fair value of an investment in a company, fund

or any other financial instrument, whether listed, unlisted or bespoke. Strategic risk is the risk to current or prospective earnings arising from adverse business decisions or the improper implementation of such decisions. Business risk is the risk to earnings and capital from potential changes in the business environment, client behaviour and technological progress. Volume and margin risk is the risk that the capital base is negatively impacted by a downturn in revenue due to market factors (for example, margin compression), combined with the risk that the cost base is inflexible. Reputational risk is the risk of reputational damage due to compliance failures, pending litigation or bad press reports. Macroeconomic risk is the risk to the business due to changes in macroeconomic conditions, global economic conditions or credit shocks. Environmental, social and governance risks focus on the environmental, social and governance issues which may impact the Issuer's ability to successfully and sustainably implement business strategy.

Any failure to control these risks adequately or unexpected developments in the future economic environment could have an adverse effect on the financial condition and reputation of the Issuer (see "Risk Management" below).

Concentration Risk

The Issuer's business is significantly focused on the South African markets and therefore faces a geographic concentration risk. Any adverse changes affecting the South African economy are likely to have an adverse impact on the Issuer's loan portfolio and, as a result, on its financial condition and results of its operations.

Liquidity Risk

Structural characteristics impacting the funding profile of South African banks

The banking sector in South Africa is characterised by certain structural features, such as a low discretionary savings rate and a higher degree of contractual savings that are captured by institutions such as pension funds, provident funds and providers of asset management services. A portion of these contractual savings translate into institutional funding (comprising wholesale funding from financial institutions across a range of deposits, loans and financial instruments) for banks, which has higher liquidity risk than retail deposits.

Given these structural issues, and as a result of the significant growth in risk weighted assets between 2005 and 2007, South African banks' overall proportion of institutional funding increased during this period. This is reflected in the table below which sets out the Bank's analysis of the composition of the funding base for the South African banking sector. In preparing this table, the Bank has grouped together certain data sourced from SARB BA900 consolidated banking sector returns as at 30 June 2011 into the broad categories identified in the table. SARB BA900 returns are filed by all banks and branches in South Africa which are subject to regulation by SARB.

Funding source	30 June 2011 (% of funding liabilities to the public)			
	Total	Short-term (<1 month)	Medium-term (1 to 6 months)	Long-term (> 6 months)
Foreign*	5	5	3	8
Other	1	1	2	2
Public sector	8	11	9	2
Retail	21	27	20	6
Corporate	21	29	11	9
Institutional	44	27	55	73

Source: South African banking sector aggregate SARB BA900 returns (30 June 2011), FirstRand research.
 * This category includes all funds and deposits which are not denominated in South African Rand regardless of source.

As retail funding represents only 21 per cent. of the banking sector's funding base this means that short-term, expensive institutional deposits are utilised to fund longer-dated assets such as mortgages. Liquidity risk in the South African banking system is therefore structurally higher than in most other markets.

However, this risk is to some extent mitigated by the following factors:

- the "closed Rand" system, whereby all Rand transactions (whether physical or derivative) have to be cleared and settled in South Africa through registered bank and clearing institutions domiciled in South Africa. The Issuer is one of the major clearing/settlement banks;

- the institutional funding base is fairly stable as it is, in effect, recycled contractual retail savings;
- the country has a prudential exchange control framework in place; and
- South African banks have a low dependence on foreign currency funding (i.e. low roll-over risk).

These factors contributed to South Africa's resilience during the recent global financial crisis.

Although the Issuer believes that its level of access to domestic and international inter-bank and capital markets and its liquidity risk management policy allow and will continue to allow the Issuer to meet its short-term and long-term liquidity needs, any maturity mismatches may have a material adverse effect on its financial condition and results of operations. Furthermore, there can be no assurance that the Issuer will be successful in obtaining additional sources of funds on acceptable terms or at all.

Changing regulatory environment

The Issuer is subject to the laws, regulations, administrative actions and policies of South Africa and each other jurisdiction in which it operates, and the Issuer's activities may be constrained by such regulations. Changes in supervision and regulation, particularly in South Africa, could materially affect the Issuer's business, the products or services offered, the value of its assets and its financial condition. Although the Issuer works closely with its regulators and continually monitors the situation, future changes in regulation, fiscal or other policies cannot be predicted and are beyond the control of the Issuer.

The global banking sector is experiencing increased political and regulatory pressures, and some of these pressures will materialise in South Africa. In December 2010, the Basel Committee on Banking Supervision (**BCBS**) published two documents proposing fundamental reforms to the regulatory capital and liquidity framework (referred to as **Basel III**). The Basel III guidelines propose two new liquidity metrics: the Liquidity Coverage Ratio (**LCR**), effective 1 January 2015, which measures short-term liquidity stress and the Net Stable Funding Ratio (**NSFR**), effective 1 January 2018, which measures the stability of long-term structural funding. Considering South Africa's G20 membership and its status as a Basel Committee member country, it is expected to adopt these requirements.

The BCBS has put processes in place to ensure the rigorous and consistent global implementation of the Basel III framework. The standards will be phased in gradually so that the banking sector can move to the higher liquidity standards while supporting lending to the economy. Both the LCR and the NSFR will be subject to an observation period and will include a review clause to address any unintended consequences.

Given the structural features identified above and a relative shortage of assets in South Africa that would qualify as Level I liquid assets under the Basel III framework, the South African banking sector (including the Issuer) would not comply with the Basel III NSFR and LCR requirements based on their current funding profiles. These issues have been recognised by the South African Regulators, banking industry and the National Treasury of South Africa. In response, and under the guidance of the National Treasury of South Africa, a structural funding and liquidity task team has been established and mandated to assess the impact and subsequently make recommendations to the South African Finance Ministry on how the banking industry effectively deals with the proposed regulations.

The SARB is engaging the banking industry with regards to the national discretion items that are allowed in the Basel III framework. The consultation process is on-going and will continue during the monitoring period. Although the SARB is expected to implement the Basel III framework, it is not currently clear what final regulations relating to Basel III will be implemented in South Africa, when they will be adopted, or when the deadline for implementation will be. The Issuer is therefore not currently able to predict whether the implementation in South Africa of the liquidity requirements of the Basel III framework will have a material impact on the Issuer's financial condition, business or results of operations.

Competitive Landscape

The Issuer is subject to significant competition from other major banks operating in South Africa, including competitors that may have greater financial and other resources, and, in certain markets,

from international banks. Many of these banks operating in the Issuer's markets compete for substantially the same customers as the Issuer. Competition may increase in some or all of the Issuer's principal markets and may have an adverse effect on its financial condition and results of operations.

The Issuer is subject to capital requirements that could limit its operations

The Issuer is subject to capital adequacy guidelines adopted by the SARB, which provide for a minimum target ratio of capital to risk-adjusted assets. Any failure by the Issuer to maintain its ratios may result in sanctions against the Issuer which may in turn impact on its ability to fulfil its obligations under the Notes.

In particular, certain provisions of the Banks Act have been amended, with effect from 1 January 2008, as read with the "*Regulations Relating to Banks*" promulgated under section 90 of the Banks Act (the **Regulations Relating to Banks**), in order, among other things, to provide for the requirements applicable to the issue by a bank of notes that qualify as "primary capital", "secondary share capital" or "tertiary capital" (each as defined in the Banks Act). The Banking Supervision Department of the South African Reserve Bank has recently circulated draft amendments to the Regulations Relating to Banks. The proposed amendments are aimed at aligning the Regulations Relating to Banks with principles contained in the enhancements to Basel II finalised by BCBS in July 2009 to incorporate new capital requirements to include the effects of stressed markets, an incremental risk charge for default and rating migration risk of trading book positions and higher risk weightings for resecuritised exposures (**Basel 2.5**). These amendments are in draft form only and may be subject to change before implementation.

Risks Relating to the Notes

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless, in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Notes issued under the Programme to be admitted to listing on the Official List of the FSA and to trading on the regulated market of the London Stock Exchange, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

The Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of South Africa or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specify that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Because the Global Note Certificates are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Notes issued under the Programme may be represented by one or more Global Note Certificates. Such Global Note Certificates will be registered in the name of a nominee and deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances

described in the relevant Global Note Certificate, investors will not be entitled to receive Individual Note Certificates. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Note Certificates. While the Notes are represented by one or more Global Note Certificates, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Note Certificates the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Note Certificates.

Holders of beneficial interests in the Global Note Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Note Certificates will not have a direct right under the Global Note Certificates to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant (defined below).

Credit Rating

Tranches of Notes issued under the Programme may be rated or unrated. If a rating is assigned to any issue of Notes, the rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed herein, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

EU Savings Directive and Other Withholding Tax Obligations

If, pursuant to the European Council Directive 2003/48/EC on the taxation of savings income (see "Taxation — EU Savings Tax Directive" below), a payment in respect of a Note were to be made by or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to such Note as a result of the imposition of such withholding tax (see Condition 10 (Taxation)). The Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive (see Condition 10.1(b)).

There may be other occasions in other jurisdictions in which an amount of, or in respect of, tax is required to be withheld from a payment in respect of any Note and in respect of which neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to such Note as set out in Condition 10 (Taxation).

Risks related to the structure of the particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index-Linked and Dual Currency Notes

The Issuer may issue Notes the terms of which provide for interest or principal payable in respect of such Note to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**) or with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly Paid Notes

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

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the

greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks relating to Credit-Linked Notes

Credit-Linked Notes have a different risk profile to ordinary unsecured debt securities. The return on a Credit-Linked Note is linked to the credit risk of one or more Reference Entities and certain obligations of one or more Reference Entities underlying that Credit-Linked Note. Investing in a Credit-Linked Note is not equivalent to investing directly in shares of any Reference Entity or in any obligation of any Reference Entity, nor is it equivalent to investing or hedging using over-the-counter derivatives.

Terms defined in these Risks relating to Credit-Linked Notes shall have the meanings given to them in the "*Credit Linked Annex*" below.

Risks related to the structure of a particular issue of Credit-Linked Notes

A number of the Credit-Linked Notes may have features which contain particular risks for prospective investors. Set out below is a description of the most common such features:

Credit-Linked Notes subject to optional redemption by the Issuer after a Credit Event

The Issuer may redeem Credit-Linked Notes (or, if so specified in the applicable Final Terms, a portion thereof) earlier than the stated Maturity Date if a Credit Event occurs and the Conditions to Settlement specified in the applicable Final Terms are satisfied. The optional redemption feature of Credit-Linked Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Credit-Linked Notes, the market value of those Credit-Linked Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

At the time of such optional redemption, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Credit-Linked Notes being redeemed. Prospective Noteholders should consider such reinvestment risk in light of other investments available at the time.

Risk of Loss of Interest

Save as otherwise provided in the applicable Final Terms, interest will cease to accrue on Credit-Linked Notes upon the occurrence of an Event Determination Date.

Risk of Loss of Principal

Investors bear the risk of loss if any Event Determination Date occurs and the Conditions to Settlement, if any, are satisfied. The Cash Settlement Amount in respect of each Cash Settled CLN is likely to be less than the outstanding principal amount of such CLN and may be zero. Similarly the market value of the Deliverable Obligations in respect of each Physically Settled CLN is likely to be less than the outstanding principal amount of such CLN and may be zero.

Calculation Agent and Conflict of Interest

Unless otherwise specified in the Final Terms, the Issuer shall act as the Calculation Agent for each Series of Credit-Linked Notes and therefore potential conflicts of interest may exist between the Calculation Agent and the Noteholders, including with respect to the exercise of the very broad discretionary powers of the Calculation Agent. The Calculation Agent has the authority (1) to determine whether a Credit Event has occurred and (2) to determine any resulting adjustments and calculations as described in the Credit-Linked Terms. Prospective investors should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Credit-Linked Notes. Any such discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest or proven error) shall be binding on the Issuer and all Noteholders.

See also "*Risks relating to Settlement Method*" below.

Risks relating to the Credit Derivatives Definitions and the Credit Derivatives Determinations Committees

Credit Derivatives Definitions

The terms and conditions of the Credit-Linked Notes do not incorporate by reference the definitions and provisions of the 2003 ISDA Credit Derivatives Definitions, as amended by the supplements

thereto including the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement (the **July 2009 Supplement**) published on 14 July 2009 (the **Credit Derivatives Definitions**) and there may be differences between the definitions used in the Conditions of the Notes and the Credit Derivatives Definitions. Consequently, investing in Credit-Linked Notes is not exactly equivalent to investing in a credit default swap that incorporates the Credit Derivatives Definitions.

While ISDA has published and supplemented the Credit Derivatives Definitions in order to facilitate transactions and promote uniformity in the credit derivative market, the credit derivative market has evolved over time and is expected to continue to change. Consequently, the Credit Derivatives Definitions and the terms applied to credit derivatives, including Credit-Linked Notes, are subject to interpretation and further evolution. Past events have shown that the views of market participants may differ as to how the Credit Derivatives Definitions operate or should operate. As a result of the continued evolution in the market, interpretation of the Credit-Linked Notes may differ in the future because of future market standards. Such a result may have a negative impact on the Credit-Linked Notes.

There can be no assurance that changes to the terms applicable to credit derivatives generally will be predictable or favourable to the Issuer or Noteholders. Future amendments or supplements to the terms applicable to credit derivatives generally will only apply to Credit-Linked Notes that have already been issued if the Issuer and the Noteholders agree to amend the Credit-Linked Notes to incorporate such amendments or supplements and other conditions relating to amending the Credit-Linked Notes have been met.

Credit Derivatives Determinations Committees

Credit Derivatives Determinations Committees were established pursuant to the March 2009 Supplement to the 2003 ISDA Credit Derivatives Definitions to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. Further information about the Credit Derivatives Determinations Committee may be found at www.isda.org/credit.

Whether or not a Credit Event or Succession Event has occurred, and certain decisions relating thereto, may be dependent on determinations made by the Credit Derivatives Determinations Committee. In certain circumstances, determinations made by the Calculation Agent may be overridden by subsequent determinations made by the Credit Derivatives Determinations Committee. If the Calculation Agent delivers a Credit Event Notice or Succession Event Notice such notice may be superseded by a determination of the Credit Derivatives Determinations Committee.

In making any determination in its capacity as Calculation Agent or Issuer, the Issuer may have regard to (and in certain circumstances, is bound by) decisions made by the ISDA Credit Derivatives Determinations Committee. Further information about the ISDA Credit Derivatives Determinations Committee may be found at www.isda.org/credit.

Exposure to Reference Entities, Obligations, Reference Obligations and Deliverable Obligations

Unless otherwise provided in the applicable Final Terms, purchasers of Credit-Linked Notes are exposed to the credit risks and other risks associated with the Reference Entities and their Obligations, Reference Obligations, Deliverable Obligations and any relevant jurisdictional risks.

Synthetic Exposure

The Credit-Linked Notes do not represent a claim against any Reference Entity and, in the event of any loss, purchasers of Credit-Linked Notes will not have recourse under the Credit-Linked Notes to any Reference Entity. The Issuer is not obliged to own or hold any Obligation or Reference Obligation, and no inference may be drawn from the Base Prospectus, the Credit-Linked Annex or any applicable Final Terms that the Issuer holds any such Obligation or Reference Obligation or has any credit exposure to any Reference Entity. Unless otherwise provided in the applicable Final Terms, amounts payable under the Credit-Linked Notes are not, in any direct or indirect way, limited by, associated with, or linked or calculated by reference to, any loss of bargain, cost of funding or any other actual loss or cost suffered by the Issuer as a result of its holding or not holding any Obligation or Reference Obligation.

Credit Events

Potential purchasers should note that not all Credit Events have easily ascertainable triggers and disputes can arise and have arisen as to whether a specific event did or did not constitute a Credit Event. However, under these Credit-Linked Terms and subject to any subsequent determinations made by a Credit Derivatives Determinations Committee, the Calculation Agent's determination of a Credit Event will, in the absence of manifest error, be conclusive and binding on all persons (including, without limitation, the Noteholders), notwithstanding the disagreement of such persons or other financial institutions, rating agencies or commentators.

Succession Events and Substitute Reference Obligations

Upon the occurrence of a Succession Event, one or more Successor Reference Entity(s) will (unless otherwise specified in the applicable Final Terms) be deemed to be a Reference Entity in replacement of (or in addition to, as applicable) the Reference Entity originally specified in the applicable Final Terms. Further, upon a Reference Obligation ceasing to exist in the manner specified in the definition thereof, a Substitute Reference Obligation may be selected. As a result of this, a Series of Credit-Linked Notes may be linked to the credit of certain Reference Entities and its Obligations and Reference Obligations notwithstanding that such Reference Entities, Obligations and Reference Obligations were not specified in the applicable Final Terms upon issuance of such Series of Credit-Linked Notes.

Redemption after Maturity Date

Redemption may occur irrespective of whether a Credit Event is continuing on or after an Event Determination Date. The Cash Settlement Date or the Physical Settlement Date may be later than the Maturity Date. In certain circumstances, delivery of Deliverable Obligations contained in the Portfolio may be delayed to a date beyond the Physical Settlement Date. The Calculation Agent may in certain circumstances elect to extend the maturity of the Credit-Linked Notes by service of an Extension Notice. During the Extension Period an Event Determination Date may occur.

Discretion of Calculation Agent

The decision when and whether to deliver a Credit Event Notice and, if applicable, a Notice of Publicly Available Information, is at the sole and absolute discretion of the Calculation Agent. Such notices are effective when delivered to the Issuer and Fiscal Agent. The delivery of or failure to deliver such notices to Noteholders will not affect the effectiveness of such notices.

Risks relating to the Settlement Method

The Settlement Method specified in the Final Terms will affect how the Credit-Linked Notes are redeemed. Prospective investors should assess whether the Settlement Method is appropriate for them prior to investing in the Credit-Linked Notes.

Where the CLNs are Single Reference Entity Cash or Physical CLN, Nth-to-Default Cash or Physical CLN or Basket Cash or Physical CLN, the Issuer may elect the Settlement Method after the occurrence of a Credit Event. Prospective investors should be aware that this may result in a different Settlement Method than the method originally anticipated by the Credit-Linked Notes.

Physical Settlement

Redemption Failure/Alternative Settlement

If, in relation to a Physically Settled CLN, the Issuer is unable to Deliver any portion of the Portfolio the Note may be subject to alternative settlement. If the minimum denomination of Deliverable Obligations is not a whole integral number of the amount of the Portfolio, the Issuer may Deliver such whole integral amount of the Portfolio and cash settle the fractional shortfall.

Noteholder Obligations

If a Note is a Physically Settled CLN, the Issuer's obligation to Deliver the Portfolio is subject to various conditions, including, without limitation, the obligation of the Noteholder, where the Note is in definitive form, to deliver to the Issuer an Asset Transfer Notice within the prescribed time frame. If a Noteholder fails to do so, the obligations of the Issuer to that Noteholder may be discharged without any payment or Delivery. In any event, no payment or Delivery will be made in respect of a Physically Settled CLN unless the Issuer has received any required instructions, certifications and information and, where applicable, the relevant Note has been delivered and surrendered in accordance with the

terms of the Agency Agreement (as amended from time to time), the Conditions and the terms of any relevant Global Note Certificate.

Impossibility and illegality

In relation to a Physically Settled CLN, if as a result of the application of the provisions of Credit Linked Terms 9(d) and 9(e) it is impossible, impracticable (including if unduly burdensome) or illegal for the Issuer to Deliver (by reason of an impossibility, impracticability or illegality or for any other reason specified in such Credit Linked Terms), then Credit Linked Terms 9(d) and 9(e) relating to partial cash settlement may apply in respect of the undeliverable portion of the Portfolio.

Auction Settlement

If "Auction Settlement" is specified as applicable in respect of any Cash Settled CLN, then the amounts payable by and/or rights and obligations of the parties under such Note in respect of the relevant Reference Entity or Reference Obligation will be determined in accordance with the Auction Final Price. This may result in a lower recovery value than a Reference Entity or Reference Obligation would have if such Auction Final Price had not been used.

If "Auction Settlement" is specified as applicable in respect of any Cash Settled CLN but the Credit Derivatives Determinations Committee does not decide to conduct an Auction with respect to obligations of the relevant Reference Entity satisfying the relevant characteristics as set out in the applicable Final Terms, then the Fallback Settlement Method shall apply. In such circumstances, either the Final Price will be determined pursuant to the Valuation Method or the Issuer will Deliver to Noteholders the Portfolio.

Cash Settlement

If "Cash Settlement" is specified as applicable in respect of any Cash Settled CLN, or deemed to apply pursuant to the Fallback Settlement Method, then the Calculation Agent will value the Reference Obligation in accordance with the Valuation Method specified in the Final Terms. The date, time and method of such Valuation will impact the Final Price.

Investors should note that the Final Price determined in accordance with "Cash Settlement" may be significantly different to the Auction Final Price.

Other Credit-Linked Note risk factors

Recent Market Developments

Hedging

In the ordinary course of their business, including without limitation in connection with their market-making activities, the Issuer, the Dealer and/or any Agent or any Affiliate of any of them (each such entity, a **Programme Party**) may effect transactions for their own account or for the account of their customers and hold long or short positions in any applicable Reference Obligation or related derivatives. In addition, in connection with the offering of the Credit-Linked Notes, the Issuer and/or any other Programme Party may enter into one or more hedging transactions with respect to any applicable Reference Obligation or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any other Programme Party, the Issuer and/or any other Programme Party may enter into transactions with respect to any applicable Reference Obligation or related derivatives which may affect the market price, liquidity or value of the Credit-Linked Notes and which could be deemed to be adverse to the interests of the relevant Noteholders. The Issuer and/or any other Programme Party may pursue such hedging or related derivatives actions and take such steps as they deem necessary or appropriate to protect their interests without regard to the consequences for any Noteholder.

No Guarantee of Performance

The Credit-Linked Notes constitute direct, unsubordinated and unsecured obligations of the Issuer that are linked to the credit risk of the Reference Entities and/or Reference Obligations specified in the applicable Final Terms. No Programme Party guarantees the performance of or otherwise stands behind the performance of any Reference Entity or Reference Obligation or is under any obligation to make good losses suffered as a result of Credit Events.

Provision of Information

The Programme Parties, whether by virtue of the types of relationships described herein or otherwise, may possess information in relation to any Reference Entity, any Affiliate of a Reference Entity, any Reference Obligation or any guarantor that is or may be material in the context of the Credit-Linked Notes and that may or may not be publicly available or known to the Noteholders or any other person. The Credit-Linked Notes will not create any obligation on the part of any of the Programme Parties to disclose any such relationship or information (whether or not confidential).

No representations

None of the Programme Parties makes any representation, express or implied, as to any Reference Entity or any Reference Obligation or the credit quality thereof, or any information contained in any documents provided by any Reference Entity or filed by a Reference Entity with any exchange or with any governmental authority.

Other risk factors

Modification and waivers and substitution

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

Notes where denominations involve integral multiples: definitive Notes

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

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

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

Hedging

Prospective purchasers intending to purchase Notes to hedge against the market risk associated with investing in a reference index (or basket of indices), share (or basket of shares), debt instrument (or basket of debt instruments), currency (or basket of currencies), commodity (or basket of commodities), fund (or basket of funds) or other asset or basis of reference which may be specified in the applicable Final Terms, should recognise the complexities of utilising Notes in this manner. For example, the value of the Notes may not exactly correlate with the value of the reference asset(s) or basis of reference. Due to fluctuating supply and demand for the Notes there is no assurance that their value will correlate with movements of the reference asset(s) or basis of reference. For these reasons, among others, it may not be possible to purchase or liquidate Notes in a portfolio at the prices used to calculate the value of any reference asset or basis of reference.

Change of law

The Notes, and any non-contractual obligations arising out of or in connection with them, are governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice in either such jurisdiction after the date of this Base Prospectus.

Risks relating to South Africa

Risk relating to Emerging Markets

South Africa is generally considered by international investors to be an emerging market. Investors in emerging markets such as South Africa should be aware that these markets are subject to greater risk than more developed markets. These risks include economic instability as well as, in some cases, significant legal and political risks.

Economic and financial market instability in South Africa has been caused by many different factors, including:

- high interest rates;
- changes in currency values;
- high levels of inflation;
- exchange controls;
- wage and price controls;
- changes in economic or tax policies;
- the imposition of trade barriers; and
- internal security issues.

Any of these factors, amongst others, as well as volatility in the markets for securities similar to the Notes, may adversely affect the value or liquidity of the Notes.

Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved, and prospective investors are urged to consult with their own legal and financial advisors before making an investment in the Notes.

Investors should also note that developing markets, such as South Africa, are subject to rapid change and that the information set out in this Base Prospectus may become outdated relatively quickly.

Regulatory Environment

The Issuer is subject to government regulation in South Africa. Regulatory agencies have broad jurisdiction over many aspects of the Issuer's business, which may include capital adequacy, premium rates, marketing and selling practices, advertising, licensing agents, policy forms, terms of business and permitted investments.

Changes in government policy, legislation or regulatory interpretation applying to the financial services industry in the markets in which the Issuer operates may adversely affect the Issuer's product range, distribution channels, capital requirements, environmental and social obligations and, consequently, reported results and financing requirements.

Exchange Controls

Since 1995, certain exchange controls in South Africa have been relaxed. The extent to which the South African Government (the Government) may further relax such exchange controls cannot be predicted with certainty, although the Government has committed itself to a gradual approach of relaxation. Further relaxation, or abolition of exchange controls may precipitate a change in the capital

flows to and from South Africa. If the net result of this were to cause large capital outflows, this could adversely affect the Issuer's business and it could have an adverse effect on the financial condition of the Issuer as a whole. In the event of the immediate abolition of exchange control there may be a sudden withdrawal of Rand from the South African market by investors. Because South Africa has a fully floating exchange rate and a flexible interest rate policy, this would result in a rapid depreciation of the Rand exchange rate which would serve to stem the flight and would also result in an increase in interest rates due to the depreciation of the Rand. The SARB would sell reserves to protect the value of the Rand. Such reserve activity by the SARB is always sterilised and as such has no impact on inflation.

INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- 1 the audited non-consolidated financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the years ended 30 June 2011 and 30 June 2010 (set out on pages 73 to 197 of the 2011 annual report of the Issuer and pages 83 to 196 of the 2010 annual report of the Issuer, respectively);
- 2 the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the years ended 30 June 2011 and 30 June 2010 (set out on pages 76 to 206 of the 2011 annual group report of the Issuer and pages 83 to 220 of the 2010 annual group report of the Issuer, respectively);
- 3 the risk and capital management report of the Issuer in respect of the year ended 30 June 2011 (set out on pages 3 to 70 of the 2011 non-consolidated annual report of the Issuer and on pages 3 to 74 of the 2011 consolidated annual report of the Issuer) (the **Risk and Capital Management Report**);
- 4 supplementary credit, funding and liquidity information in respect of the year ended 30 June 2011 (set out on pages 204 to 218 of the non-consolidated annual report of the Issuer); and
- 5 the following pages of the base prospectus dated 9 November 2011 (as supplemented from time to time) relating to the Issuer's U.S.\$1,500,000,000 euro medium term note programme (the **MTN Base Prospectus**).

Description of FirstRand Bank Limited	pages 45 to 83
Related party transactions	page 84
The banking sector in South Africa	pages 85 to 88

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at the registered office of the Issuer. Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

The credit ratings referred to in the Risk and Capital Management Report have been issued by Moody's Investor Services Limited (Moody's), Fitch Southern Africa (Pty) Limited (Fitch SA) and Fitch Ratings Ltd (Fitch). Each of Moody's and Fitch is established in the European Union and is registered under the CRA Regulation. Fitch SA is not established in the European Union and has not applied for registration under the CRA Regulation.

The credit ratings referred to in the relevant pages of the MTN Base Prospectus which are incorporated by reference in this Base Prospectus have been issued by McGraw-Hill International Enterprises, Inc (South Africa branch) (S&P SA), Moody's Investors Service Cyprus Ltd (Moody's Cy) and Fitch SA. Each of S&P SA and Fitch SA is not established in the European Union and has not applied for registration under the CRA Regulation. Moody's Cy is established in the European Union and is registered under the CRA Regulation.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Certain information contained in the documents listed above has not been incorporated by reference in this Base Prospectus. Such information is either (a) not considered by the Issuer to be relevant for prospective investors in the Notes to be issued under the Programme or (b) is covered elsewhere in this Base Prospectus.

SUPPLEMENT TO THIS BASE PROSPECTUS

If at any time during the duration of the Programme a significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus arises or is noted which is capable of affecting the assessment of any Notes which may be issued under the Programme whose inclusion is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attaching to the Notes, the Issuer will prepare a supplement to this Base Prospectus.

KEY FEATURES OF THE PROGRAMME

The following overview of key features of the Programme does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus. Words and expressions defined in the Conditions or elsewhere in this Base Prospectus have the same meanings in this overview of the key features of the Programme.

Issuer:	FirstRand Bank Limited.
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under <i>Risk Factors</i> above.
Arranger and Dealer:	FirstRand Bank Limited London Branch (FirstRand Bank London). The Issuer may from time to time appoint dealers in respect of one or more Tranches. References in this Prospectus to "Dealers" are to such persons that are appointed as dealers in respect of one or more Tranches.
Fiscal Agent:	The Bank of New York Mellon, London Branch.
Registrar:	The Bank of New York Mellon (Luxembourg) S.A.
Calculation Agent:	FirstRand Bank Limited unless otherwise specified in the relevant Final Terms.
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either (a) pursuant to this Base Prospectus and associated Final Terms or (b) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus.
Listing and Trading:	Applications have been made for Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List of the FSA and to trading on the regulated market of the London Stock Exchange. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer, subject in all cases to the Issuer obtaining the consent from FSD.
Clearing Systems:	Euroclear Bank SA/NV (Euroclear) and/or Clearstream Banking, société anonyme (Clearstream, Luxembourg) and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Initial Programme Amount:	Up to U.S.\$1,500,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be

different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Prior written approval of FSD is required for the issuance of each Tranche of Notes under the Programme. The prior approval of the Registrar of Banks is not required for the issuance of Notes under the Programme.

Forms of Notes:

Notes may only be issued in registered form. Each Tranche of Notes will initially be represented by a global note certificate in registered form (a Global Note Certificate). The Global Note Certificate will be deposited with a common depository for Euroclear and Clearstream, Luxembourg and registered in the name of its nominee. Persons holding beneficial interests in the Global Note Certificate will be entitled or required, as the case may be, to receive physical delivery of individual note certificates (Individual Note Certificates).

Interests in a Global Note Certificate will be exchangeable (free of charge), in whole but not in part, for Individual Note Certificates without receipts, interest coupons or talons attached only in the limited circumstances described under *Summary of Provisions Relating to the Notes While in Global Form*.

Currencies:

Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to any currency or currencies other than the currency in which such Notes are denominated.

Status of the Notes:

The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 6 (*Negative Pledge*)) unsecured obligations of the Issuer.

Issue Price:

Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Maturity:

Notes may be issued with any maturity date.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the FSMA) by the Issuer.

Fixed Rate Notes:

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Notes:	<p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <p>(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or</p> <p>(b) by reference to LIBOR or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin.</p> <p>Interest periods will be specified in the relevant Final Terms.</p>
Zero Coupon Notes:	Zero Coupon Notes (as defined in " <i>Terms and Conditions of the Notes</i> ") may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in " <i>Terms and Conditions of the Notes</i> ") will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Final Terms.
Credit-Linked Notes:	Payment of principal and/or interest is linked to the credit of a specified entity, entities or basket of reference entities and Notes will be issued on such terms as may be determined by the Issuer and as specified in the Credit-Linked Annex and applicable Final Terms.
Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes (as defined in " <i>Terms and Conditions of the Notes</i> ") or of interest in respect of Index Linked Interest Notes (as defined in " <i>Terms and Conditions of the Notes</i> ") will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms.
Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable.
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Note that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms and the supplementary prospectus.
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.
Tax Redemption:	Except as described in " <i>Optional Redemption</i> " above, early redemption will only be permitted for tax reasons as described in Condition 8.3 (<i>Redemption for Taxation Reasons</i>).
Denominations:	No Notes may be issued under the Programme (a) where such Notes are to be admitted to trading on a regulated market within

the European Economic Area or offered to the public in circumstances which require the publication of a prospectus under the Prospectus Directive, with a minimum denomination of less than EUR100,000 (or its equivalent in another currency at the Issue Date of such Notes), or (b) which carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs. Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 6 (<i>Negative Pledge</i>).
Cross Default:	The Notes will have the benefit of a cross default as described in Condition 11(c) (<i>Events of Default</i>).
Taxation:	All payments in respect of Notes will be made free and clear of withholding taxes of South Africa, unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 10 (<i>Taxation</i>)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
Governing Law:	English law.
Enforcement of Notes in Global Form:	In the case of Global Note Certificates, individual investors' rights against the Issuer will be governed by a Deed of Covenant (the Deed of Covenant) dated 14 December 2011, a copy of which will be available for inspection at the specified office of the Fiscal Agent.
Ratings:	Each Tranche of Notes may be rated or unrated. Where applicable, the ratings of the Notes will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, South Africa and Japan, see " <i>Subscription and Sale</i> " below.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression **necessary information** means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuer has endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus or any supplement hereto and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, will be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Notes or (2) by a registration document (the **Registration Document**) containing the necessary information relating to the Issuer, a securities note (the **Securities Note**) containing the necessary information relating to the relevant Notes and, if necessary, a summary note. In addition, if the Drawdown Prospectus is constituted by a Registration Document and a Securities Note, any significant new factor, material mistake or inaccuracy relating to the information included in the Registration Document which arises or is noted between the date of the Registration Document and the date of the Securities Note which is capable of affecting the assessment of the relevant Notes will be included in the Securities Note.

FORMS OF THE NOTES

Each Tranche of Notes will initially be represented by a Global Note Certificate. Global Note Certificates will be deposited with a common depositary and registered in the name of its nominee. Persons holding beneficial interests in a Global Note Certificate will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Individual Note Certificates in fully registered form.

Payments of principal, interest and any other amount in respect of the Global Note Certificates will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 2.1 (*Definitions*)) as the registered holder of the Global Note Certificate. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Note Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Individual Note Certificates will, in the absence or provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 9.6 (*Record Date*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Global Note Certificate will be exchangeable (free of charge), in whole but not in part, for Individual Note Certificates without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. The Issuer will promptly give notice to Noteholders in accordance with Condition 17 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Note Certificate) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Notes represented by an Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under *Terms and Conditions of the Notes* below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Notes represented by a Global Note Certificate will differ from those terms and conditions which would apply to the Note were it in individual form to the extent described under *Summary of Provisions Relating to the Notes while in Global Form* below.

Legend concerning United States persons

In the case of any Tranche of Notes having a maturity of more than 365 days, the Global Note Certificate and the Individual Note Certificates will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the Conditions) that will apply to the Notes, subject to amendment and as supplemented or varied in accordance with the provisions of the applicable Final Terms and any Annex specified to be applicable in such Final Terms. Where an Annex is specified in the applicable Final Terms for any Notes, these Conditions shall be subject to contrary provisions contained in such Annex and will not apply to the extent they are inconsistent with the provisions of such Annex. In all cases, Conditions and the provisions of such Annex shall be subject to the applicable Final Terms, and will not apply to the extent they are inconsistent with the provisions of such Final Terms. Words and expressions defined or used in the applicable Final Terms shall have the same meanings where used in these Conditions and any applicable Annex unless the context otherwise requires or unless otherwise stated. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the applicable Annex or applicable Final Terms. References in these Conditions or any Annex to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

1 Introduction

- 1.1 **Programme:** FirstRand Bank Limited (the **Issuer**) has established a structured note programme (the **Programme**) for the issuance of up to U.S.\$1,500,000,000 in aggregate principal amount of notes (the **Notes**).
- 1.2 **Final Terms:** Notes issued under the Programme are issued in series (each a **Series**) and each Series may comprise one or more tranches (each a **Tranche**) of Notes. Each Tranche is the subject of a written final terms (the **Final Terms**) which supplements these Conditions and any Annex specified to be applicable in such Final Terms. The terms and conditions applicable to any particular Tranche of the Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms and/or Annex. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- 1.3 **Deed of Covenant:** The Notes are constituted by a deed of covenant dated 14 December 2011 (the **Deed of Covenant**) entered into by the Issuer.
- 1.4 **Agency Agreement:** The Notes are the subject of an amended and restated issue and paying agency agreement dated 14 December 2011 (the **Agency Agreement**) between the Issuer, The Bank of New York Mellon (Luxembourg) S.A. as registrar (the **Registrar**, which expression includes any successor registrar appointed from time to time in connection with the Notes), The Bank of New York Mellon, London Branch as fiscal agent (the **Fiscal Agent**, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the **Paying Agents**, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). References herein to the **Agents** are to the Registrar, the Fiscal Agent and the Paying Agents and any reference to an Agent is to any one of them.
- 1.5 **The Notes:** All subsequent references in these Conditions to Notes are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at, and copies may be obtained from, the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.
- 1.6 **Summaries:** Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2 Interpretation

- 2.1 **Definitions:** In these Conditions the following expressions have the following meanings:

Additional Business Centre has the meaning given in the relevant Final Terms;

Amortised Face Amount means the amount calculated in accordance with Condition 8.2.1 (Zero Coupon Notes);

Annex means, with respect to any Series of Notes, any annex setting out additional terms and conditions in respect of such Notes which is specified as being applicable in the relevant Final Terms;

Authorised Holding has the meaning given to it in Condition 3 (Form, Denomination and Title);

Business Day means:

- (a) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (b) in the case of euro, a day on which the TARGET system is operating (a **TARGET Business Day**); and/or
- (c) in the case of a currency and/or one or more Additional Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres;

Calculation Amount has the meaning given in the relevant Final Terms;

Call Option has the meaning given in the relevant Final Terms;

Day Count Fraction means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the **Calculation Period**):

- (a) if **Actual/Actual** or **Actual/Actual - ISDA** is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if **Actual/365 (Fixed)** is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (c) if **Actual/360** is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (d) if **30/360**, **360/360** or **Bond Basis** is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

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

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

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D₁ is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (e) if **30E/360** or **Eurobond Basis** is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

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

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

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D₁ is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (f) if **30E/360 (ISDA)** is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

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

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

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D₁ is the first calendar day, expressed as a number, of the Calculation 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 Calculation 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;

- (g) if **Actual/Actual-ICMA** is specified hereon.
- (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (ii) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

Determination Date means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s);

Determination Period means the period from and including a Determination Date in any year to but excluding the next Determination Date;

Dispute has the meaning given to it in Condition 20.2 (*English courts*);

Dual Currency Note means a Note specified as such in the relevant Final Terms;

Early Redemption Amount (Tax) means, in respect of any Note, its principal amount plus accrued interest (if any) to the date fixed for redemption;

Early Termination Amount means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

Euro-zone means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

Event of Default means any of the events described in Condition 11 (*Events of Default*);

Extraordinary Resolution has the meaning given in the Agency Agreement;

Final Redemption Amount means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

Financial Indebtedness means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;

- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

First Interest Payment Date means the date specified in the relevant Final Terms;

Fixed Coupon Amount has the meaning given in the relevant Final Terms;

Global Note Certificate means a global note certificate substantially in the form set out in the Agency Agreement;

Group means the Issuer and its consolidated Subsidiaries;

Guarantee means, in relation to any Financial Indebtedness of any Person, any obligation of another Person to pay such Financial Indebtedness including (without limitation):

- (a) any obligation to purchase such Financial Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Financial Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Financial Indebtedness; and
- (d) any other agreement to be responsible for such Financial Indebtedness;

Holder of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint-holding, the first named thereof) and **Noteholders** shall be construed accordingly;

Index Linked Interest Note means a Note specified as such in the relevant Final Terms;

Index Linked Redemption Note means a Note specified as such in the relevant Final Terms;

Individual Note Certificate means an individual note certificate substantially in the form set out in the Agency Agreement;

Instalment Amount has the meaning given in the relevant Final Terms;

Instalment Note means a Note specified as such in the relevant Final Terms;

Interest Accrual Period means the period from (and including) the Interest Commencement Date up to (but excluding) the first Interest Date or, as the case may be, the period from (and including) one Interest Date up to (but excluding) the next Interest Date;

Interest Amount means:

- (a) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (b) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

Interest Commencement Date means the Issue Date or such other date as may be specified hereon;

Interest Date means any date on which interest is payable pursuant to Condition 7 (*Interest and other Calculations*);

Interest Determination Date means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (a) the first day of such Interest Accrual Period if the Specified Currency is sterling or (b) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither sterling nor euro or (c) the day falling 2 TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro;

Interest Payment Date means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Interest Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Interest Period of calendar months following the Interest Commencement Date (in the case of the First Interest Payment Date) or the previous Interest Payment Date (in any other case);

Interest Period has the meaning given in the relevant Final Terms;

Interest Period Date means each Interest Payment Date unless otherwise specified hereon;

ISDA Definitions means the 2006 ISDA Definitions, as published by the international Swaps and Derivatives Association, Inc., unless otherwise specified hereon;

ISDA Rate has the meaning given to it in Condition 7.2.3(a) (*ISDA Determination for Floating Rate Notes*);

Issue Date has the meaning given in the relevant Final Terms;

Margin has the meaning given in the relevant Final Terms;

Maturity Date has the meaning given in the relevant Final Terms;

Maturity Period means the period from, and including, the Issue Date to, but excluding, the Maturity Date;

Maximum Redemption Amount has the meaning given in the relevant Final Terms;

Minimum Redemption Amount has the meaning given in the relevant Final Terms;

Note Certificate has the meaning given to it in Condition 4.1 (*Register*);

Optional Redemption Amount (Call) means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

Optional Redemption Amount (Put) means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

Optional Redemption Date (Call) has the meaning given in the relevant Final Terms;

Optional Redemption Date (Put) has the meaning given in the relevant Final Terms;

Partly Paid Note means a Note specified as such in the relevant Final Terms;

Payment Business Day means:

- (a) if the Specified Currency is euro, any day which is:
 - (i) a day on which banks in the relevant place of surrender or endorsement are open for surrender or endorsement of note certificates and payment and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the Specified Currency is not euro, any day which is:
 - (i) a day on which banks in the relevant place of surrender or endorsement are open for surrender or endorsement of note certificates and payment and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the Specified Currency and in each (if any) Additional Financial Centre;

Permitted Security Interest means any Security Interest created or outstanding upon any property or assets (including current and/or future revenues, accounts receivables and other payments) of the Issuer or any Subsidiary arising out of any securitisation of such property or assets or other similar asset backed finance transaction in relation to such property or assets where:

- (a) the payment obligations secured by such Permitted Security Interest are to be discharged primarily from, and recourse under such Permitted Security Interest is limited to, the proceeds of such property or assets or a guarantee from an entity other than a Group entity; and
- (b) such Security Interest is created pursuant to any securitisation, asset-backed financing or like arrangement in accordance with normal market practice;

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

Principal Financial Centre means, in relation to any currency, the principal financial centre for that currency provided, however, that:

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;
- (b) in relation to sterling, it means London;
- (c) in relation to South African Rand, it means Johannesburg;
- (d) in relation to Australian dollars, it means either Sydney or Melbourne;
- (e) in relation to New Zealand dollars, it means either Wellington or Auckland; and
- (f) in any case any financial centre that is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

Principal Subsidiary means a Subsidiary of the Group whose (a) total profits before tax represent in excess of 10 per cent. of the consolidated total profits before tax of the Issuer and its Subsidiaries, or (b) total value of net assets represent in excess of 10 per cent. of the total value of all consolidated net assets owned by the Issuer and its Subsidiaries in each case calculated by reference to the latest audited financial statements of each Subsidiary and the latest audited consolidated financial statements of the Issuer and its Subsidiaries but if a Subsidiary has been acquired or sold since the date as at which the latest audited consolidated financial statements of the Issuer and its Subsidiaries were prepared, the financial statements shall be adjusted in order to take into account the acquisition or sale of that Subsidiary (that adjustment being certified by the Issuer and its Subsidiaries' auditors as representing an accurate reflection of the revised consolidated profits before interest and tax or turnover of the Issuer and its Subsidiaries). A report by the auditors of the Issuer that a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Noteholders;

Proceedings has the meaning given to it in Condition 20.4 (*Rights of the Noteholders to take proceedings outside England*);

Put Option Notice means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

Rate of Interest means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon;

Record Date has the meaning given to it in Condition 9.6 (*Record Date*);

Redemption Amount means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

Reference Banks means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon;

Reference Rate means the rate specified as such hereon;

Register means the register maintained by the Registrar in respect of the Notes in accordance with the Agency Agreement;

Relevant Date means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

Relevant Indebtedness means any present or future Financial Indebtedness which is in the form of any bond, note, debenture, debenture stock, loan stock, certificate or other similar security which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) and having an original maturity of more than 364 days from its date of issue;

Relevant Screen Page means such page, section, caption, column or other part of a particular information service as may be specified hereon;

Relevant Time has the meaning given in the relevant Final Terms;

Reserved Matter means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in

respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

Security Interest means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

Solvent Reconstruction means the event where an order is made or an effective resolution is passed for the winding-up or administration of the Issuer, other than under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency where the obligations of the Issuer in relation to the outstanding Notes are assumed by the successor entity to which all, or substantially all, of the property, assets and undertaking of the Issuer are transferred or where an arrangement with similar effect not involving bankruptcy or insolvency is implemented;

South Africa means the Republic of South Africa as constituted from time to time;

Specified Currency has the meaning given in the relevant Final Terms;

Specified Denomination(s) has the meaning given in the relevant Final Terms, save that the minimum denomination of any Note to be admitted to trading on a regulated market within the European Economic Area or offered to the public in circumstances which require the publication of a prospectus under EU Directive 2003/71/EC will be EUR100,000 (or its equivalent in another currency at the Issue Date of such Notes);

Specified Office has the meaning given in the Agency Agreement;

Subsidiary means, in relation to any Person (the **first Person**) at any particular time, any other Person (the **second Person**) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise;

TARGET2 means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single share platform and which was launched on 19 November 2007;

TARGET Settlement Day means any day on which TARGET2 is open for the settlement of payments in euro;

TARGET System means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto;

Tax Event means an event where, as a result of a Tax Law Change, (a) the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts as provided or referred to in Condition 10 (Taxation); or (b) in respect of the Issuer's obligation to make any payment of interest on the next following Interest Payment Date or any subsequent Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in South Africa, or such entitlement is materially reduced, and in each case the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it (such reasonable measures to exclude any requirement to instigate litigation in respect of any decision of determination of the South African Revenue Service that any such interest does not constitute a tax deductible expense);

Taxes has the meaning given to it in Condition 10.1 (*Gross up*);

Tax Law Change means a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of South Africa, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent

jurisdiction), whether or not having retrospective effect, which change or amendment is announced on or after the Issue Date;

Zero Coupon Note means a Note specified as such in the relevant Final Terms.

2.2 Interpretation: In these Conditions:

- (a) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 10 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (b) any reference to interest shall be deemed to include payment of any Interest Amount, any additional amounts in respect of interest which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (c) references to Notes being outstanding shall be construed in accordance with the Agency Agreement;
- (d) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is not applicable then such expression is not applicable to the Notes; and
- (e) any reference to the Agency Agreement or the Deed of Covenant shall be construed as a reference to the Agency Agreement or the Deed of Covenant, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3 Form, Denomination and Title

The Notes are in registered form in the Specified Denomination(s) and may be held in holdings equal to any specified minimum amount and integral multiples equal to any specified increments (as specified in the relevant Final Terms) in excess thereof (each, an **Authorised Holding**). The Holder of each Note shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note, a Credit-Linked Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

4 Register, Title and Transfers

- 4.1 **Register:** The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a **Note Certificate**) will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.
- 4.2 **Transfers:** Subject to Conditions 4.5 (*Closed periods*) and 4.6 (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar, together with such evidence as the Registrar may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer and subject to such regulations as the Issuer and the Registrar may prescribe; provided, however, that a Note may not be transferred unless the principal amount of Notes

transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Holdings. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.

- 4.3 **Registration and delivery of Note Certificates:** Within 5 business days of the surrender of a Note Certificate in accordance with Condition 4.2 (Transfers) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, business day means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar has its Specified Office.
- 4.4 **No charge:** The transfer of a Note will be effected without charge by or on behalf of the Issuer or the Registrar but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- 4.5 **Closed periods:** Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.
- 4.6 **Regulations concerning transfers and registration:** All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

5 Status of the Notes

The Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 6 (*Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu* without preference or priority among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

6 Negative Pledge

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Principal Subsidiaries shall, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes, as may be approved by an Extraordinary Resolution of Noteholders.

7 Interest and other Calculations

- 7.1 **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 7.8 (*Calculations*).
- 7.2 **Interest on Floating Rate Notes and Index Linked Interest Notes:**
- 7.2.1 **Interest Payment Dates:** Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being

payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 7.8 (*Calculations*). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

7.2.2 **Business Day Convention:** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (a) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment. (b) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day. (c) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (d) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

7.2.3 **Rate of Interest for Floating Rate Notes:** The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon:

(a) **ISDA Determination for Floating Rate Notes:**

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (a), **ISDA Rate** for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option is as specified hereon;
- (ii) the Designated Maturity is a period specified hereon; and
- (iii) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (a), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity, Reset Date** and **Swap Transaction** have the meanings given to those terms in the ISDA Definitions.

(b) **Screen Rate Determination for Floating Rate Notes:**

(i) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(aa) the offered quotation; or

(bb) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the

case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. 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 Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

- (ii) If the Relevant Screen Page is not available or if, sub-paragraph (i)(aa) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (i)(bb) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (iii) if paragraph (ii) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Fiscal Agent and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in

place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (c) **Rate of Interest for Index Linked Interest Notes:** The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.
- 7.3 **Zero Coupon Notes:** Where a Note, the Interest Basis of which is specified to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 8.2.1 (Zero Coupon Notes)).
- 7.4 **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.
- 7.5 **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.
- 7.6 **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 7 to the Relevant Date.
- 7.7 **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Rounding:**
- 7.7.1 If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 7.2 (*Interest on Floating Rate Notes and Index Linked Interest Notes*) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- 7.7.2 If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- 7.7.3 For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes **unit** means the lowest amount of such currency that is available as legal tender in the country of such currency.
- 7.8 **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is

required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

7.9 **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts (Tax), Optional Redemption Amount (Call), Optional Redemption Amount (Put) and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount (Tax), Optional Redemption Amount (Call), Optional Redemption Amount (Put) or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount (Tax), Optional Redemption Amount (Call), Optional Redemption Amount (Put) or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 7.2.2 (Business Day Convention), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Fiscal Agent by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 11 (Events of Default), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Fiscal Agent otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

7.10 **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount (Tax), Optional Redemption Amount (Call) or Optional Redemption Amount (Put), as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

8 Redemption, Purchase and Options

8.1 Redemption by Instalments and Final Redemption

8.1.1 Unless previously redeemed, purchased and cancelled as provided in this Condition 8, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such

Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

- 8.1.2 Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within Condition 8.1.1 above, its final Instalment Amount.

8.2 Early Redemption

8.2.1 Zero Coupon Notes:

- (a) The Early Redemption Amount (Tax) payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 8.3 (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 11 (*Events of Default*) shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (b) Subject to the provisions of sub-paragraph (c) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (c) If the Early Redemption Amount (Tax) payable in respect of any such Note upon its redemption pursuant to Condition 8.3 (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 11 (*Events of Default*) is not paid when due, the Early Redemption Amount (Tax) due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (b) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 7.3 (Zero Coupon Notes).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

8.2.2 Other Notes

The Early Redemption Amount (Tax) payable in respect of any Note (other than Notes described in Condition 8.2.1(i) above), upon redemption of such Note pursuant to Condition 8.3 (Redemption for Taxation Reasons) or upon it becoming due and payable as provided in Condition 11 (Events of Default), shall be the Final Redemption Amount unless otherwise specified hereon.

8.3 Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part if a Tax Event occurs and is continuing:

- (a) at any time (in the case of a Note other than a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Note); or
- (b) on any Interest Payment Date (in the case of a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Note),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 17 (*Notices*) and to the Registrar and the Fiscal Agent, at their Early Redemption Amount (Tax), provided, however, that no such notice of redemption shall be given earlier than:

- (i) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities; or
- (ii) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion of independent advisers of recognised standing to the effect that a Tax Event has occurred. Upon the expiry of any such notice as is referred to in this Condition 8.3, the Issuer shall be bound to redeem the Notes in accordance with this Condition 8.3.

- 8.4 **Redemption at the Option of the Issuer:** If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) upon the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- 8.5 **Redemption at the Option of Noteholders:** If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 8.5, the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit the Note Certificate relating to such Note with any Paying Agent together with a duly completed Put Option Notice in the form obtainable from any Paying Agent. No Note Certificate, once deposited with a duly completed Put Option Notice in accordance with this Condition 8.5, may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), the Notes evidenced by any Note Certificate so deposited become immediately due and payable or, upon due presentation of any Note Certificate on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, such Note Certificate shall, without prejudice to the exercise of the Put Option, be returned to the Holder by uninsured first class mail (airmail if overseas) at the address specified by such Holder in the relevant Put Option Notice.
- 8.6 **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.
- 8.7 **Purchases:** The Issuer, its Subsidiaries, any holding company of the Issuer or any subsidiary of such holding company may (in each case solely to the extent then required) at any time purchase Notes in the open market or otherwise at any price.
- 8.8 **Cancellation:** All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries may, at its option, be cancelled and may, if cancelled, not be reissued or resold.

9 Payments

- 9.1 **Principal:** Payments of principal shall be made by cheque drawn in the currency in which the payment is due on, or, upon application by a Holder of a Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- 9.2 **Interest:** Payments of interest shall be made by cheque drawn in the currency in which the payment is due on, or, upon application by a Holder of a Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- 9.3 **Payments subject to fiscal laws:** All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- 9.4 **Payments on business days:** Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the Payment Business Day immediately preceding the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 9.4 arriving after the due date for payment or being lost in the mail.
- 9.5 **Partial payments:** If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and date of such payment is endorsed on the relevant Note Certificate.
- 9.6 **Record Date:** Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

10 Taxation

- 10.1 **Gross up:** All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or on behalf of South Africa or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such Taxes is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no

such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:

- (a) presented for payment by, or on behalf of, or held by, a Holder which is liable to such Taxes in respect of such Note by reason of its having some connection with South Africa other than the mere holding of such Note; or
- (b) where such withholding or deduction is imposed on a payment to an individual or a residual entity and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (c) presented for payment by, or on behalf of, or held by a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note Certificate or by arranging to receive the relevant payment through another Paying Agent in a Member State of the EU; or
- (d) where (in the case of a payment of principal or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days; or
- (e) presented for payment by or on behalf of, or held by, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying with any statutory requirements in force at the present time or in the future by making a declaration of non-residence or other claim or filing for exemption to which it is entitled to the relevant tax authority or the Paying Agent.

10.2 **Taxing jurisdiction:** If the Issuer becomes subject at any time to any taxing jurisdiction other than South Africa, references in these Conditions to South Africa shall be construed as references to South Africa and/or such other jurisdiction.

11 Events of Default

If any of the following events occurs:

- (a) **Non-payment:** the Issuer fails to pay any amount of principal in respect of the Notes within 5 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 10 days of the due date for payment thereof; or
- (b) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Deed of Covenant and such default remains unremedied for 30 days after written notice thereof, has been delivered by any Noteholder to the Issuer or to the Specified Office of the Fiscal Agent (addressed to the Issuer); or
- (c) **Cross-default of Issuer or Principal Subsidiary:**
 - (i) any Financial Indebtedness of the Issuer or any of its Principal Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Financial Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Principal Subsidiary or (provided that no Event of Default, howsoever described, has occurred) any Person entitled to such Financial Indebtedness; or
 - (iii) the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Financial Indebtedness;

provided that the amount of Financial Indebtedness referred to in sub-paragraph (i) and/or sub paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub paragraph (iii) above individually or in the aggregate exceeds U.S.\$10,000,000 (or its equivalent in any other currency or currencies); or

- (d) **Unsatisfied judgment:** one or more judgment(s) or order(s) from which no further appeal is permissible under applicable law for the payment of any amount in excess of U.S.\$10,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Principal Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) **Security enforced:** any present or future Security Interest created by the Issuer or any Principal Subsidiary over all or a substantial part of its undertaking, assets and revenues for an amount at the relevant time in excess of U.S.\$10,000,000 (or its equivalent in any other currency or currencies) becomes enforceable and any step is taken to enforce it (including, but not limited to, the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person or analogous event) unless such enforcement is discharged within 45 days or the Issuer or Principal Subsidiary (as the case may be) is contesting such enforcement in good faith; or
- (f) **Insolvency etc.:** (i) the Issuer or its Principal Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator, curator, business rescue practitioner or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer or any of its Principal Subsidiaries or in respect of the whole or a substantial part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries, (iii) the Issuer or any of its Principal Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Financial Indebtedness or any Guarantee of any Financial Indebtedness given by it or (iv) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than (A) in the case of a Principal Subsidiary of the Issuer for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent; or (B) in the case of the Issuer, in respect of a Solvent Reconstruction); or
- (g) **Winding-up etc.:** an order is made or an effective resolution is passed for the winding-up, liquidation, commencement of business rescue proceedings, administration or dissolution of the Issuer or any of its Principal Subsidiaries (otherwise than (A) in the case of a Principal Subsidiary of the Issuer for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent; or (B) in the case of the Issuer, in respect of a Solvent Reconstruction); or
- (h) **Analogous event:** any event occurs which under the laws of South Africa or other relevant jurisdiction in the case of a Principal Subsidiary has an analogous effect to any of the events referred to in paragraphs (d) to (g) above; or
- (i) **Failure to take action etc.:** any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes and the Deed of Covenant, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Note Certificates and the Deed of Covenant admissible in evidence in the courts of South Africa is not taken, fulfilled or done; or
- (j) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Deed of Covenant,

then any Note may, by written notice from the Holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent (addressed to the Issuer), be declared

immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

12 Prescription

Claims for principal and interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

13 Replacement of Notes

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and Registrar may require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

14 Agents and Registrar

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar, fiscal agent or Calculation Agent and additional or successor paying agents and transfer agents; provided, however, that:

- (a) the Issuer shall at all times maintain a fiscal agent and a registrar; and
- (b) the Issuer shall at all times maintain a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC; and
- (c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a paying agent and/or registrar in any particular place, the Issuer shall maintain a paying agent and/or a registrar each with a Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or the Registrar or in their Specified Offices shall promptly be given to the Noteholders.

15 Meetings of Noteholders; Modification

- 15.1 **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a

meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- 15.2 **Modification:** The Notes, these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders to correct a manifest error. In addition, the Issuer may agree to modify any provision in the Agency Agreement, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of the Issuer, not materially prejudicial to the interests of the Noteholders.

16 Further Issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

17 Notices

Notices to the Noteholders will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing. In addition, notices to Noteholders will be published on the date of such mailing in a leading English language daily newspaper published in London (which is expected to be the Financial Times) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe.

18 Currency Indemnity

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the first currency) in which the same is payable under these Conditions or such order or judgment into another currency (the second currency) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

19 Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all U.S. dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount

and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

20 Governing Law and Jurisdiction

- 20.1 **Governing law:** The Notes and any non-contractual obligations arising out of or in connection with them are governed by English law.
- 20.2 **English courts:** The courts of England have exclusive jurisdiction to settle any dispute (a Dispute) arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- 20.3 **Appropriate forum:** The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- 20.4 **Rights of the Noteholders to take proceedings outside England:** Condition 20.2 (English courts) is for the benefit of the Noteholders only. As a result, nothing in this Condition 20.4 prevents any Noteholder from taking proceedings relating to a Dispute (Proceedings) in any other courts with competent jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- 20.5 **Process agent:** The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to FirstRand Bank Limited London Branch at 20 Gracechurch Street, London EC3V 0BG, United Kingdom or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder addressed and delivered to the Issuer or to the Specified Office of the Fiscal Agent, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

CREDIT-LINKED ANNEX

ADDITIONAL TERMS FOR CREDIT-LINKED NOTES

*The terms and conditions applicable to Credit-Linked Notes shall comprise the Conditions and the additional terms and conditions set out below (the **Credit-Linked Terms**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Conditions and the Credit-Linked Terms set out below, the Credit-Linked Terms shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Credit-Linked Terms and (ii) the Final Terms, the Final Terms shall prevail. Capitalised terms used herein but not otherwise defined shall have the meanings given to them in the Conditions or the applicable Final Terms.*

1 Credit Event Terms

The Final Terms shall specify:

- (a) the type of Credit-Linked Notes which may be any of the following:
 - (i) Single Reference Entity Cash CLN;
 - (ii) Single Reference Entity Physical CLN;
 - (iii) Single Reference Entity Cash or Physical CLN;
 - (iv) nth-to-Default Cash CLN;
 - (v) nth-to-Default Physical CLN;
 - (vi) nth-to-Default Cash or Physical CLN;
 - (vii) Basket Cash CLN;
 - (viii) Basket Physical CLN;
 - (ix) Basket Cash or Physical CLN; or
 - (x) Credit-Linked Notes of a type other than those set out in (i) to (ix) above as specified in the Final Terms (including, without limitation, Credit-Linked Notes which are a combination of one or more of the above, for example, notes which have different settlement methods for Bonds and Loans);
- (b) the Reference Entity or Reference Entities in respect of which a Credit Event may occur (which shall include any Successor(s) thereto);
- (c) the Reference Obligation(s) (if any) in respect of each Reference Entity;
- (d) the Settlement Method and, if applicable, the Fallback Settlement Method;
- (e) whether the Transaction Type Standard Terms are applicable and, if so, the relevant Transaction Type(s), as the case may be;
- (f) the Trade Date and the Scheduled Termination Date;
- (g) the Credit-Linked Payer Calculation Amount in respect of each Reference Entity;
- (h) the relevant Credit Events, including (i) whether Grace Period Extension applies (which enables a Potential Failure to Pay that occurred prior to the Scheduled Termination Date but that resulted in a Failure to Pay after the Scheduled Termination Date to be a Credit Event), (ii) whether there is any Default Requirement or Payment Requirement for an amount other than U.S.\$10,000,000 and U.S.\$1,000,000 respectively, and (iii) where Restructuring is specified as an applicable Credit Event, whether "Restructuring Maturity Limitation and Fully Transferable Obligation

Applicable" applies or, as the case may be, "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" applies or otherwise if neither applies;

- (i) the Obligations in respect of which the Credit Event may occur, including the Obligation Category and the Obligation Characteristics;
- (j) the Deliverable Obligations that may be Delivered or used to calculate the Cash Settlement Amount or Alternative Cash Settlement Amount, as the case may be, including the Deliverable Obligation Category and the Deliverable Obligation Characteristics;
- (k) the designation of each Reference Entity for the purposes of the definitions of Capped Reference Entity and Non-Capped Reference Entity;
- (l) the relevant Conditions to Settlement that have to be satisfied upon the occurrence of a Credit Event;
- (m) whether "Extension Interest" is applicable; and
- (n) if "Auction Settlement" is specified as the Settlement Method, whether Credit Derivatives Determinations Committee Extension is applicable.

2 Final Redemption and Maturity Date

- (a) Notwithstanding anything to the contrary in Condition 8 (*Redemption, Purchase and Options*), unless either:
 - (i) the Credit-Linked Notes have been previously redeemed or purchased and cancelled; or
 - (ii) an Event Determination Date has occurred in respect of a Reference Entity,the Issuer will redeem each Credit-Linked Note on the Maturity Date in an amount equal to its outstanding principal amount together with interest accrued or any redemption premium in accordance with the applicable Final Terms.
- (b) The Calculation Agent may deliver to the Issuer and the Fiscal Agent an Extension Notice at any time prior to 11.00 a.m. (London time) 2 Business Days prior to the Scheduled Termination Date (the **Final Extension Notice Date**). As soon as reasonably practicable after the service of an Extension Notice, the Issuer shall promptly inform the Fiscal Agent and the Noteholders in accordance with Condition 17 (*Notices*).
- (c) For the purposes of Credit-Linked Notes, **Maturity Date** means the later of:
 - (i) the Scheduled Termination Date; and
 - (ii) the date which is 3 Business Days following the earlier of:
 - (A) the date on which the Cancellation Notice is given; or
 - (B) the Extended Maturity Date.

If an Event Determination Date occurs on or prior to the Extended Maturity Date, provided that in the case of Physically Settled CLNs, the Notice of Physical Settlement has been delivered by the Physical Determination Date, redemption of the Credit-Linked Notes shall be subject to and in accordance with the relevant provisions of these Credit-Linked Terms.

3 Notices

- (a) In accordance with these Credit-Linked Terms, the Calculation Agent may deliver a Credit Event Notice and (if applicable) a Notice of Publicly Available Information to the Issuer and the Fiscal Agent at any time during the Notice Delivery Period.
- (b) The Issuer shall give notice or shall procure that notice is given (the **Event Determination Notice**) to the Fiscal Agent and the Noteholders in accordance with Condition 17 (*Notices*), that an Event Determination Date has occurred as soon as reasonably practicable after receiving notification of such Event Determination Date from the Calculation Agent.
- (c) Where the Credit-Linked Notes are Single Reference Entity Cash or Physical CLN, Nth-to-Default Cash or Physical CLN or Basket Cash or Physical CLN, the Issuer shall give notice or shall procure that notice is given (the **Election Notice**) to the Fiscal Agent, the Calculation Agent and the Noteholders in accordance with Condition 17 (*Notices*) on or before the tenth calendar day after the Event Determination Date, that the Issuer elects that the Credit-Linked Notes will be Cash Redeemed or Physical Redeemed, as the case may be.
- (d) Where the Credit-Linked Notes are Nth-to-Default Cash CLNs or Nth-to-Default Physical CLNs or Nth-to-Default Cash or Physical CLNs, the Calculation Agent may give a Credit Event Notice (and the Notice of Publicly Available Information and/or Notice of Physical Settlement, as applicable) in respect of a Credit Event that has occurred in relation to any of the Reference Entities (which Credit Event may or may not be the first to occur). If a Credit Event occurs with respect to more than one Reference Entity on the same day, the Calculation Agent shall in its sole discretion select which Reference Entity shall be deemed to be subject to the Credit Event provisions, if any.
- (e) Where Restructuring is specified in the relevant Final Terms as being an applicable Credit Event, there may be more than one Event Determination Date in respect of the same Reference Entity as further described in Credit-Linked Term 15 (*Restructuring Credit Event*) below. In addition, in the case of a Basket Cash CLN, Basket Physical CLN or Basket Cash or Physical CLN, there may be multiple Event Determination Dates but, other than as set out in the preceding sentence, only one Event Determination Date in respect of each Reference Entity. An Event Determination Date in respect of more than one Reference Entity may occur on any one date. The provisions set out in these Credit-Linked Terms set out the mechanics that apply in respect of one Reference Entity and shall apply severally to each Reference Entity for a Basket Cash CLN, Basket Physical CLN or Basket Cash or Physical CLN.
- (f) In the case of a Physically Settled CLN, a Notice of Physical Settlement must be delivered by the Calculation Agent to the Fiscal Agent, the Noteholders and the Issuer on or before the thirtieth calendar day after the relevant Event Determination Date (such thirtieth calendar day being the **Physical Determination Date**). For the purposes of determining whether such Notice of Physical Settlement has been so delivered by the Physical Determination Date, the effective date of delivery of the Notice of Physical Settlement (whether or not subsequently changed) shall be used. Notices to Noteholders shall be delivered in accordance with Condition 17 (*Notices*).

If a Notice of Physical Settlement is not delivered on or before the Physical Determination Date, the Credit-Linked Notes will then be redeemed in accordance with Credit-Linked Term 8 (*Redemption by Cash Settlement*) except that for the purposes of interpreting such Credit-Linked Term 8, the Cash Settlement Date shall be deemed to be 5 Business Days after the Physical Determination Date.

- (g) Where an Event Determination Date Reversal has occurred pursuant to Credit-Linked Term 13 (*Reversals and Adjustments to Event Determination Dates*), the Issuer shall give notice or shall procure that notice is given to the Fiscal Agent, the Calculation Agent and the Noteholders in accordance with Condition 17 (*Notices*), of the occurrence of such Event Determination Date Reversal.

- (h) In the case of a Cash Settled CLN where "Auction Settlement" is specified as the Settlement Method, if, pursuant to Credit-Linked Term 10(c) (*Redemption by Auction Settlement*), the Fallback Settlement Method is to apply, the Issuer shall give notice or shall procure that notice is given to the Fiscal Agent, the Calculation Agent and the Noteholders in accordance with Condition 17 (*Notices*) that the Fallback Settlement Method, as specified in the applicable Final Terms, is to apply.
- (i) Where Repudiation/Moratorium is specified in the relevant Final Terms as being an applicable Credit Event, the Calculation Agent may give a Repudiation/Moratorium Extension Notice to the Issuer and the Fiscal Agent (which may also be deemed to be an Extension Notice for the purposes of Credit-Linked Term 2 (*Final Redemption and Maturity Date*)) in accordance with the terms thereof.
- (j) In relation to the delivery by the Calculation Agent to the Issuer and/or the Fiscal Agent of any notice pursuant to these Credit-Linked Terms, a notice delivered on or prior to 4.00 p.m. (London time) on a Business Day will be effective on such Business Day. A notice delivered after 4.00 p.m. (London time) on a Business Day or on a day which is not a Business Day will be deemed effective on the next following Business Day, regardless of the form in which it is delivered. For purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Business Day of that notice.
- (k) As soon as reasonably practicable after the service of any notice on the Issuer in accordance with these Credit-Linked Terms, the Issuer shall promptly inform the Fiscal Agent and the Noteholders of the content of such notices in accordance with Condition 17 (*Notices*) (if the Fiscal Agent and the Noteholders have not already received a copy of such notice).

4 Interest

- (a) Subject to Credit-Linked Term 5 (*Interest postponement*) and sub-paragraph (b) below, if:
 - (i) an Extension Notice has been given; and
 - (ii) "Extension Interest" is specified as being applicable in the applicable Final Terms,

the Credit-Linked Notes will (unless one or more Event Determination Dates occur in which case sub-paragraph (b) below applies in respect of the Credit Event Portion) continue to bear interest from (and including) the Scheduled Termination Date to (but excluding) the earlier of:

- (aa) the Extended Maturity Date; or
- (bb) the date on which a Cancellation Notice is deemed to be delivered (such date, the **Extended Interest Payment Date**).

Such interest will be payable by the Issuer in arrears on the Extended Interest Payment Date in an amount determined by the Calculation Agent as being equal to the sum for each day in the Extended Interest Period of the product of (a) the Calculation Amount per Notes on such day, (b) the Issuer's overnight deposit rate for deposits in the Settlement Currency for such day and (c) the applicable Day Count Fraction. If "Extension Interest" is specified as not applicable in the applicable Final Terms, no interest shall accrue or be payable on each such Credit-Linked Note in respect of any period on or following the Scheduled Termination Date, notwithstanding that the Maturity Date occurs following such date.

- (b) Upon the occurrence of an Event Determination Date and subject to Credit-Linked Term 13 (*Reversals and Adjustments to Event Determination Dates*), interest on the

Credit Event Portion of the Credit-Linked Notes shall cease to accrue in the manner specified in the Final Terms. The Final Terms may specify that:

- (i) interest ceases to accrue from the Interest Payment Date immediately preceding the Event Determination Date (or, in the case of the first Interest Period, the Interest Commencement Date);
- (ii) interest ceases to accrue from (but excluding) the Event Determination Date; or
- (iii) interest ceases to accrue from the Interest Payment Date immediately preceding the relevant Cash Settlement Date, Auction Settlement Date, Physical Settlement Date or Delivery Date, as applicable (or, in the case of the first Interest Period, the Interest Commencement Date).

5 Interest Postponement

- (a) If on or prior to any Interest Payment Date:
 - (i) an Applicable Request in respect of a Credit Event has been made; and
 - (ii) no Applicable Resolution has been published in respect of such Applicable Request,

the payment of interest (if any) scheduled to be paid to Noteholders on or about such Interest Payment Date will be suspended. If in connection with such Applicable Request either:

- (aa) an Applicable DC Credit Event Announcement is made but the Calculation Agent determines that the Event Determination Date relating thereto is a date falling after such Interest Payment Date; or
- (bb) an Applicable DC No Credit Event Announcement is made,

payment of the suspended interest will be made 2 Business Days after the date the Event Determination Date is so determined or the date of the Applicable DC No Credit Event Announcement, as applicable. If in connection with such Applicable Request, an Applicable DC Credit Event Announcement is made and the Calculation Agent determines that the Event Determination Date relating thereto is a date falling on or prior to such Interest Payment Date, no payment of the suspended interest will be made.

- (b) No additional amount in respect of interest and no adjustment shall be made to the amount of any interest in connection with the delay or postponement of any payment of interest pursuant to sub-paragraph (a) above. The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 17 (*Notices*) as soon as reasonably practicable should any payment of interest be suspended and/or postponed pursuant to this Credit-Linked Term 5.

6 Redemption Suspension

If, following the determination of an Event Determination Date in accordance with sub-paragraph (a) of the definition of Event Determination Date but prior to the Maturity Date, the Cash Settlement Date, the Auction Cash Settlement Date, the relevant Physical Settlement Date, a Delivery Date or, to the extent applicable, a Valuation Date, as applicable, the Calculation Agent determines that a Suspension Event has occurred, the timing requirements relating to notices of physical settlement and the timing requirements of Credit-Linked Terms 2 (*Final Redemption and Maturity Date*), 8 (*Redemption by Cash Settlement*), 9 (*Redemption by Physical Settlement*) and 10 (*Redemption by Auction Settlement*) of these Credit-Linked Terms, as applicable, or any other provision of these Credit-Linked Terms and the Notes that pertains to redemption and settlement, shall toll and remain suspended until the Suspension Event Cessation Date. During such suspension period, neither the Calculation Agent nor the

Issuer is obliged to take any action in connection with the redemption and settlement of the Notes. The relevant timing requirements and redemption and settlement provisions, as applicable, that have previously tolled or been suspended shall resume on the Business Day following the relevant Suspension Event Cessation Date with the benefit of the full day notwithstanding when the tolling or suspension began in accordance with this Credit-Linked Term 6. Without prejudice to any amounts payable pursuant to Credit-Linked Term 13 (*Reversals and Adjustments to Event Determination Dates*) of these Credit-Linked Terms, no additional amounts shall be payable by the Issuer in connection with any such suspension.

7 Calculation Agent

Unless otherwise specified in the Final Terms:

- (a) the Issuer shall act as the Calculation Agent for the purposes of these Credit-Linked Terms;
- (b) any determination, discretion or calculation of the Issuer or the Calculation Agent as may be specified in these Credit-Linked Terms will be made in the sole and absolute discretion of the Issuer or the Calculation Agent, as applicable, and neither assume any obligation to, or relationship of agency or trust with, any Noteholders or any other person. Furthermore, each Noteholder agrees that neither the Issuer nor the Calculation Agent is acting as fiduciary for or as an advisor to such Noteholder in respect of its duties as Issuer or Calculation Agent. In making any such determination or calculation or exercising any such discretion, neither the Issuer nor the Calculation Agent shall be required to take into account any person's interest other than its own;
- (c) the Calculation Agent shall be responsible for, *inter alia*:
 - (i) determining whether a Credit Event has occurred and serving a Credit Event Notice;
 - (ii) serving an Extension Notice;
 - (iii) determining a Successor Reference Entity or Successor Reference Entities and making any other determinations required to be made under Credit-Linked Term 14 (*Succession Event*);
 - (iv) identifying and determining a Substitute Reference Obligation;
 - (v) determining the Final Price in accordance with the applicable Valuation Method;
 - (vi) converting the Quotation Amount into the relevant Obligation Currency;
 - (vii) determining the Currency Rate;
 - (viii) determining the Representative Amount; and
 - (ix) determining the number of Business Days in each Physical Settlement Period,
- (d) whenever the Calculation Agent is required to act or to exercise judgment, it will do so in good faith and in a commercially reasonable manner. Each Noteholder in respect of the relevant Series of Credit Linked-Notes acknowledges and agrees that the Calculation Agent is not acting as a fiduciary for or an advisor to any person in respect of the Credit Linked Notes, and acts in all respects as an arm's length contractual counterparty;
- (e) if any of the matters set out in this Credit-Linked Term 7 are decided and/or determined by a Credit Derivatives Determinations Committee, the Calculation Agent shall follow such decision or determination to the extent such decision and/or determination is applicable to any Series of Credit-Linked Notes.

8 Redemption by Cash Settlement

- (a) Notwithstanding anything to the contrary in Condition 8 (*Redemption, Purchase and Options*), in the case of a Cash Settled CLN where either:
- (i) "Cash Settlement" is specified as the Settlement Method in the Final Terms; or
 - (ii) "Cash Settlement" is specified as the Fallback Settlement Method and the Fallback Settlement Method applies,
- upon the satisfaction of the Conditions to Settlement on or prior to the last day of the Notice Delivery Period, the Issuer shall redeem the relevant Credit Event Portion of the Credit-Linked Notes on the Cash Settlement Date by payment of the relevant Cash Settlement Amount to the Noteholders. The Cash Settlement Amount shall be apportioned pro rata among the Noteholders, with the resultant figure rounded downwards to the nearest sub-unit of the relevant Specified Currency.
- (b) If the Credit-Linked Notes are partially redeemed, the relevant Note or, if the Credit-Linked Notes are represented by a Global Note Certificate, such Global Note Certificate, shall be endorsed to reflect such partial redemption.

9 Redemption by Physical Settlement

- (a) Notwithstanding anything to the contrary in Condition 8 (*Redemption, Purchase and Options*), in the case of a Physically Settled CLN, upon the satisfaction of the Conditions to Settlement by the Physical Determination Date, the Issuer shall redeem the Credit Event Portion of the Credit-Linked Notes on or prior to the relevant Physical Settlement Date by using its reasonable endeavours to Deliver, subject to paragraphs (c) and (d) below, the relevant Portfolio to the Noteholders, in each case, to be apportioned pro rata among such Noteholders.
- (b) If the Credit-Linked Notes are partially redeemed, the relevant Credit-Linked Note or, if the Credit-Linked Notes are represented by a Global Note Certificate, such Global Note Certificate, shall be endorsed to reflect such partial redemption.
- (c)
- (i) If the Credit-Linked Notes are represented by one or more Global Note Certificates, delivery of the Portfolio will (subject as provided below) be made against presentation or surrender, as the case may be, of the relevant Global Note Certificate at the specified office of any Paying Agent outside the United States and delivery of a duly completed Asset Transfer Notice by the relevant Noteholder to such Paying Agent. A record of each delivery made against presentation or surrender of such Global Note Certificate will be made on such Global Note Certificate on behalf of the Issuer by the Paying Agent to which such Global Note Certificate is presented for the purpose of making such delivery, and such record shall be prima facie evidence that the delivery in question has been made.

The holder of a Global Note Certificate shall be the only person entitled to receive delivery of the relevant Portfolio in respect of Credit-Linked Notes represented by such Global Note Certificate and the Issuer will be discharged by delivery to, or to the order of, the holder of such Global Note Certificate in respect of each amount so delivered. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Credit-Linked Notes represented by such Global Note Certificate must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each delivery so made by the Issuer to, or to the order of, the holder of such Global Note Certificate. No person other than the holder of such Global Note Certificate shall have any claim against the Issuer in respect of any deliveries due on that Global Note Certificate. No

person shall have any claim against the Fiscal Agent in respect of any deliveries due on any Global Note Certificate.

- (ii) If the Credit-Linked Notes are in definitive form, in order to obtain delivery of the pro rata share of the Portfolio in respect of any Note, if such Note is in definitive form, the relevant Noteholder must deliver to the Registrar or any Paying Agent, in each case with a copy to the Issuer, not later than the close of business in each place of reception on the Asset Transfer Notice Cut-Off Date specified in the applicable Final Terms, a duly completed Asset Transfer Notice.

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of the Registrar or any Paying Agent and the Note must be delivered together with the duly completed Asset Transfer Notice.

An Asset Transfer Notice must:

- (1) specify the name and address of the relevant Noteholder, the person from whom the Issuer may obtain details for the delivery of the relevant Portfolio and any details required for delivery of the relevant Portfolio set out in the applicable Final Terms;
- (2) include an undertaking to pay all Delivery Expenses;
- (3) specify an account to which any amount payable or any other cash amounts specified in the applicable Final Terms as being payable are to be paid; and
- (4) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by the Registrar or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Credit-Linked Notes which are the subject of such notice.

Failure to properly complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in the Conditions shall be made by the relevant Paying Agent or the Registrar, as the case may be, after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

- (d) If the Issuer is unable to Deliver any portion of the Portfolio on or prior to the Physical Settlement Date due to any Potential Cash Settlement Event or Hedge Disruption Event, rendering it impossible, impracticable (including if unduly burdensome) or illegal for the Issuer to Deliver or for the Noteholder to accept Delivery of any portion of the Portfolio on or prior to the Physical Settlement Date, then on such date the Issuer shall give notice to the Fiscal Agent and the Noteholders (in accordance with Condition 17 (*Notices*)) of its inability to Deliver any portion of the Portfolio and shall:
 - (i) Deliver that portion of the Portfolio in respect of which Delivery is possible and legal and the Issuer shall continue to endeavour to Deliver any Undeliverable Obligation; and
 - (ii) if any Undeliverable Obligations have not been delivered on or prior to the Latest Permissible Physical Settlement Date, then Alternative Cash Settlement shall apply to such Undeliverable Obligations as determined by the Calculation Agent on the Undeliverable Valuation Date.

The Issuer shall pay the Noteholders an amount equal to the Alternative Cash Settlement Amount (based on and determined by the Calculation Agent in its sole discretion, with respect to each Undeliverable Obligation, (1) the Final Price calculated in accordance with the Alternative Cash Settlement Specifications specified in the Final Terms, or (2) if the Calculation Agent determines that there has been an Applicable Auction and an Auction Final Price has been published, such Auction Final Price, or (3) if no Alternative Cash Settlement Specifications are specified in the applicable Final Terms, the Standard Alternative Cash Settlement Specifications) to be apportioned pro rata amongst the Noteholders on the Settlement Date.

- (e) If the Issuer is unable to Deliver any portion of the Portfolio:
- (i) on the Physical Settlement Date other than as a result of a Potential Cash Settlement Event (for the avoidance of doubt, including the occurrence of a Hedge Disruption Event), the Issuer may continue to attempt to Deliver the Deliverable Obligations that are Bonds or Loans by the Extended Physical Settlement Date or, if applicable pursuant to sub-paragraph (f) below, the Further Extended Physical Settlement Date;
 - (ii) on or prior to the Extended Physical Settlement Date or Further Extended Physical Settlement Date rendering it impossible, impracticable (including if unduly burdensome) or illegal for the Issuer to Deliver or for the Noteholder to accept Delivery of any portion of the Portfolio on or prior to the Extended Physical Settlement Date or Further Extended Physical Settlement Date, then on such date the Issuer shall give notice to the Fiscal Agent and the Noteholders (in accordance with Condition 17 (*Notices*)) of its continued inability to Deliver any portion of the Portfolio and Alternative Cash Settlement shall apply to such Undeliverable Obligations as determined by the Calculation Agent on the Undeliverable Valuation Date. For the avoidance of doubt, the Alternative Cash Settlement Amount shall be determined by the Calculation Agent in accordance with sub-paragraph (d) above).
- (f) If, under the terms of a Hedge Transaction, any Bonds or Loans comprising part of the relevant Deliverable Obligations (**Original Bonds** and **Original Loans**, respectively) may not be received by the Issuer and/or any of its Affiliates on or before the Extended Physical Settlement Date but the Issuer and/or any of its Affiliates may, in accordance with the terms of the Hedge Transaction, receive or otherwise obtain such Original Bonds or such Original Loans or other Bonds or Loans in lieu thereof on or before the date falling 3 Business Days (in a case where Original Bonds may be received or otherwise obtained after the Extended Physical Settlement Date) or 10 Business Days (in a case where Original Loans or other Loans or Bonds in lieu thereof may be received or otherwise obtained after the Extended Physical Settlement Date) after the Extended Physical Settlement Date, the Issuer shall be entitled to Deliver such relevant Deliverable Obligations on a date falling up to 3 Business Days or 10 Business Days, respectively, after the Extended Physical Settlement Date, or to such earlier date as the Calculation Agent may select in its absolute discretion (the **Further Extended Physical Settlement Date**). The Calculation Agent shall notify the Issuer and the Fiscal Agent of such Further Extended Physical Settlement Date. As soon as reasonably practicable after receiving such notice from the Calculation Agent, the Issuer shall give notice or procure that notice is given to the Fiscal Agent and the Noteholders in accordance with Condition 17 (*Notices*). If the Issuer has failed to deliver all, or part of, such relevant Deliverable Obligations by such Further Extended Physical Settlement Date, the provisions of sub-paragraph (e) above shall apply.
- (g) Where a Noteholder holds more than one Credit-Linked Note, the Credit-Linked Notes held by such Noteholder and the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of each Credit-Linked Note held by such Noteholder shall be aggregated for the purposes of this Credit-Linked Term 9.
- (h) If the nominal amount of the Deliverable Obligations to be Delivered in respect of the relevant Credit-Linked Note(s) to be redeemed pursuant to this Credit-Linked Term on any occasion is not equal to an authorised denomination (or integral multiple thereof)

of such Deliverable Obligations then the nominal amount of Deliverable Obligations to be Delivered will be rounded down to the nearest authorised denomination or multiple thereof, or, if none, zero. In such circumstances, the Deliverable Obligations that were not capable of being Delivered shall, if and to the extent practicable, be sold by an agent appointed by the Issuer for such purpose and, if they are so sold, each Noteholder shall receive an amount in cash equal to his pro rata share of the sale proceeds.

- (i) The Delivery of any of the Deliverable Obligations pursuant to the provisions of these Credit-Linked Terms shall be made in such commercially reasonable manner as the Calculation Agent shall, in its sole discretion, determine to be appropriate for such Delivery. Any recordation, processing or similar fee reasonably incurred by the Issuer and payable to the agent under a Loan in connection with an assignment (where Deliverable Obligations include Assignable Loans or Consent Required Loans) shall be payable by the Issuer and the relevant Noteholder equally, and any Stamp Tax (as defined in the Credit Derivatives Definitions) payable in connection with the Delivery of any Deliverable Obligations shall be paid by the Noteholders. Any other expenses arising from the Delivery and/or transfer of the Deliverable Obligations shall be for the account of the relevant Noteholder or the Issuer, as appropriate, determined in accordance with then current market conventions. Delivery and/or transfer of the Deliverable Obligations shall be delayed until all expenses relating to such Delivery or transfer payable by the Noteholders have been paid to the satisfaction of the Issuer.
- (j) After delivery of any Deliverable Obligation and for the Intervening Period, none of the Issuer, the Calculation Agent, the Fiscal Agent and any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

10 Redemption by Auction Settlement

- (a) Notwithstanding anything to the contrary in Condition 8 (*Redemption, Purchase and Options*), in the case of a Cash Settled CLN where "Auction Settlement" is the applicable Settlement Method specified in the Final Terms, the Issuer shall redeem the relevant Credit Event Portion of the Credit-Linked Notes on the Auction Cash Settlement Date by payment of the relevant Auction Cash Settlement Amount to the Noteholders. The Auction Cash Settlement Amount shall be apportioned *pro rata* among the Noteholders, with the resultant figure rounded downwards to the nearest sub-unit of the relevant Specified Currency.
- (b) If the Credit-Linked Notes are partially redeemed, the relevant Note or, if the CLNs are represented by a Global Note Certificate, such Global Note Certificate, shall be endorsed to reflect such partial redemption.
- (c) Without prejudice to the foregoing, but without duplication of settlement, if the Calculation Agent determines with respect to a Credit Event and any relevant Applicable Request, Applicable Resolution and/or Applicable Auction, that:
 - (i) an Auction Cancellation Date has occurred;
 - (ii) a No Auction Announcement Date has occurred;
 - (iii) ISDA has publicly announced that a relevant Credit Derivatives Determinations Committee has Resolved, following a relevant Credit Event Resolution Request Date, not to determine the matters described in the definitions of Credit Event Resolution Request Date;

- (iv) an Event Determination Date was determined pursuant to sub-paragraph (a) of the definition of Event Determination Date and no relevant Credit Event Resolution Request Date has occurred on or prior to the date falling 3 Business Days after such Event Determination Date (or such longer or lesser period as determined by the Calculation Agent taking into account any hedging transactions entered into by the Issuer in respect of the Credit-Linked Notes); or
- (v) an Event Determination Date was determined pursuant to sub-paragraph (b)(ii) of the definition of Event Determination Date,

then the Issuer shall, subject to the occurrence of a Credit Event and satisfaction of the Conditions to Settlement, notwithstanding that "Auction Settlement" is specified as the Settlement Method in the relevant Final Terms, redeem each Credit-Linked Note in accordance with:

- (1) Credit-Linked Term 8 (*Redemption by Cash Settlement*) if "Cash Settlement" is specified in the applicable terms as the Fallback Settlement Method; or
- (2) Credit-Linked Term 9 (*Redemption by Physical Settlement*) if "Physical Settlement" is specified in the applicable terms as the Fallback Settlement Method.

11 Election of Cash or Physical Settlement

Where the Issuer has delivered an Election Notice pursuant to Credit-Linked Term 3(c) (*Notices*) and has elected that the relevant Cash or Physical CLN will be:

- (a) Cash Redeemed, such Cash or Physical CLN shall be deemed to be a Cash Settled CLN and redeemed in accordance with Credit-Linked Term 8 (*Redemption by Cash Settlement*) or Credit-Linked Term 10 (*Redemption by Auction Settlement*), as applicable; and
- (b) Physical Redeemed, such Cash or Physical CLN shall be deemed to be a Physically Settled CLN and redeemed in accordance with Credit-Linked Term 9 (*Redemption by Physical Settlement*).

12 Discharge of Obligations

- (a) In the case of a Cash Settled CLN where "Cash Settlement" is specified as the Settlement Method or "Cash Settlement" is specified as the Fallback Settlement Method, payment by the Issuer of the Cash Settlement Amount to the Noteholders shall discharge all obligations of the Issuer to the Noteholders in respect of the relevant Credit Event Portion of such Credit-Linked Note.
- (b) In the case of a Cash Settled CLN where "Auction Settlement" is specified as the Settlement Method, payment by the Issuer of the Auction Cash Settlement Amount to the Noteholders shall discharge all obligations of the Issuer to the Noteholders in respect of the relevant Credit Event Portion of such Credit-Linked Note.
- (c) In the case of a Physically Settled CLN, Delivery of the Portfolio and/or payment in full of any Alternative Cash Settlement Amount required to be paid pursuant to these Credit-Linked Terms, as the case may be, where appropriate, by the Issuer to the Noteholders pursuant to the provisions of these Credit-Linked Terms shall discharge all obligations of the Issuer to the Noteholders in respect of the relevant Credit Event Portion of such Credit-Linked Note.

13 Reversals and Adjustments to Event Determination Dates

- (a) Notwithstanding anything to the contrary in these Credit-Linked Terms:

- (i) no Event Determination Date will occur; and
- (ii) any Event Determination Date which had previously been determined with respect to an event shall be deemed not to have occurred,

if the Calculation Agent determines that, prior to:

- (1) the relevant Auction Final Price Determination Date in respect of an Applicable Auction;
- (2) a related Valuation Date;
- (3) any relevant Physical Settlement Date (or, if earlier, a Delivery Date), or
- (4) any other relevant date relating to the redemption of Credit-Linked Notes,

an Applicable DC No Credit Event Announcement occurs with respect to the relevant Reference Entity or Obligation thereof.

- (b) If, following the occurrence of a Credit Event and satisfaction of the Conditions to Settlement in respect of a Reference Entity, the related Event Determination Date is deemed to have occurred on a date that is earlier than the date originally determined to be the Event Determination Date for the purposes of the Credit-Linked Note as a result of the application of the definition of Event Determination Date and/or any Applicable Request or Applicable Resolution then:
 - (i) if the Notes are redeemed pursuant to Credit-Linked Term 8 (*Redemption by Cash Settlement*) or Credit-Linked Term 10 (*Redemption by Auction Settlement*), an amount equal to the relevant EDD Adjustment Amount (if any) shall be deducted to the fullest extent possible from the relevant Cash Settlement Amount or Auction Cash Settlement Amount, as applicable; or
 - (ii) if the Notes are redeemed pursuant to Credit-Linked Term 9 (*Redemption by Physical Settlement*), the EDD Adjustment Amount (if any) shall be deemed to be a Delivery.
- (c) Without prejudice to Credit-Linked Term 9(c) (*Redemption by Physical Settlement*), if an Applicable DC No Credit Event Announcement occurs following the determination of an Event Determination Date but prior to:
 - (i) the related Auction Final Price Determination Date in respect of an Applicable Auction;
 - (ii) a related Valuation Date;
 - (iii) any related Physical Settlement Date (or Delivery Date, if earlier); or
 - (iv) any other relevant date relating to the redemption of the Credit-Linked Notes, as applicable,

then the Event Determination Date originally determined for the purposes of such Credit-Linked Notes shall be deemed not to have occurred (an **Event Determination Date Reversal**). The occurrence of an Event Determination Date Reversal shall not prejudice the occurrence or determination of any subsequent Event Determination Date(s) in relation to the relevant Reference Entity (if applicable). Notwithstanding Credit-Linked Term 4 (*Interest*), if an Event Determination Date Reversal occurs, each Credit-Linked Note shall recommence to accrue interest (in accordance with the Conditions and Credit-Linked Term 4 (*Interest*) from the Interest Payment Date (the **Interest Recommencement Date**)) immediately following the relevant Applicable DC No Credit Event Announcement, and an amount equal to the Additional EDD Interest

Amount shall be payable on such Interest Resumption Date. For the avoidance of doubt, in no circumstances shall interest accrue on any Note on or after the Maturity Date or Extended Maturity Date.

14 Succession Event

- (a) Where the Credit-Linked Notes are Single Reference Entity Cash CLNs, Single Reference Entity Physical CLNs or Single Reference Entity Cash or Physical CLNs:
- (i) Where a Succession Event has occurred in respect of a Reference Entity and more than one Successor has been identified, each Successor will be a Reference Entity (each a **Successor Reference Entity**) for the purposes of the affected Credit-Linked Notes and, for the avoidance of doubt, such Reference Entity shall no longer be a Reference Entity (unless it is also a successor).
 - (ii) If one or more of the Successor Reference Entities have not assumed the Reference Obligation (if any) specified in the relevant Final Terms, the Calculation Agent may select a Substitute Reference Obligation in accordance with the definition of "Substitute Reference Obligation".
 - (iii) Where a Credit Event occurs in respect of a Successor Reference Entity:
 - (1) the provisions of Credit-Linked Term 1 (*Credit Event Terms*) to Credit-Linked Term 13 (*Reversals and Adjustments to Event Determination Dates*) (both inclusive) and Credit-Linked Term 15 (*Restructuring Credit Event*) shall be deemed to apply to the principal amount represented by that Successor Reference Entity only (the **Partial Principal Amount**) and all the provisions shall be construed accordingly; and
 - (2) the relevant Credit-Linked Notes shall be redeemed pro rata in an amount equal to the Partial Principal Amount only so that an amount equal to the outstanding principal amount of the Credit-Linked Notes immediately prior to the redemption thereof less the Partial Principal Amount shall remain outstanding (the **Remaining Amount**) and interest shall accrue on the Remaining Amount as provided for in Credit-Linked Term 4 (*Interest*) (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).
 - (iv) The provisions of these Credit-Linked Terms shall apply to any subsequent Credit Event Notices delivered in respect of any of the other Reference Entities that are identified as a result of the Succession Event.
- (b) Where the Credit-Linked Notes are Basket Cash CLNs, Basket Physical CLNs or Basket Cash or Physical CLNs:
- (i) Where a Succession Event has occurred in respect of a Reference Entity and more than one Successor has been identified, each Successor will be a Reference Entity (each a **Successor Reference Entity**) for the purposes of the affected Credit-Linked Notes and, for the avoidance of doubt, such Reference Entity shall no longer be a Reference Entity (unless it is also a Successor). The Credit-Linked Payer Calculation Amount for each Successor Reference Entity shall be equal to the Credit-Linked Payer Calculation Amount of the original Reference Entity divided by the number of Successor Reference Entities, provided that where the Successor Reference Entity is also a Reference Entity, the Credit-Linked Payer Calculation Amount of the Successor Reference Entity determined as aforesaid shall be added to the subsisting Credit-Linked Payer Calculation Amount of such Reference Entity.

- (ii) Following the occurrence of a Succession Event, upon the satisfaction of the Conditions to Settlement with respect to any of the Reference Entities unaffected by a Succession Event, the Credit Event Portion (for the avoidance of doubt, as defined in item (a) of such definition) of the affected Credit-Linked Notes will be redeemed in accordance with the provisions of these Credit-Linked Terms relating to Basket Cash CLNs, Basket Physical CLNs or Basket Cash or Physical CLNs.
 - (iii) Where a Credit Event occurs in respect of a Successor Reference Entity, the provisions of Credit-Linked Term 1 (*Credit Event Terms*) to Credit-Linked Term 13 (*Reversals and Adjustments to Event Determination Dates*) (both inclusive) and Credit-Linked Term 15 (*Restructuring Credit Event*) shall be deemed to apply to the Credit-Linked Payer Calculation Amount of the relevant Successor Reference Entity only (the Partial Principal Amount) and these Credit-Linked Terms shall be construed accordingly. Each Note shall thereafter be redeemed in a proportion equal to the relevant proportion which the Partial Principal Amount bears to the aggregate outstanding principal amount of the Credit-Linked Notes as of the Issue Date.
 - (iv) Following a partial redemption of the Credit-Linked Notes pursuant to subparagraph (iii) above, interest shall accrue on the remaining outstanding principal amount of the Credit-Linked Notes as provided for in Credit-Linked Term 4 (*Interest*) (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate to reflect such partial redemption).
 - (v) The provisions of these Credit-Linked Terms shall apply to any subsequent Credit Event Notices delivered in respect of any Reference Entities following the occurrence of a Succession Event. For the avoidance of doubt, the provisions of this subparagraph (b) shall apply to each Succession Event.
- (c) Where the Credit-Linked Notes are Nth-to-Default Cash CLNs, Nth-to-Default Physical CLNs or Nth-to-Default Cash or Physical CLNs:
- (i) Where a Succession Event has occurred in respect of a Reference Entity (other than a Reference Entity in respect of which a Credit Event has occurred) (such Reference Entity, a **Succession Event Reference Entity**, and the Reference Entities unaffected by such Succession Event, the **Non-Succession Event Reference Entities**) and more than one Successor has been identified, the affected Credit-Linked Notes shall include a Successor (selected by the Calculation Agent in its sole and absolute discretion) and each and every one of the Non-Succession Event Reference Entities. Where there is one or more Successor or Successors, and such Successor or Successors is also a Non-Succession Event Reference Entity, then each such Non-Succession Event Reference Entity shall continue to be a Reference Entity and the Calculation Agent shall select an entity to replace the relevant Succession Event Reference Entity, which replacement entity shall be a Successor which is not also a Non-Successor Reference Entity or another entity which has a rating (by any of Standard and Poor's, Moody or Fitch) equal to or better than the Succession Event Reference Entity and which falls within the same Transaction Type as the Succession Event Reference Entity. The Credit-Linked Payer Calculation Amount for the entity selected by the Calculation Agent as aforesaid shall be equal to the Credit-Linked Payer Calculation Amount of the Succession Event Reference Entity.
 - (ii) Following the occurrence of a Succession Event, satisfaction of the Conditions to Settlement with respect to the relevant Reference Entity will cause the Credit-Linked Notes to be redeemed in accordance with the provisions of these Credit-Linked Terms relating to Nth-to-Default Cash CLNs, Nth-to-Default Physical CLNs or Nth-to-Default Cash or Physical CLNs, as the case may be (including, but not limited to, Credit-Linked Term 3(e) (*Notices*)). For the avoidance of doubt, the Credit-Linked Notes shall be redeemed in an

amount equal to the Credit-Linked Payer Calculation Amount for the Reference Entity in respect of which a Credit Event occurs.

- (iii) The provisions of these Credit-Linked Terms shall apply to any subsequent Credit Event Notices delivered in respect of any Reference Entities following the occurrence of a Succession Event. For the avoidance of doubt, the provisions of this sub-paragraph (c) shall apply to each Succession Event.
- (d) Where the Credit-Linked Notes are Basket Cash CLNs, Basket Physical CLNs or Basket Cash or Physical CLNs, notwithstanding sub-paragraphs (a) to (c) above, if, at any time, upon the occurrence of a Succession Event or otherwise, two or more Reference Entities are the same entity as determined by the Calculation Agent in its absolute discretion, they shall thereafter be deemed only to be one such Reference Entity and the Credit-Linked Payer Calculation Amount in respect of such Successor Reference Entity shall be equal to the sum of the Credit-Linked Payer Calculation Amounts in respect of each of the original Reference Entities which were subject to the Succession Event.
- (e) Where the CLNs are Nth-to-Default Cash CLNs, Nth-to-Default Physical CLNs or Nth-to-Default Cash or Physical CLNs, or Basket Cash CLNs, Basket Physical CLNs or Basket Cash or Physical CLNs, notwithstanding sub-paragraphs (a) to (c) above, if Substitution is specified as being applicable in the Final Terms, the "Additional Provisions where Substitution is Applicable" contained in the First-to-Default Template, as determined by the Calculation Agent in its absolute discretion, shall be deemed to apply mutatis mutandis in connection with any Succession Event referred to in sub-paragraph (b) or (c) above.
- (f) In the case of each of sub-paragraphs (a) to (e) above, any determinations and calculations and adjustment to the Final Terms relating to, connected with or as a result of a Succession Event or otherwise shall be made by the Calculation Agent in its sole discretion and in good faith and, in the absence of manifest error, shall be conclusive and binding on all parties. The Calculation Agent may agree to such other conforming and consequential changes as it shall deem appropriate to give effect to this Credit-Linked Term 14. The Final Terms may be amended and restated at such time to reflect the effect of a Succession Event or otherwise without the consent of the Noteholders and the Noteholders are deemed to agree to this provision by purchasing the Credit-Linked Notes.

15 Restructuring Credit Event

- (a) If Restructuring is specified in the Final Terms as being an applicable Credit Event, and (i) either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms and (ii) a Restructuring Credit Event occurs, then unless otherwise specified in the Final Terms, the Calculation Agent may deliver multiple Credit Event Notices with respect to such Credit Event (a **Restructuring Credit Event**). Accordingly, notwithstanding anything to the contrary in Credit-Linked Terms 1 (*Credit Event Terms*) to 14 (*Succession Event*) (both inclusive), where a Restructuring Credit Event has occurred and the Calculation Agent has delivered a Credit Event Notice for an amount that is less than the aggregate outstanding principal amount of the CLNs or the Credit-Linked Payer Calculation Amount immediately prior to the delivery of such Credit Event Notice (the **Exercise Amount**), the provisions of Credit-Linked Terms 1 (*Credit Event Terms*) to 14 (*Succession Event*) (both inclusive) shall be deemed to apply to a principal amount equal to the Exercise Amount only and all the provisions shall be construed accordingly.
- (b) The CLNs shall be redeemed pro rata in an amount calculated by reference to the Exercise Amount only. The CLNs in an amount equal to the aggregate outstanding principal amount of the CLNs immediately prior to the redemption thereof less an amount calculated by reference to the Exercise Amount shall remain outstanding (the Outstanding Amount) and interest shall accrue on the Outstanding Amount as

provided for in Credit-Linked Term 4 (*Interest*) (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).

The provisions of these Credit-Linked Terms shall apply to any subsequent Credit Event Notices delivered in respect of the Reference Entity that was the subject of the Credit Event Notice referred to above on the basis that:

- (i) the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Restructuring must be equal to the then outstanding Credit-Linked Payer Calculation Amount (and not a portion thereof); and
- (ii) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring Credit Event must be an amount that is at least 1,000,000 units of the currency (or, if Japanese Yen, 100,000,000 units) in which the Credit-Linked Payer Calculation Amount is denominated or any integral multiple thereof or the entire then outstanding Credit-Linked Payer Calculation Amount.

In the case of an Nth-to-Default Cash CLN, an Nth-to-Default Physical CLN or an Nth-to-Default Cash or Physical CLN, once the Conditions to Settlement have been satisfied in respect of the relevant Reference Entity where the Credit Event is a Restructuring Credit Event, no further Credit Event Notices may be delivered in respect of any other Reference Entity referenced by such CLN. In addition, this will not prevent the delivery of Credit Event Notices in relation to any other Reference Entities in respect of which a Succession Event has occurred.

- (c) In the case of a Physically Settled CLN, if "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is specified in the Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement or any NOPS Amendment Notice and may be included in the Portfolio only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.
- (d) In the case of a Physically Settled CLN, if "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement or any NOPS Amendment Notice and may be included in the Portfolio only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

In the event that the requisite consent in relation to a Deliverable Obligation which is a Conditionally Transferable Obligation is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason) or is not received by the Physical Settlement Date, the Issuer shall promptly notify the relevant Noteholders of such refusal (or deemed refusal) and:

- (i) each such Noteholder may designate a third party (which may or may not be an Affiliate of such Noteholder) to take Delivery of the Deliverable Obligation on its behalf; and
 - (ii) if a Noteholder does not designate a third party that takes Delivery on or prior to the date which is 3 Business Days after the Physical Settlement Date, then the Issuer will redeem the CLNs which have not been Delivered by payment of the relevant Alternative Cash Settlement Amount to such Noteholder.
- (e) If the provisions of this Credit-Linked Term 15 apply in respect of the CLNs, on redemption of part of each such CLNs, the relevant CLN or, if the CLNs are represented by a Global Note Certificate, such Global Note Certificate shall be endorsed to reflect such partial redemption.

16 Amendments of Credit-Linked Terms in accordance with Market Convention

Subject to Condition 15.2 (*Modification*), the Calculation Agent may from time to time amend any provision of these Credit-Linked Terms to incorporate and/or reflect further or alternative documents from time to time published by ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees which the Calculation Agent determines in a commercially reasonable manner are necessary or desirable to reflect or govern market practice for credit derivative transactions. Any amendment made in accordance with this Credit-Linked Term 16 shall be notified to Noteholders in accordance with Condition 17 (*Notices*).

17 Definitions

The following capitalised terms used in these Credit-Linked Terms shall have the meanings set out below, except where the context otherwise requires or as may be modified and/or supplemented by the Final Terms:

Accelerated or Matured means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws;

Accreted Amount means, with respect to an Accreting Obligation, an amount equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in sub-paragraph (a)(ii) above), in each case calculated as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the Delivery Date or Relevant Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent) only if "Include Accrued Interest" is specified as being applicable in the relevant Final Terms. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for the purposes of (a) and (b) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the Delivery Date or Relevant Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities into which such obligation is exchangeable;

Accreting Obligation means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index or (b) periodic cash interest is also payable;

Additional Credit Event means an additional credit event as defined in the Final Terms;

Additional EDD Interest Amount means an amount in the Specified Currency determined by the Calculation Agent in respect of each Note equal to the sum of:

- (a) each amount of interest that would have been payable in respect of each Note, but for the operation of Credit-Linked Terms 1 (*Credit Event Terms*), 5 (*Interest Postponement*) and 13 (*Reversals and Adjustment to Event Determination Dates*) and the original determination of the Event Determination Date, on each Interest Payment Date falling after the date originally determined to be the Event Determination Date, to and including the Interest Recommencement Date; and
- (b) interest accrued on each such amount on a daily basis at the applicable Overnight Rate as determined by the Calculation Agent for the period from, and including, the Interest Payment Date on which the relevant amount of interest that would have been paid but for the original determination of the Event Determination Date to, but excluding, the Interest Recommencement Date. For the avoidance of doubt, such interest will be compounded on a daily basis;

Affiliate means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person;

Alternative Cash Settlement means the calculation of a cash amount in respect of each Undeliverable Obligation in accordance with the definition of Alternative Cash Settlement Amount;

Alternative Cash Settlement Amount means an amount determined by the Calculation Agent as an amount equal to the aggregate of all calculations of, with respect to each Undeliverable Obligation in the relevant Portfolio, (a) the Final Price or, if available and if determined by the Calculation Agent determines it to be appropriate, the Auction Final Price of the relevant Undeliverable Obligation, in accordance with Credit-Linked Term 9(d)(ii) or (e)(ii) (*Redemption by Physical Settlement*), multiplied by (b) the relevant Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of the relevant Undeliverable Obligation;

Applicable Auction means an Auction which the Calculation Agent determines is relevant to a Credit Event with respect to a Reference Entity and Obligations thereof and which relates to deliverable obligations which would constitute Reference Obligation(s) and/or Deliverable Obligation(s), as applicable, under the Credit-Linked Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity, obligations and deliverable obligations to which the Auction relates and if the Auction relates to a Restructuring Credit Event, the Maturity Date of the Credit-Linked Notes and the scheduled termination date of the credit derivatives transactions covered by the Auction and the maturity date of the deliverable obligations to which the Auction relates, and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Credit-Linked Notes);

Applicable Credit Derivatives Auction Settlement Terms means, with respect to a Reference Entity, a Credit Event and an Applicable Auction, the Credit Derivatives Auction Settlement Terms (if any) which the Calculation Agent determines are relevant to the Credit-Linked Notes (the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) and deliverable obligations which are the subject of the relevant Credit Derivatives Auction Settlement Terms and the Credit Events. Reference Entities and Obligations and Deliverable Obligations under the Credit-Linked Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Credit-Linked Notes). The Calculation Agent shall, as soon as practicable after the relevant Applicable Credit Derivatives Auction Settlement Terms are published, notify the Issuer and the Fiscal Agent that Applicable Credit Derivatives Auction Settlement Terms have been published with respect to a Reference Entity and a Credit Event and make a copy thereof available for inspection by Noteholders at the specified office of the Paying Agents;

Applicable DC Credit Event Announcement means a DC Credit Event Announcement which the Calculation Agent determines is an Applicable Resolution. An Applicable DC Credit Event Announcement will be deemed not to have occurred with respect to the Credit-Linked

Notes unless (i) the relevant Credit Event Resolution Request Date relating to the DC Credit Event Announcement and the relevant Credit Event was, in the determination of the Calculation Agent, an Applicable Request which occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) and (ii) the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable;

Applicable DC No Credit Event Announcement means a DC No Credit Event Announcement which the Calculation Agent determines is relevant to the Credit-Linked Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof which are the subject of the DC No Credit Event Announcement and the Credit Events. Reference Entities and Obligations thereof under the Credit-Linked Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Credit-Linked Notes);

Applicable Request means a request that a Credit Derivatives Determinations Committee be convened to Resolve the matters described in the definition of Credit Event Resolution Request Date or Succession Event Resolution Request Date, as applicable, which the Calculation Agent determines is relevant to the Credit-Linked Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, succession event, reference entity and obligation(s) thereof which are the subject of the request and the Credit Events, Reference Entities and Obligations thereof under the Credit-Linked Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Credit-Linked Notes);

Applicable Resolution means a DC Resolution or DC Credit Event Announcement which the Calculation Agent determines is relevant to the Credit-Linked Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, succession event, reference entity and obligation(s) thereof and any other factor to which such DC Resolution relates and the terms of the Credit-Linked Notes and (b) any hedging transaction that the Issuer has entered or may enter into in connection with the Credit-Linked Notes);

Applicable Transaction Auction Settlement Terms means, with respect to a Reference Entity and a Credit Event, the relevant Credit Derivatives Auction Settlement Terms which the Calculation Agent determines constitute Applicable Credit Derivatives Auction Settlement Terms;

Asset Transfer Notice means a duly completed asset transfer notice substantially in the form obtained from the specified office of the Registrar or any Paying Agent;

Assignable Loan means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent, and, if specified as applicable to a Deliverable Obligation Category, the Assignable Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Loans;

Auction means, with respect to a Reference Entity and a Credit Event, unless otherwise specified in the Applicable Transaction Auction Settlement Terms, an auction pursuant to which an Auction Final Price is to be determined in accordance with an auction procedure set out in the relevant Credit Derivatives Auction Settlement Terms;

Auction Cancellation Date means, with respect to an Auction, unless otherwise specified in the relevant Applicable Transaction Auction Settlement Terms, the date on which such Auction was deemed to have been cancelled as announced by ISDA (and/or the administrators specified in the relevant Credit Derivatives Auction Settlement Terms) on its website or such other date as determined and announced in accordance with the relevant Applicable Transaction Auction Settlement Terms;

Auction Cash Settlement Amount means an amount in the Specified Currency (rounded to the nearest unit of the Specified Currency (with half of one unit of the specified currency being rounded down to the nearest integral amount of such currency)) as determined by the Calculation Agent equal to the greater of (A) (1) the Credit-Linked Payer Calculation Amount in respect of the relevant Reference Entity, multiplied by (2) the Auction Final Price, minus (3) Unwind Costs and (B) zero;

Auction Cash Settlement Date means the second Business Day following the Auction Settlement Date determined in accordance with the Applicable Credit Derivatives Auction Settlement Terms or such other date specified in the applicable Final Terms, as determined by the Calculation Agent;

Auction Final Price means, with respect to an Applicable Auction, unless otherwise specified in the relevant Applicable Transaction Auction Settlement Terms, the price (expressed as a percentage) in respect of the deliverable obligations which would constitute Reference Obligation(s) and/or Deliverable Obligation(s) under the Credit-Linked Notes determined to be the Auction Final Price in accordance with the relevant Applicable Transaction Auction Settlement Terms. The Calculation Agent shall as soon as practicable after publication of the Auction Final Price in respect of an Applicable Auction make available for inspection by Noteholders at the specified office of the Fiscal Agent a copy of the relevant Applicable Transaction Auction Settlement Terms and copies of the relevant publication of the Auction Final Price. Such notice shall be subject to the requirements regarding notices set out in Credit-Linked Term 3(i) (Notices);

Auction Final Price Determination Date means, with respect to an Applicable Auction, the day, if any, on which the Auction Final Price is determined or such other date as specified in the relevant Applicable Transaction Auction Settlement Terms;

Auction Settlement Date means the date on which the Noteholders of a Cash Settled CLN are to be paid following the satisfaction of the Conditions to Settlement and where the Auction Settlement provisions in Credit-Linked Term 10 (*Redemption by Auction Settlement*) apply. This date is the number of Business Days specified in the relevant Applicable Transaction Auction Settlement Terms (or, if a number of Business Days is not so specified, 5 Business Days) immediately following the relevant Auction Final Price Determination Date;

Bankruptcy means a Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in sub-paragraphs (a) to (g) (inclusive) above;

Basket Cash CLN means Cash Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Satisfaction of the Conditions to Settlement with respect to any of the Reference Entities will,

unless otherwise specified in the Final Terms, result in the CLNs being proportionally Cash Redeemed;

Basket Cash or Physical CLN means Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Satisfaction of the Conditions to Settlement with respect to any of the Reference Entities will, unless otherwise specified in the Final Terms, result in a proportional redemption of the CLNs by (i) "Auction Settlement" or "Cash Settlement", as applicable or (ii) "Physical Settlement", as specified in the Final Terms, as the case may be, at the option of the Issuer;

Basket Physical CLN means Physical Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Satisfaction of the Conditions to Settlement with respect to any of the Reference Entities will, unless otherwise specified in the Final Terms, result in a proportional redemption of the CLNs by Physical Settlement;

Best Available Information means:

- (a) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of the definition of "Successor", other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (b) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (a) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of the definition of "Successor",

provided that information which is made available more than 14 calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information;

Bond means any obligation of a type included in the Borrowed Money Obligation Category that is in the form of or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money obligation;

Bond or Loan means any obligation that is either a Bond or a Loan;

Borrowed Money means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

Business Day means for the purposes of CLNs only (i) a day on which commercial banks and foreign exchange markets are generally open to settle payments in London, Luxembourg and in the jurisdiction of the currency of the Credit-Linked Payer Calculation Amount and in each Additional Business Centre specified in the applicable Final Terms, (ii) a day on which the TARGET System is open (if "TARGET" is specified for that purpose in the applicable Final Terms) and (iii) a day on which securities settlement systems are open for settlement of the relevant Deliverable Obligations;

Cancellation Notice means a notice given by the Calculation Agent prior to the Extended Maturity Date upon making a determination in respect of a Reference Entity that:

- (a) no Credit Event or (if Grace Period Extension is applicable in the relevant Final Terms) Potential Failure to Pay or (if Potential Repudiation/Moratorium is applicable) Potential Repudiation/Moratorium has occurred on or prior to the Scheduled Termination Date;
- (b) if a Potential Failure to Pay has occurred on or prior to the Scheduled Termination Date, promptly upon making a determination that no Failure to Pay has occurred with respect to the relevant obligation; or
- (c) if a Potential Repudiation/Moratorium has occurred on or prior to the Scheduled Termination Date, promptly upon making a determination that no Repudiation/Moratorium has occurred with respect to the relevant obligation (such determination being made prior to the Repudiation/Moratorium Evaluation Date);

Capped Reference Entity means, unless otherwise specified in the Final Terms:

- (a) if the Physical Settlement Matrix is applicable, a Reference Entity corresponding to a Transaction Type in respect of which "60 Business Days Cap on Settlement" is expressed as applying in the Physical Settlement Matrix; and
- (b) in all other cases, a Reference Entity designated as one of the following in the Final Terms:
 - (i) European Corporate;
 - (ii) Australia Corporate;
 - (iii) New Zealand Corporate;
 - (iv) Japan Corporate;
 - (v) Singapore Corporate;
 - (vi) Asia Corporate;
 - (vii) Subordinated European Insurance Corporate;
 - (viii) Asia Sovereign;
 - (ix) Japan Sovereign;
 - (x) Australia Sovereign;
 - (xi) New Zealand Sovereign;
 - (xii) Singapore Sovereign; and
 - (xiii) Western European Sovereign;

Cash Redeemed means a Credit-Linked Note in respect of which, for the relevant Reference Entity, (a) the Settlement Method is specified as "Cash Settlement" in the Final Terms, (b) the Settlement Method is specified as "Auction Settlement" and the Fallback Settlement Method is specified as "Cash Settlement" in the Final Terms or (c) the Settlement Method is specified as "Auction Settlement" and the Fallback Settlement Method is specified as "Physical Settlement" in the Final Terms but at the relevant time "Auction Settlement" is expected to apply;

Cash or Physical CLN means any Credit-Linked Note which, in respect of the relevant Reference Entity, may be Cash Redeemed or Physical Redeemed, at the option of the Issuer, upon satisfaction of the Conditions to Settlement;

Cash Settled CLN means any Credit-Linked Note which is, or is intended to be, Cash Redeemed upon the satisfaction of Conditions to Settlement (including, for the avoidance of

doubt, any Cash Settled CLN or Physically Settled CLN that the Issuer elects will be Cash Redeemed);

Cash Settlement Amount means the amount specified in the Final Terms or, if no such amount is specified in the applicable Final Terms, an amount in the Specified Currency (rounded to the nearest unit of the Specified Currency (with half of one unit of the specified currency being rounded down to the nearest integral amount of such currency)) as determined by the Calculation Agent on the Relevant Valuation Date equal to the greater of (A) (1) the Credit-Linked Payer Calculation Amount in respect of the relevant Reference Entity, multiplied by (2) the Final Price, minus (3) Unwind Costs and (B) zero;

Cash Settlement Date means, subject to Credit-Linked Term 6 (Redemption Suspension), the date on which the Noteholders of a Cash Settled CLN are to be paid following the satisfaction of Conditions to Settlement and where the Cash Settlement provisions in Credit-Linked Term 8 (Redemption by Cash Settlement) apply. This date may be expressed in the Final Terms as being a specified number of Business Days after the date on which the Final Price is determined or, if a number of Business Days is not so specified, three;

CLN Dealer means a dealer in obligations of the type of Obligation(s) (as the case may be) for which Quotations are to be obtained (as selected by the Calculation Agent) and may include a Noteholder or its Affiliate or as may otherwise be specified in the Final Terms;

CLN Specified Currency means an obligation that is payable in the currency or currencies specified as such in the Final Terms (or, if a CLN Specified Currency is specified in the Final Terms and no currency is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies, which currencies may be referred to collectively as the Standard Specified Currencies). References in the Transaction Type Standard Terms to "Specified Currency" shall be deemed to be references to "CLN Specified Currency";

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

For the purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer;

Conditions to Settlement means the occurrence of an Event Determination Date to the extent that such Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date, a Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date), or the Maturity Date, as applicable, unless "Physical Settlement" is specified as the Settlement Method in the applicable Final Terms (or is applicable pursuant to the Fallback Settlement Method), in which case all of the Conditions to Settlement shall be deemed to be satisfied by the satisfaction of the Notice of Physical Settlement Condition to Settlement on or following the occurrence of an Event Determination Date. For the avoidance of doubt, if an Event Determination Date is subsequently reversed prior to the relevant Auction Final Price Determination Date, a Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date) or the Maturity Date, the Conditions to Settlement shall not be deemed to have

been satisfied with respect to the related Credit Event and Reference Entity for the purposes of these Credit-Linked Terms;

Consent Required Loan means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent, and, if specified as applicable to a Deliverable Obligation Category, the Consent Required Loan Deliverable Obligation Characteristics shall be applicable only in respect of obligations within the Deliverable Obligation Category that are Loans;

Convertible Obligation means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the Issuer or of (or for the benefit of) the holders of such obligation);

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

Credit Derivatives Definitions means the 2003 ISDA Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. as supplemented by the May 2003 Supplement and the July 2009 Supplement;

Credit Derivatives Determinations Committee means the committees established by ISDA for purposes of reaching certain DC Resolutions in connection with credit derivative transactions, as more fully described in the Rules;

Credit Event means one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring or Additional Credit Event as specified in the Final Terms. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon: (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable an Underlying Obligor to enter into any Underlying Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described;

Credit Event Backstop Date means:

- (a) for the purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in sub-paragraph (ii) of the definition thereof) for the purposes of certain credit derivatives transactions, as determined by a DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date, provided that the Calculation Agent determines that the DC Resolution is an Applicable Resolution and the Credit Event Resolution Request Date relates to an Applicable Request; or
- (b) otherwise, the date that is 60 calendar days prior to the earlier of:
 - (i) the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and the Fiscal Agent and are effective during the Notice Delivery Period; and

- (ii) in circumstances where (i) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in subparagraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules in relation to an Applicable Request, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, provided that such Resolution is an Applicable Resolution and (III) the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and the Fiscal Agent and are effective not more than 14 calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date;

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

Credit Event Notice means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or email) and/or by telephone) to the Issuer and the Fiscal Agent (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred at or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is a Japan Corporate or Japan Sovereign, Tokyo time)) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is a Japan Corporate or Japan Sovereign, Tokyo time));

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. Where a Restructuring Credit Event occurs in respect of a Reference Entity after a Succession Event has occurred, and the CLNs are to be partially redeemed in accordance with Credit-Linked Term 15 (Restructuring Credit Event), the Credit Event Notice shall specify the Reference Entity that is the subject of the Restructuring Credit Event. In addition, this will not prevent the delivery of Credit Event Notices in respect of other Reference Entities in respect of which Succession Events have occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

A Credit Event Notice shall be subject to the requirements regarding notices set out in Credit-Linked Term 3(j) (*Notices*);

Credit Event Portion means, subject to Credit-Linked Term 14 (*Succession Event*), in the case of any Credit Event, a principal amount of the CLNs equal to:

- (a) in the case of a Basket Cash CLN, Basket Physical CLN or Basket Cash or Physical CLN, (i) the Credit-Linked Payer Calculation Amount of the Reference Entity in respect of which the Credit Event Notice has been given expressed as a proportion of the aggregate of the Credit-Linked Payer Calculation Amounts of all the Reference Entities specified in the Final Terms multiplied by (ii) the initial aggregate principal amount of the CLNs; or
- (b) in all other cases, unless otherwise specified in the Final Terms, 100 per cent. of the then aggregate outstanding principal amount of the CLNs.

Credit Event Resolution Request Date means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a credit event for the purposes of certain credit derivative transaction(s) has occurred with respect to a particular reference entity or obligation thereof; and

- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of publicly available information with respect to the DC Resolutions referred to in (a) and (b) above;

Credit-Linked Notes or CLNs means Notes which are linked to the credit of one or more Reference Entities;

Credit-Linked Payer Calculation Amount means the amount and the currency in which the Issuer has purchased credit protection in respect of one or more Reference Entities as set out in the Final Terms and any references in the Credit Derivatives Definitions to "Floating Rate Payer Calculation Amount" shall be deemed to be references to the Credit-Linked Payer Calculation Amount;

Credit-Linked Terms means the additional terms and conditions for Credit-Linked Notes set out in this Credit-Linked Annex as may be modified and/or supplemented in the Final Terms;

Currency Amount means, with respect to (a) a Deliverable Obligation specified in the Notice of Physical Settlement that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate, and (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each NOPS Amendment Notice with respect to that portion of the Credit Derivative Transaction into the currency or denomination of the relevant Replacement Deliverable Obligation;

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

Currency Rate Source means the mid-point rate of conversion published by WM//Reuters at 4.00 p.m. (London time) or any successor rate source approved by the relevant Credit Derivatives Determinations Committee;

DC Credit Event Announcement means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved that (a) an event that constitutes a credit event for purposes of certain credit derivative transactions has occurred with respect to such Reference Entity (or an Obligation thereof) and (b) the Calculation Agent determines that such event occurred on or after the relevant Credit Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is a Japan Corporate or Japan Sovereign, Tokyo time)) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is a Japan Corporate or Japan Sovereign, Tokyo time));

DC Cut-off Date means the earliest of (a) the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred; (b) the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred; and (c) the date that is 14 calendar days after the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine whether a Credit Event has occurred;

DC No Credit Event Announcement means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is the subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a credit event for purposes of the certain credit derivatives transactions with respect to such Reference Entity (or an obligation thereof);

Default Requirement means the amount as may be specified as such in the Final Terms or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not so specified in the Final Terms, U.S.\$10,000,000 or its equivalent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Credit Event;

Deliver means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Deliverable Obligations specified in the Notice of Physical Settlement to the Issuer or the Noteholders, as the case may be, free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defence (other than a counterclaim or defence as set out in the definition of Credit Event) or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor) provided that to the extent that the Deliverable Obligations consist of Direct Loan Participations, **Deliver** means to create (or procure the creation of) a participation in favour of the Issuer or the Noteholders, as the case may be, and to the extent that the Deliverable Obligations consist of Qualifying Guarantees, **Deliver** means to Deliver both the Qualifying Guarantee and the Underlying Obligation. **Delivery** and **Delivered** will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time;

Deliverable Obligation means, subject to Credit-Linked Terms 15(c) and (d) (*Restructuring Credit Event*):

- (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Final Terms, as provider of any Qualifying Guarantee), described by the Deliverable Obligation Category and having each of the Deliverable Obligation Characteristics, in each case, as of the Delivery Date (but excluding any Excluded Deliverable Obligation) that is (i) payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than as set out in the definition of Credit Event) or right of set off by or of a Reference Entity or any applicable Underlying Obligor, and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (b) subject to the second paragraph in the definition of Not Contingent, each Reference Obligation, unless specified in the Final Terms as an Excluded Deliverable Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than as set out in the definition of Credit Event) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount apart from

the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and

(d) any other obligation of a Reference Entity specified as such in the Final Terms;

Deliverable Obligation Category means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, and Bond or Loan as specified in the Final Terms. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics. No Deliverable Obligation Characteristics are applicable to Reference Obligations Only;

Deliverable Obligation Characteristics means any one or more of Not Subordinated, CLN Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer;

Delivery Date means, with respect to the Portfolio, the date such Deliverable Obligations comprised in the Portfolio are Delivered;

Delivery Expenses means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the relevant Portfolio payable by Noteholders;

Direct Loan Participation means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either (a) the Issuer (to the extent the Issuer is then a lender or member of the relevant lending syndicate), or (b) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

Domestic Currency means the currency specified as such in the Final Terms and any successor currency. If no currency is so specified, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency);

Downstream Affiliate means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity;

Due and Payable Amount means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts);

EDD Adjustment Amount means an amount in the Specified Currency determined by the Calculation Agent in respect of each Credit-Linked Note equal to the sum of:

(a) each amount of interest in respect of each Credit-Linked Note that would not have been paid (if any) on any Interest Payment Date to Noteholders had the earlier Event Determination Date been the date originally determined as the Event Determination Date; and

- (b) interest accrued on each such amount on a daily basis at the applicable Overnight Rate as determined by the Calculation Agent for the period from, and including, the Interest Payment Date on which the relevant interest amount was paid to, but excluding, the date on which the Credit-Linked Notes are redeemed. For the avoidance of doubt, such interest will be compounded on a daily basis;

Election Notice has the meaning given to it in Credit-Linked Term 3(c) (*Notices*);

Eligible Transferee means each of the following:

- (a)
 - (i) bank or other financial institution;
 - (ii) insurance or reinsurance company;
 - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(i) below); and
 - (iv) registered or licensed broker or dealer (other than a natural person or proprietorship), provided however, in each case that such entity has total assets of at least U.S.\$500,000,000;
- (b) an Affiliate of an entity specified in the preceding sub-paragraph (a);
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
 - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (A) has total assets of at least U.S.\$800,000,000 or (B) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$100,000,000; or
 - (ii) that has total assets of at least U.S.\$500,000,000; or
 - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in sub-paragraphs (a), (b), (c)(ii) or (d) above: or
- (d) a Sovereign, Sovereign Agency or Supranational Organisation,

and all references in this definition to U.S.\$ include equivalent amounts in other currencies.

Enabling Obligation means an outstanding Deliverable Obligation that (a) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (b) has a final maturity date occurring on or prior to the Scheduled Termination Date and following the Limitation Date immediately preceding the Scheduled Termination Date (or, in circumstances where the Scheduled Termination Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any);

Equity Securities means:

- (a) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (b) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts

representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

Escrow means, if Escrow is specified in the Final Terms as applicable, either the Issuer or the Noteholders may require that settlement of Physical Redeemed CLNs take place through the use of an Escrow Agent. Any costs or expenses incurred in connection with establishing such escrow arrangement shall be borne by the Noteholders provided that if a party requires that such physical settlement take place through an Escrow Agent, Delivery to the Escrow Agent by a party must occur within the time required for physical settlement in accordance with these Credit-Linked Terms as if there were no Escrow Agent;

Escrow Agent means a financial institution that the Issuer or the Noteholders specify as such (or, if a person is not so specified, an independent third party financial institution specified by Issuer prior to the Physical Settlement Date, subject to the terms of the escrow arrangement);

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

- (a) subject to sub-paragraph (b) of this definition, if neither an Applicable DC Credit Event Announcement nor an Applicable DC No Credit Event Announcement has occurred, the first date on which the Calculation Agent determines that both the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and the Fiscal Agent and are effective during either:
 - (i) the Notice Delivery Period; or
 - (ii) the period (A) from, and including, the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date and the Calculation Agent determines that such Resolution constitutes an Applicable Resolution and (B) to, and including, the date that is 14 calendar days thereafter (provided that the relevant Credit Event Resolution Request Date in respect of an Applicable Request occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)); or
- (b) notwithstanding sub-paragraph (a) of this definition, if an Applicable DC Credit Event Announcement has occurred as determined by the Calculation Agent, either:
 - (i) the Credit Event Resolution Request Date (in respect of the relevant Applicable Request as determined by the Calculation Agent), if
 - (aa) either:
 - (A) Auction Settlement is specified as the applicable Settlement Method in the Final Terms; or
 - (B) the relevant Credit Event is a Restructuring; and
 - (bb) the Credit Event Notice is delivered by the Calculation Agent to the Issuer and the Fiscal Agent and is effective on or prior to the Exercise Cut-off Date; or
 - (ii) the first date on which the Credit Event Notice is delivered by the Calculation Agent to the Issuer and the Fiscal Agent and is effective during the Notice Delivery Period or the period from, and including, the date on which ISDA publicly announces the occurrence of the relevant Applicable DC Credit Event Announcement to, and including, the date that is 14 calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior

to the Trade Date) and is an Applicable Request as determined by the Calculation Agent), if either:

- (aa) "Auction Settlement" is not specified as the Settlement Method in the Final Terms; or
- (bb) "Auction Settlement" is specified as the Settlement Method in the Final Terms, the Credit Event Notice is delivered by the Calculation Agent to the Issuer and the Fiscal Agent and is effective on a date that is later than the relevant Exercise Cut-off Date,

provided that, in the case of sub-paragraph (b) above:

- (1) no Physical Settlement Date, if applicable, or Cash Settlement Date, Auction Cash Settlement Date or Maturity Date has occurred on or prior to the date on which the Applicable DC Credit Event Announcement occurs;
- (2) if any Valuation Date or Delivery Date, as applicable, has occurred as of the date on which the Applicable DC Credit Event Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to the Credit Event Portion of the Credit-Linked Notes outstanding to which such Event Determination Date relates, if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred; and
- (3) no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer and the Fiscal Agent, (aa) unless the Restructuring specified in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date or (bb) unless, and to the extent that, the Exercise Amount specified in any such Credit Event Notice was less than the outstanding principal balance of the Credit-Linked Notes;

Event Determination Date Reversal has the meaning given to it in Credit-Linked Term 13(c) (*Reversals and Adjustments to Event Determination Dates*);

Event Determination Notice has the meaning given to it in Credit-Linked Term 3(b) (*Notices*);

Exchangeable Obligation means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation);

Excluded Deliverable Obligation means any obligation of a Reference Entity specified as such or of a type described in the Final Terms;

Excluded Obligation means any obligation of a Reference Entity specified as such or of a type described in the Final Terms;

Exercise Amount has the meaning given to it in Credit-Linked Term 15(a) (*Restructuring Credit Event*);

Exercise Cut-off Date means, with respect to a Credit Event:

- (a) if such Credit Event is not a Restructuring (or if such Credit Event is a Restructuring, neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms), either:
 - (i) the Relevant City Business Day prior to the Auction Final Price Determination Date in respect of an Applicable Auction, if any;

- (ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or
 - (iii) the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable; or
- (b) if such Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms and:
- (i) the relevant Credit Derivatives Determinations Committee has Resolved that Applicable Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is 5 Relevant City Business Days following the date on which ISDA publishes the Final List applicable to such Credit Derivatives Auction Settlement Terms in accordance with the Rules, provided that the Calculation Agent determines that such Resolution and Credit Derivatives Auction Settlement Terms constitute an Applicable Resolution and Applicable Credit Derivatives Auction Settlement Terms, as applicable; or
 - (ii) a No Auction Announcement Date occurs pursuant to sub-paragraph (a) of the definition of No Auction Announcement Date, the date that is 21 calendar days following such No Auction Announcement Date;

Extended Interest Payment Date has the meaning given to it in Credit-Linked Term 4(a) (*Interest*);

Extended Interest Period means the period from and including the Maturity Date to but excluding the Extended Interest Payment Date;

Extended Maturity Date means, where an Extension Notice has been delivered in accordance with the definition thereof, the date that is 15 Business Days (or such other date as may be specified in the Final Terms) after the later of (a) Extension Date and (b) if Credit Derivatives Determination Committee Extension is applicable, the DC Cut-off Date;

Extended Physical Settlement Date means the date that is the sixtieth Business Day following the Physical Settlement Date;

Extension Date means, the latest to occur of:

- (a) the Scheduled Termination Date (if an Extension Notice was served pursuant to sub-paragraph (a) of the definition of Extension Notice);
- (b) the Grace Period Extension Date (if an Extension Notice was served pursuant to sub-paragraph (b) of the definition of Extension Notice) if (i) Grace Period Extension is specified as applicable in the applicable Final Terms; (ii) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of a Credit Event Resolution Request Date, as applicable, is a Failure to Pay Credit Event that occurs after the Final Extension Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)); and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Final Extension Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)); and
- (c) the Repudiation/Moratorium Evaluation Date (if an Extension Notice was served pursuant to sub-paragraph (c) of the definition of Extension Notice) if (i) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of a Credit Event Resolution Request Date, as applicable, is a Repudiation/Moratorium for which the event described in sub-paragraph (ii) of the

definition of Repudiation/Moratorium occurs after the Final Extension Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)); (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Final Extension Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)); and (iii) the Repudiation/Moratorium Extension Condition is satisfied;

Extension Notice means a notice from the Calculation Agent to the Issuer and the Fiscal Agent giving notice of the following in relation to a Reference Entity:

- (a) without prejudice to sub-paragraphs (b), (c) and (d) below, that a Credit Event has occurred or may occur on or prior to the Scheduled Termination Date; or
- (b) (if Grace Period Extension is specified as applicable in the Final Terms) that a Potential Failure to Pay has occurred or may occur on or prior to the Scheduled Termination Date; or
- (c) that a Potential Repudiation/Moratorium has occurred or may occur on or prior to the Scheduled Termination Date. For the purposes of this sub-paragraph (c), the giving of a Repudiation/Moratorium Extension Notice (if on or prior to the Scheduled Termination Date) shall be deemed to satisfy the requirement to give notice under this definition of Extension Notice. However, the giving of an Extension Notice in accordance with this sub-paragraph (c) shall not in any way preclude the subsequent giving of a Repudiation/Moratorium Extension Notice; or
- (d) if Credit Derivatives Determinations Committee Extension is specified as applicable in the Final Terms, that (a) a Credit Event Resolution Request Date has occurred and (b) the Credit Derivatives Determinations Committee has not made its determination on or prior to such dates (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time));

An Extension Notice shall be subject to the requirements regarding notices set out in Credit-Linked Term 3(j) (*Notices*);

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

Fallback Settlement Method means, with respect to Credit-Linked Notes for which "Auction Settlement" is specified as the Settlement Method in the applicable Final Terms, the Fallback Settlement Method specified in such Final Terms of if no Fallback Settlement Method is so specified for Cash Settled CLNs, the Fallback Settlement Method shall be deemed to be "Cash Settlement";

Final List has the meaning given to that term in the Rules;

Final Price means the price of the Reference Obligation, Deliverable Obligation or Undeliverable Obligation, expressed as a percentage determined in accordance with the Valuation Method specified in the applicable Final Terms or, where applicable, Credit-Linked Term 15 (*Restructuring Credit Event*), with respect to the Relevant Valuation Date;

First-to-Default Cash CLN means first-to-default Cash Redeemed Credit-Linked Note where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the Reference Entities, all the CLNs (other than in the case of a Restructuring Credit Event, where the CLNs may be redeemed in part) will, unless otherwise specified in the Final Terms, be redeemed by "Auction Settlement" or "Cash Settlement", as applicable;

First-to-Default Cash or Physical CLN means first-to-default Physical Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the Reference Entities, all the CLNs (other than in the case of a Restructuring Credit Event, where the CLNs may be redeemed in part) will, unless otherwise specified in the Final Terms, be Cash Redeemed or Physical Redeemed, as the case maybe, at the option of the Issuer;

First-to-Default Physical CLN means first-to-default physically settled Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the Reference Entities, all the CLNs (other than in the case of a Restructuring Credit Event, where the CLNs may be redeemed in part) will, unless otherwise specified in the Final Terms, be Physical Redeemed;

First-to-Default Template means the First-to-Default Template, as most recently amended or supplemented as at the Issue Date (unless otherwise specified in the Final Terms) and as published by ISDA;

Full Quotation means, in accordance with the Quotation Method, each firm quotation (expressed as a percentage of the Outstanding Principal Balance) obtained from a CLN Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation or Deliverable Obligation, as the case may be, with an Outstanding Principal Balance equal to the Quotation Amount;

Fully Transferable Obligation means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition. For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of Fully Transferable Obligation, such determination shall be made (in the case of a Physically Settled CLN) as of the Delivery Date or, as the case may be (in the case of a Cash Settled CLN), the Relevant Valuation Date for the relevant Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer;

Further Extended Physical Settlement Date has the meaning given to it in Credit-Linked Term 9(f) (*Redemption by Physical Settlement*);

Governmental Authority means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity;

Grace Period means, subject to sub-paragraphs (a) and (b) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred, provided that (a) if Grace Period Extension is specified in the Final Terms as applicable, a Potential Failure to Pay has occurred on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the Final Terms or, if no period is specified, 30 calendar days; and (b) if at the later of the Trade Date and the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than 3 Grace Period Business

Days is applicable under the terms of such Obligation, a Grace Period of 3 Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applicable in the Final Terms, such deemed Grace Period shall expire no later than the Scheduled Termination Date;

Grace Period Business Day means, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency;

Grace Period Extension Date means, if (a) Grace Period Extension is specified as applicable in the Final Terms and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If Grace Period Extension is not specified as applicable in the Final Terms, Grace Period Extension shall not apply. If (i) Grace Period Extension is specified as applicable in the Final Terms, (ii) a Potential Failure to Pay occurs on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) and (iii) an Event Determination Date in respect of that Failure to Pay does not occur on or prior to the Notice Delivery Period (including prior to the Trade Date), the later of the Scheduled Termination Date and the Grace Period Extension Date will be the Maturity Date (even if a Failure to Pay occurs after the Scheduled Termination Date);

G-7 Country means the seven nation organisation that was formed in 1976 to attempt to coordinate its members' economic policies (or any country that becomes a member of the group of seven if such group of seven expands its membership), currently comprising the United States of America, the United Kingdom, Japan, Germany, France, Italy and Canada;

Hedge Disruption Event means, in the opinion of the Calculation Agent, any event as a result of which the Issuer and/or any of its Affiliates and/or its agents has not received the relevant Deliverable Obligations and/or cash under the terms of a Hedge Transaction (the **Undelivered Portion**);

Hedge Transaction means any transaction or trading position entered into or held by the Issuer and/or any of its Affiliates to hedge, directly or indirectly, the Issuer's obligations or positions (whether in whole or in part) in respect of the CLNs;

Intervening Period means such period of time as any person other than the relevant Noteholder shall continue to be registered as the legal owner of any securities or other obligations comprising the relevant Portfolio Delivered to such Noteholder;

ISDA means the International Swaps and Derivatives Association, Inc. (or any successor thereto);

July 2009 Supplement means the July 2009 Supplement to the 2003 ISDA Credit Derivative Definitions, as published by the ISDA;

Latest Permissible Physical Settlement Date means 30 calendar days following the Physical Settlement Date;

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

Listed means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange and, if specified as applicable to an Obligation Category, the Listed Obligation

Characteristic shall be applicable only in respect of obligations within that Obligation Category that are Bonds or, if specified as applicable to a Deliverable Obligation Category, the Listing Deliverable Obligation Characteristics shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds;

Loan means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money;

London Business Day means a day on which commercial banks and foreign exchange markets are generally open to settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

Market Value means, with respect to a Reference Obligation or a Deliverable Obligation, as the case may be, on a Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date the Market Value shall be any Full Quotation obtained from a CLN Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation or Deliverable Obligation, as the case may be, obtained from CLN Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;

Maturity Date has the meaning given to it in Credit-Linked Term 2(c) (*Final Redemption and Maturity Date*);

Maximum Maturity means an obligation that has a remaining maturity from the Physical Settlement Date or Valuation Date, as the case may be, of not greater than (a) the period specified in the Final Terms or (b) if no such period is specified in the Final Terms, 30 years;

May 2003 Supplement means the May 2003 Supplement to the 2003 ISDA Credit Derivative Definitions, as published by ISDA;

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

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

Modified Restructuring Maturity Limitation Date means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Termination Date, provided that, in circumstances where the Scheduled Termination Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms and the Scheduled Termination Date is later than the 2.5-year Limitation Date and, prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Termination Date is either (i) on or prior to the 2.5-year Limitation Date or (ii) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only;

Subject to the foregoing, in the event that the Scheduled Termination Date is later than (A) the 2.5-year Limitation Date and no Enabling Obligation exists or (B) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Termination Date;

Multiple Holder Obligation means an Obligation that (a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which constitutes a Restructuring Credit Event, provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (b) above;

Next Currency Fixing Time means 4.00 p.m. (London time) on the London Business Day immediately following the date on which the Notice of Physical Settlement or relevant NOPS Amendment Notice, as applicable, is effective;

No Auction Announcement Date means, with respect to Credit-Linked Notes for which "Auction Settlement" is specified as the Settlement Method in the Final Terms, a Reference Entity and a Credit Event, the date on which the Calculation Agent determines that ISDA first publicly announces that:

- (a) no Applicable Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published; or
- (b) following the occurrence of a Restructuring, if either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms, no Applicable Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or
- (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by ISDA to the contrary and the Calculation Agent determines that such Resolution is an Applicable Resolution and no Applicable Auction will be held.

Non-Capped Reference Entity means, unless otherwise specified in the Final Terms, a Reference Entity:

- (a) if the Physical Settlement Matrix is applicable, corresponding to a Transaction Type in respect of which "60 Business Day Cap on Settlement" is expressed as not applying in the Physical Settlement Matrix.
- (b) in all other cases, designated as one of the following in the Final Terms:
 - (i) North American Corporate;

- (ii) Emerging European Corporate LPN;
- (iii) Emerging European Corporate;
- (iv) Latin America Corporate B;
- (v) Latin America Corporate BL;
- (vi) Africa Corporate;
- (vii) Emerging European & Middle Eastern Sovereign;
- (viii) Africa Sovereign; and
- (ix) Latin America Sovereign.

Non-Succession Event Reference Entities has the meaning given to it in Credit-Linked Term 14(c) (*Succession Event*);

Not Bearer means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognised clearing system, and, if specified as applicable to a Deliverable Obligation Category, the Not Bearer Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds;

Not Contingent means any obligation having as of the Delivery Date and all times thereafter an Outstanding Principal Balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall constitute Deliverable Obligations that are Not Contingent if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (i) to convert or exchange such obligation or (ii) to require the issuer to purchase or redeem such obligation (if the issuer has exercised the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date;

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in sub-paragraphs (i) and (ii) above have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date;

Not Domestic Currency means any obligation that is payable in any currency other than the Domestic Currency;

Not Domestic Issuance means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity;

Not Domestic Law means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;

Not Sovereign Lender means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt";

Not Subordinated means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is specified in the Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity provided that, if any of the events set forth under sub-paragraph (a) of the definition of Substitute Reference Obligation below has occurred with respect to all of the Reference Obligations or if, with respect to the Reference Obligation, one or more Successors to the Reference Entity have been identified and any one or more such Successors have not assumed the Reference Obligation (each, in each case, a **Prior Reference Obligation**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, "Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the Not Subordinated Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation shall be determined as of the later of (i) the Trade Date specified in the Final Terms and (ii) the date on which such Reference Obligation was issued or incurred and shall not reflect any change to such ranking in priority of payment after such later date;

Notice Delivery Period means the period from and including the Trade Date to and including the Scheduled Termination Date or, if an Extension Notice has been given, the date that is 14 Business Days (or such other number of days as may be specified in the Final Terms) after the Extension Date;

Notice of Physical Settlement means a notice from the Calculation Agent to the Issuer and the Fiscal Agent that (a) irrevocably confirms that the Issuer will settle in relation to the CLNs and such CLNs shall be Physical Redeemed in accordance with Credit-Linked Term 9 (*Redemption by Physical Settlement*) and (b) contains a detailed description of the Deliverable Obligations that the Issuer will, if the CLNs are to be Physical Redeemed. Deliver to or to the order of the Noteholders, including the outstanding principal balance or Due and Payable Amount, as applicable, (in each case, the Outstanding Amount) of each such Deliverable Obligation and, if available and applicable, the CUSIP or ISIN number (or if such identifying number is not available, the rate and tenor of each such Deliverable Obligation) and (c) where (i) the relevant Credit Event is a Restructuring, (ii) either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms and (iii) the Scheduled Termination Date is later than (A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (B) the 2.5-year Limitation Date contains a detailed description of at least one Enabling Obligation, which description will include the CUSIP or ISIN number, if available and applicable (or, if such identifying number is not available, the rate and tenor), of such Enabling Obligation and any other information necessary to establish that such obligation is an Enabling Obligation;

The Issuer may notify the Noteholders (each such notification a "NOPS Amendment Notice" and delivered in accordance with Condition 17 (*Notices*)) that the Issuer is replacing in whole or in part one or more Deliverable Obligations to be Delivered (to the extent such Deliverable Obligation has not previously been Delivered) or the detailed description thereof specified in the Notice of Physical Settlement or a prior NOPS Amendment Notice. A NOPS Amendment Notice shall contain a revised detailed description of each replacement Deliverable Obligation that Issuer expects to Deliver (each, a **Replacement Deliverable Obligation**) and shall also specify the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, that is being replaced (with respect to each such Deliverable Obligation, the **Replaced Deliverable Obligation Outstanding Amount**). The Outstanding Amount of each Replacement Deliverable Obligation identified in a NOPS Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. Each such NOPS Amendment Notice must be effective on or prior to the Physical Settlement Date (determined without reference to any such change resulting from such NOPS Amendment Notice). Notwithstanding the foregoing, the Issuer may correct any errors or inconsistencies in the detailed description of the Deliverable Obligations contained in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable by notice to the Noteholders (in accordance with Condition 17 (*Notices*)) prior to the relevant Delivery Date, it being

understood that such notice of correction shall not constitute a NOPS Amendment Notice. A Notice of Physical Settlement shall be subject to the requirements regarding notices set out in Credit-Linked Terms 3(g) and (i) (*Notices*);

Notice of Physical Settlement Condition to Settlement will be deemed to have been satisfied by the delivery by the Calculation Agent of a Notice of Physical Settlement to the Issuer and the Fiscal Agent that is effective subject, where applicable, to Credit-Linked Term 6 (*Redemption Suspension*), on or prior to 2 Business Days following the date that is:

- (a) subject to sub-paragraph (b) of this definition, the later of:
 - (i) the thirtieth calendar day (subject to adjustment in accordance with any applicable Business Day Convention) after the Event Determination Date; and
 - (ii) the tenth calendar day after either (I) the date of the relevant DC Credit Event Announcement, if any, or (II) the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date, if any, as applicable; or
- (b) if "Physical Settlement" is specified as applicable pursuant to the Fallback Settlement Method and the Notes are to be Physical Redeemed and:
 - (i) the relevant Credit Event is not a Restructuring (or, if such Credit Event is a Restructuring, neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms), the thirtieth calendar day after the Auction Cancellation Date or the No Auction Announcement Date, as applicable; or
 - (ii) the relevant Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms, either:
 - (I) the thirtieth calendar day after:
 - (A) a No Auction Announcement Date occurring pursuant to sub-paragraph (a) of the definition of No Auction Announcement Date, if any; or
 - (B) a No Auction Announcement Date occurring pursuant to sub-paragraph (c) of the definition of No Auction Announcement Date, if any, in circumstances where no Parallel Auction will be held; or
 - (C) the Auction Cancellation Date, if any, as applicable; or
 - (II) the Relevant City Business Day immediately following the later of the Parallel Auction Final Price Determination Date, if any (or, if more than one should occur, the last Parallel Auction Final Price Determination Date), and the Parallel Auction Cancellation Date, if any (or, if more than one should occur, the last Parallel Auction Cancellation Date), as applicable, in circumstances where either:
 - (A) a No Auction Announcement Date occurs pursuant to sub-paragraph (b) of the definition of No Auction Announcement Date; or
 - (B) a No Auction Announcement Date occurs pursuant to sub-paragraph (c) of the definition of No Auction Announcement

Date in circumstances where one or more Parallel Auctions will be held,

provided that in the case of sub-paragraph (a)(ii) and sub-paragraph (b) of this definition, the relevant Credit Event Resolution Request Date occurred on or prior to the date described in sub-paragraph (a)(i) of this definition;

For purposes of determining whether the Notice of Physical Settlement Condition to Settlement has been satisfied, the effective date of delivery of the Notice of Physical Settlement (whether or not subsequently changed) shall be used;

Notice of Publicly Available Information means an irrevocable notice from the Calculation Agent to the Issuer and the Fiscal Agent (in writing (including by facsimile and/or email) and which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both sub-paragraphs (i) and (ii) of the definition of Repudiation/Moratorium. The notice must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If a Notice of Publicly Available Information is specified as applicable in the Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices set out in Credit-Linked Term 3(i) (*Notices*);

Nth-to-Default Cash CLN means any First-to-Default Cash CLN or any other nth-to-default Cash Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the relevant Reference Entities, all the CLNs (other than in the case of a Restructuring Credit Event, where the CLNs may be redeemed in part) will, unless otherwise specified in the Final Terms, be Cash Redeemed; where "nth" means any ordinal number, as specified in the applicable Final Terms. For the avoidance of doubt, such CLNs may not be required to be redeemed upon the first occurrence of a Credit Event in respect of a Reference Entity in respect of which credit protection has been purchased by the Issuer from the Noteholders;

Nth-to-Default Cash or Physical CLN means any First-to-Default Cash or Physical CLN or any other nth-to-default Credit-Linked Note where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the relevant Reference Entities, all the CLNs (other than in the case of a Restructuring Credit Event, where the CLNs may be redeemed in part) will, unless otherwise specified in the Final Terms, be (i) Cash Redeemed or (ii) Physical Redeemed, as the case may be, at the option of the Issuer; where "nth" means any ordinal number, as specified in the applicable Final Terms. For the avoidance of doubt, such CLNs may not be required to be redeemed upon the first occurrence of a Credit Event in respect of a Reference Entity in respect of which credit protection has been purchased by the Issuer from the Noteholders;

Nth-to-Default Physical CLN means any First-to-Default Physical CLN or any other nth-to-default basket physically settled Credit-Linked Note where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the relevant Reference Entities, all the CLNs (other than in the case of a Restructuring Credit Event, where the CLNs may be redeemed in part) will, unless otherwise specified in the Final Terms, be Physical Redeemed: where "nth" means any ordinal number, as specified in the applicable Final Terms. For the avoidance of doubt, such CLNs may not be required to be redeemed upon the first occurrence of a Credit Event in respect of a Reference Entity in respect of which credit protection has been purchased by the Issuer from the Noteholders;

Obligation means (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Final Terms, as provider of any Qualifying Guarantee) described by the Obligation Category specified in the Final Terms, and having the Obligation Characteristics specified in the Final Terms (but excluding any Excluded Obligation), in each case, as of the date of the event which constitutes the Credit Event which is the subject of either the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, (b) each Reference Obligation, unless specified in the Final Terms as an Excluded Obligation, and/or (c) any other obligation of a Reference Entity specified as such in the Final Terms;

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

Obligation Category means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the Final Terms;

Obligation Characteristics means any one or more of Not Subordinated, CLN Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance as specified in the Final Terms;

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

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

Officer's Certification means a certificate signed by a director (or other substantively equivalent title) of the Calculation Agent which shall certify the occurrence of a Credit Event with respect to a Reference Entity;

Original Bonds has the meaning given to it in Credit-Linked Term 9(f) (*Redemption by Physical Settlement*);

Original Loans has the meaning given to it in Credit-Linked Term 9(f) (*Redemption by Physical Settlement*);

Outstanding Amount has the meaning given to it in Credit-Linked Term 15(b) (*Restructuring Credit Event*);

Outstanding Principal Balance means:

- (a) with respect to any Accreting Obligation, the Accreted Amount thereof;
- (b) with respect to any Exchangeable Obligation that is not an Accreting Obligation, the outstanding principal balance of such obligation excluding any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities into which such obligation is exchangeable: and
- (c) with respect to any other Obligation, the outstanding principal balance of such Obligation;

Overnight Rate means the overnight rate for deposits in the relevant currency as determined by the Calculation Agent, in good faith having regard to any then existing market practice;

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

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

Parallel Auction Settlement Terms means, following the occurrence of a Restructuring, if either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the relevant Final Terms, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, and for which the deliverable obligation terms are the same as the Deliverable Obligation provisions applicable to the Notes and the Calculation Agent determines that the Auction would not be an Applicable Auction for the purposes of the Credit-Linked Notes;

Partial Principal Amount has the meaning given to it in Credit-Linked Term 14(a) or 14(b) (*Succession Event*), as applicable;

Payment means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;

Payment Requirement means the amount specified as such in the Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not so specified in the Final Terms, U.S.\$1,000,000 or its equivalent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable;

Permitted Currency means (a) the legal tender of any G-7 Country; or (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by S&P, Aaa or higher assigned to it by Moody's or AAA or higher assigned to it by Fitch Ratings;

Physical Determination Date has the meaning given to it in Credit-Linked Term 3(f) (*Notices*);

Physical Redeemed means a Credit-Linked CLN in respect of which, for the relevant Reference Entity, (a) the Settlement Method is specified as "Physical Settlement" in the Final Terms or (b) the Settlement Method is specified as "Auction Settlement" and the Fallback Settlement Method is specified as "Physical Settlement" in the Final Terms but at the relevant time "Physical Settlement" is expected to apply;

Physical Settlement Date means the last day of the longest Physical Settlement Period following the satisfaction of all applicable Conditions to Settlement provided that if the Final Price of any Undeliverable Obligations has not been determined by the Business Day immediately preceding the Physical Settlement Date, the Physical Settlement Date shall be the second Business Day after such Final Price is determined;

Physical Settlement Matrix means the Credit Derivatives Physical Settlement Matrix Supplement to the Credit Derivatives Definitions, as most recently amended or supplemented as at the Issue Date (unless otherwise specified in the Final Terms) and as published by ISDA on its website at www.isda.org (or any successor website). The Physical Settlement Matrix may be applicable to Credit-Linked Notes that are Cash Settled CLNs where the Transaction Type Standard Terms are specified as applicable with respect to such Cash Settled CLNs and one or more Transaction Type(s) are specified as applying to the Reference Entity(ies) of such Cash Settled CLN;

Physical Settlement Period means the number of Business Days specified as such in the Final Terms or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, the longest number of Business Days for settlement in

accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent;

Physically Settled CLN means any Credit-Linked Note which is, or is intended to be, Physical Redeemed upon the satisfaction of Conditions to Settlement (including, for the avoidance of doubt, any Cash Settled CLN or Physically Settled CLN that the Issuer elects to Physical Redeem);

Portfolio means all Deliverable Obligations comprising the relevant Credit Event Portion as selected by the Calculation Agent on behalf of the Issuer in its sole discretion, having an Outstanding Principal Balance (in the case of Deliverable Obligations that are Borrowed Money) or a Due and Payable Amount (in the case of Deliverable Obligations that are not Borrowed Money) (or the equivalent Specified Currency amount converted at the Currency Rate) on the Physical Settlement Date up to the Credit-Linked Payer Calculation Amount where:

- (a) in the case of such Deliverable Obligations that are Borrowed Money, the relevant Outstanding Principal Balance should include accrued but unpaid interest (as determined by the Calculation Agent) if "Include Accrued Interest" is specified as applying in the applicable Final Terms, but should exclude accrued but unpaid interest if "Exclude Accrued Interest" is specified as applying in the applicable Final Terms, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified as applying in the applicable Final Terms, should exclude accrued but unpaid interest; and
- (b) if an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the Outstanding Principal Balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance;

For the avoidance of doubt, the Calculation Agent (which, if not the Issuer, shall be done on behalf of the Issuer) shall be entitled to select any of the Deliverable Obligations irrespective of their market value;

Potential Cash Settlement Event means an event beyond the control of the Issuer (including, without limitation, failure of the relevant clearance system; or the failure to obtain any requisite consent with respect to the Delivery of Loans or the non-receipt of any such requisite consents or any relevant participation (in the case of Direct Loan Participation) and the Issuer determines that Physical Settlement will not be effected; or due to any law, regulation or court order (but excluding market conditions), or any contractual, statutory and/or regulatory restriction relating to the relevant Deliverable Obligation, or due to the failure of the Noteholder to give the Issuer details of accounts for settlement; or a failure of the Noteholder to open or procure the opening of such accounts or if the Noteholders are unable to accept Delivery of the Portfolio for any other reason;

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

Potential Repudiation/Moratorium means the occurrence of an event described in subparagraph (i) of the definition of Repudiation/Moratorium;

Public Source means (a) each source of Publicly Available Information specified as such in the Final Terms (or, if a source is not so specified, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference

Entity is organised and any other internationally recognised published or electronically displayed news sources) and (b) each announcement published by ISDA on its website;

Publicly Available Information means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which (a) has been published in or on not less than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if the Calculation Agent or the Issuer or any of their Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Calculation Agent or the Issuer or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, (b) is information received from or published by (i) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign) or (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, (c) is information contained in sub-paragraph (d) of the definition of Bankruptcy against or by a Reference Entity, or (d) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

In the event that the Calculation Agent or the Issuer is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation with respect to which such Credit Event has occurred and (ii) a holder of such Obligations, the Calculation Agent or the Issuer as the case may be shall be required to deliver an Officer's Certification.

In relation to any information of any type described in sub-paragraphs (b), (c) and (d) above, the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information. Publicly Available Information need not state:

- (a) in relation to the definition of Downstream Affiliate, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and
- (b) that such occurrence:
 - (i) has met the Payment Requirement or Default Requirement;
 - (ii) is the result of exceeding any applicable Grace Period; or
 - (iii) has met the subjective criteria specified in certain Credit Events.

Qualifying Affiliate Guarantee means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity;

Qualifying Guarantee means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the Underlying Obligation) for which another party is the obligor (the Underlying Obligor). Qualifying Guarantees shall exclude any arrangement (a) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (b) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation;

In the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:

- (i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.
- (ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the Final Terms from the following list: Not Subordinated, CLN Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the Final Terms, (I) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (II) the laws of England and the laws of the State of New York shall not be a Domestic Law.
- (iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
- (iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (v) The terms "Outstanding Principal Balance" and "Due and Payable Amount" (as they are used in the Credit-Linked Terms) when used in connection with Qualifying Guarantees are to be interpreted to be the then Outstanding Principal Balance or Due and Payable Amount, as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee;

Qualifying Participation Seller means any participation seller that meets the requirements specified in the related Final Terms. If no such requirements are specified, there shall be no Qualifying Participation Seller;

Quotation means, in respect of Reference Obligations or Deliverable Obligations, as the case may be, each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Relevant Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Relevant Valuation Date from five or more CLN Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within 3 Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the Relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more CLN Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation;
- (b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the Relevant Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a CLN Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation or Deliverable Obligation, as the case may be, obtained from CLN Dealers at the Valuation Time on such tenth Business Day with respect to

the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;

- (c)
- (i) If "Include Accrued Interest" is specified in the Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest;
 - (ii) if "Exclude Accrued Interest" is specified in the Final Terms in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and
 - (iii) If neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the Final Terms in respect of Quotations, the Calculation Agent shall determine based on then current market practice in the market of the Reference Obligation or Deliverable Obligation, as the case may be, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
- (d) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

Quotation Amount means with respect to a Reference Obligation or a Deliverable Obligation, the amount specified in the Final Terms (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, if no amount is so specified, the Credit-Linked Payer Calculation Amount (or, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained);

Quotation Method means the applicable quotation method specified in the applicable Final Terms by reference to one of the following terms:

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

If a Quotation Method is not specified in the applicable Final Terms, Bid shall apply;

Reference Entity or **Reference Entities** means the reference entity or reference entities specified in the Final Terms and any Successor either (a) as determined by the Calculation Agent on or following the Trade Date or (b) identified by the Calculation Agent by reference to a public announcement by ISDA on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules;

Reference Obligation means (a) the Reference Obligation specified in the Final Terms or (b) any Substitute Reference Obligation;

Reference Obligations Only means any obligation that is a Reference Obligation and no Obligation Characteristics or, as the case may be, Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only;

Reference Price means the percentage specified as such in the Final Terms or, if a percentage is not so specified, 100 per cent.;

Relevant City Business Day has the meaning given to that term in the Rules;

Relevant Obligations means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case;

Relevant Valuation Date means the relevant Valuation Date or Undeliverable Valuation Date, as the case may be;

Remaining Amount has the meaning given to it in Credit-Linked Term 14(a) (*Succession Event*);

Representative Amount means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent;

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

Repudiation/Moratorium Evaluation Date means, if a Potential Repudiation/ Moratorium occurs on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Termination Date unless the Repudiation/Moratorium Extension Condition is satisfied. If (A) the Repudiation/Moratorium Extension Condition is satisfied and (B) an Event Determination Date in respect of that Repudiation/Moratorium does not occur on or prior to the final day of the Notice Delivery Period, the later of the Scheduled Termination Date and the Repudiation/Moratorium Evaluation Date will be the Maturity Date (even if a Repudiation/Moratorium occurs after the Scheduled Termination Date);

Repudiation/Moratorium Extension Condition is satisfied if:

- (i) the Calculation Agent determines that ISDA has publicly announced pursuant to a valid request that was made, in accordance with the Rules, and effectively received on or prior to the date that is 14 calendar days after the Scheduled Termination Date that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is

Japan Corporate or Japan Sovereign, Tokyo time)) and such DC Resolution constitutes an Applicable Resolution; or

- (ii) otherwise by the delivery by the Calculation Agent to the Issuer and the Fiscal Agent of a Repudiation/Moratorium Extension Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the Final Terms, a Notice of Publicly Available Information that are each effective on or prior to the date that is 14 calendar days after the Scheduled Termination Date;

In all cases, the Calculation Agent may determine that the Repudiation/Moratorium Extension Condition has not been satisfied, or is not capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is 14 calendar days after the Scheduled Termination Date, that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (ii) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), in each case provided that the Calculation Agent determines such Resolution is an Applicable Resolution;

Repudiation/Moratorium Extension Notice means an irrevocable notice (which may be in writing (including by facsimile and/or email) and/or by telephone) from the Calculation Agent to the Issuer and the Fiscal Agent that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)). A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective;

A Repudiation/Moratorium Extension Notice shall be subject to the requirements regarding notices set out in Credit-Linked Term 3(j) (*Notices*);

Resolve, Resolved, Resolves and Resolving means, with respect to a Credit Derivatives Determinations Committee, the making of a specific determination in accordance with the relevant Rules (and each such determination, a **DC Resolution**);

Restructured Bond or Loan means an Obligation which is a Bond or Loan and in respect of which a Restructuring that is the subject of a Credit Event Notice has occurred;

Restructuring means:

- (a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of (1) the relevant Credit Event Backstop Date and (2) the date as of which such Obligation is issued or incurred:
 - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
 - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;

- (iii) a postponement or other deferral of a date or dates for either (1) the payment or accrual of interest or (2) the payment of principal or premium;
 - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
 - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency;
- (b) Notwithstanding the provisions of (a) above, none of the following shall constitute a Restructuring:
- (i) the payment in euro of interest or principal in relation to an Obligation denominated in a currency of a Member State of the EU that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
 - (ii) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) to (v) due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
 - (iii) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) to (v) in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity;
- (c) For purposes of sub-paragraphs (a) and (b) above and (d) below, the term "Obligation" shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in sub-paragraph (a) shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in sub-paragraph (b) shall continue to refer to the Reference Entity;
- (d) Unless Multiple Holder Obligation is specified as not applicable in the Final Terms, then, notwithstanding anything to the contrary in sub-paragraph (a), (b) or (c) above, the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) to (v) shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation;

Restructuring Credit Event has the meaning given to it in Credit-Linked Term 15(a) (*Restructuring Credit Event*);

Restructuring Date means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring;

Restructuring Maturity Limitation Date means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Termination Date, provided that, in circumstances where the Scheduled Termination Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **Latest Maturity Restructured Bond or Loan**) and the Scheduled Termination Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

In the event that the Scheduled Termination Date is later than (a)(i) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (ii) the 2.5-year Limitation Date, and,

in either case, no Enabling Obligation exists or (b) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Termination Date;

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

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

Scheduled Termination Date means the date specified as such in the related Final Terms which date shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the Final Terms;

Settlement Currency means the currency specified in the Final Terms or, if no currency is so specified, the currency of denomination of the Credit-Linked Payer Calculation Amount;

Settlement Date means the latest of the Auction Cash Settlement Date, the Cash Settlement Date, the Physical Settlement Date, the Delivery Date, the Latest Permissible Physical Settlement Date, the Extended Physical Settlement Date or the Further Extended Physical Settlement Date, as the case may be;

Settlement Method means if (a) "Auction Settlement" is specified as the applicable Settlement Method in the Final Terms, auction settlement pursuant to Credit-Linked Term 10 (*Redemption by Auction Settlement*), (b) "Cash Settlement" is specified as the applicable Settlement Method in the Final Terms, cash settlement pursuant to Credit-Linked Term 8 (*Redemption by Cash Settlement*) or (c) "Physical Settlement" is specified as the applicable Settlement Method in the Final Terms, physical settlement pursuant to Credit-Linked Term 9 (*Redemption by Physical Settlement*);

Single Reference Entity Cash CLN means any single Reference Entity Cash Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of only one Reference Entity;

Upon the satisfaction of the Conditions to Settlement in respect of such Reference Entity, the CLNs will, unless otherwise specified in the Final Terms, be Cash Redeemed;

Single Reference Entity Cash or Physical CLN means any single Reference Entity Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of only one Reference Entity. Upon the satisfaction of the Conditions to Settlement in respect of such Reference Entity, the CLNs will, unless otherwise specified in the Final Terms, be redeemed by (i) "Auction Settlement" or "Cash Settlement", as applicable, or (ii) "Physical Settlement", as the case may be, at the option of the Issuer;

Single Reference Entity Physical CLN means any single Reference Entity Physically Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of only one Reference Entity. Upon the satisfaction of the Conditions to Settlement in respect of such Reference Entity, the CLNs will, unless otherwise specified in the Final Terms, be redeemed by Physical Settlement;

Sovereign means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof;

Sovereign Agency means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign;

Sovereign Restructured Deliverable Obligation means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the Final Terms, and, subject as set out in the definition of Deliverable Obligation Category, having each of the Deliverable Obligation Characteristics, if any, specified in the Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring;

Specified Number means (a) the number of Public Source(s) specified in the applicable Final Terms, or if no number is specified in the applicable Final Terms, two and (b) where the Publicly Available Information is an ISDA publication, one;

Standard Alternative Cash Settlement Specifications means, for the purposes of determining the Final Price in relation to the Alternative Cash Settlement Amount pursuant to Credit-Linked Term 9 (Redemption by Physical Settlement) only, the following terms shall be defined as follows (notwithstanding the definitions of such terms in this Credit-Linked Term 17 (*Definitions*)):

- (a) **Indicative Quotation** means, in accordance with the Quotation Method, each quotation obtained from a CLN Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation, as the case may be, equal to the Quotation Amount, which reflects such CLN Dealer's reasonable assessment of the price of such Undeliverable Obligation, as the case may be, based on such factors as such CLN Dealer may consider relevant, which may include historical prices and recovery rates.
- (b) **Market Value** means, with respect to an Undeliverable Obligation on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the same highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applying in the applicable Final Terms and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, an amount as determined by the Calculation Agent on the next Business Day on which at least two Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and (vii) if fewer than two Full Quotations are obtained, no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Market Value shall be any Full Quotation obtained from a CLN Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation obtained from CLN Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

- (c) **Quotation** means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applying in the applicable Final Terms, each Indicative Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:
- (i) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more CLN Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within 3 Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more CLN Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applying in the applicable Final Terms, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more CLN Dealers.
 - (ii) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the applicable Final Terms, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a CLN Dealer at the Valuation Time on such tenth Business Day of, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation obtained from CLN Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.
 - (iii) The Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
 - (iv) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for purposes of determining the Final Price.
- (d) **Quotation Amount** is deemed to be, with respect to each type or issue of Undeliverable Obligation an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation;
- (e) **Quotation Method** is deemed to be Bid;
- (f) **Reference Obligation** is deemed to be each Undeliverable Obligation;
- (g) **Valuation Date** is deemed to be the date that is 2 Business Days after the Latest Permissible Physical Settlement Date;
- (h) **Valuation Method** is deemed to be the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date, unless fewer than two Full Quotations are obtained (or, if applicable, fewer than three Indicative Quotations are obtained) and no

Weighted Average Quotation applies in which case "Valuation Method" is deemed to be Market Value;

- (i) **Valuation Time** is the time specified as such in the applicable Final Terms, or, if no time is so specified, 11.00 a.m. in the principal trading market for the Undeliverable Obligation;
- (j) **Weighted Average Quotation** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from CLN Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Undeliverable Obligation with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount that in aggregate are approximately equal to the Quotation Amount;

Subordination means, with respect to an obligation (the **Subordination Obligation**) and another obligation of the Reference Entity to which such obligation is being compared (the **Senior Obligation**), a contractual, trust or similar arrangement providing that (a) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (b) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. **Subordinated** will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall not be taken into account where the Reference Entity is a Sovereign;

Substitute Reference Obligation means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Final Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- (a) In the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation;
- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (i) ranks *pari passu* in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the delivery and payment obligations of the Issuer under the CLNs and (iii) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Final Terms, as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations;

- (c) If more than one specific Reference Obligation is identified as a Reference Obligation in relation to the CLNs, any of the events set forth under sub-paragraph (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation;
- (d) If more than one specific Reference Obligation is identified as a Reference Obligation in relation to CLNs, any of the events set forth under sub-paragraph (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation;
- (e) If (i) more than one specific Reference Obligation is identified as a Reference Obligation in relation to the CLNs, any of the events set forth under sub-paragraph (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations, or (ii) only one specific Reference Obligation is identified as a Reference Obligation in relation to the CLNs, any of the events set forth under section (a) above has occurred with respect to such Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date. If (A) either the CLNs are to be Cash Redeemed and the Cash Settlement Amount is determined by reference to a Reference Obligation or the CLNs are to be Physical Redeemed and the Reference Obligation is the only Deliverable Obligation, and (B) on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), a Substitute Reference Obligation has not been identified, the Issuer's obligations under the CLNs shall cease as of the end of the day on the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time));
- (f) For purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation;

Succeed, for the purposes of the provisions relating to the determination of Successor, means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to the definition of "Successor" shall be made, in the case of an exchange offer, on the basis of the Outstanding Principal Balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the Outstanding Principal Balance of Bonds for which Relevant Obligations have been exchanged;

Succession Event means (a) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement or (b) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity, as determined by the Calculation Agent. Notwithstanding the foregoing, "Succession Event" shall not include an event (i) in which the holders of obligations of the Reference Entity exchange such obligations for the

obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (ii) with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the applicable Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time));

Succession Event Backstop Date means:

- (a) for the purposes of any event that constitutes a Succession Event for the purposes of certain credit derivative transactions, as determined by DC Resolution, the date that is 90 calendar days prior to the relevant Succession Event Resolution Request Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), provided that the Calculation Agent determines that such DC Resolution constitutes an Applicable Resolution; or
- (b) otherwise, the date that is 90 calendar days prior to the earlier of (A) the date on which the Succession Event Notice is effective and (B) in circumstances where (I) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (III) the Succession Event Notice is delivered by the Calculation Agent to the Issuer and the Fiscal Agent not more than 14 calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Succession Event Resolution Request Date, provided that the Calculation Agent determines that such DC Resolutions constitute Applicable Resolutions.

The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the Final Terms.

Succession Event Notice means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or email) and/or by telephone) to the Issuer and the Fiscal Agent that describes a Succession Event that occurred on or after the relevant Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)).

A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination, pursuant to the definition of Successor, of (a) whether a Succession Event has occurred and (b) if relevant, the identity of any Successor(s).

A Succession Event Notice shall also be subject to the requirements regarding notices set out in Credit-Linked Term 3(i) (Notices);

Succession Event Reference Entity has the meaning given to it in Credit-Linked Term 14(c) (*Succession Event*).

Succession Event Resolution Request Date means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a Succession Event for purposes of certain credit derivatives transactions has occurred with respect to the relevant Reference Entity; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (i) with respect to a Reference Entity that is not a Sovereign, the legally

effective date of such event or (ii) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective, provided that the Calculation Agent determines that such request and the Resolution constitute an Applicable Request and an Applicable Resolution;

Successor means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set out below:
 - (i) if one entity directly or indirectly succeeds to 75 per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor in respect of such Reference Entity;
 - (ii) if only one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor in respect of such Reference Entity;
 - (iii) if more than one entity each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor, and the terms of Credit-Linked Term 14 (Succession Event) shall be applicable;
 - (iv) if one or more entities each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor, and the terms of Credit-Linked Term 14 (*Succession Event*) shall be applicable;
 - (v) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity and the terms of Credit-Linked Term 14 (*Succession Event*) shall be applicable; and
 - (vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor; and
- (b) in relation to a Sovereign Reference Entity, any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

With respect to any Reference Entity (other than a Sovereign Reference Entity), the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after

the legally effective date of the relevant Succession Event), and with effect from the legally effective date of the Succession Event whether the relevant thresholds set forth in sub-paragraph (a) above have been met, or which entity qualifies under sub-paragraph (a)(vi) above, as applicable, provided that the Calculation Agent will not make such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraph (a) above, in sub-paragraph (a) of the definition of "Succession Event Resolution Request Date" and sub-paragraph (b)(i) of the definition of "Succession Event Resolution Request Date", are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event for purposes of the certain credit derivative transactions has occurred, and in each case the Calculation Agent determines that such DC Resolution is an Applicable Resolution. In calculating the percentages used to determine whether the relevant thresholds set forth in the definition of "Successor" have been met, or which entity qualifies under sub-paragraph (a)(vi) of such definition, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such Relevant Obligation listed in the Best Available Information and shall notify the Issuer (or, if the Calculation Agent is the Issuer, the Noteholders) of such calculation.

With respect to any Sovereign Reference Entity, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after the date of the occurrence of the relevant Succession Event), and with effect from the date of the occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under sub-paragraph (b) above; provided that the Calculation Agent will not make such determination if, at such time, either (i) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraph (b) above and sub-paragraphs (a) and (b)(i) of the definition of "Succession Event Resolution Request Date" are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (ii) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred and the Calculation Agent determines that such DC Resolution is an Applicable Resolution. A copy of the notice of any determination of a Successor shall be given to Noteholders in accordance with Condition 17 (Notices).

Where:

- (i) a Reference Obligation is specified in the Final Terms; and
- (ii) one or more Successors to the Reference Entity have been identified; and
- (iii) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of Substitute Reference Obligation.

Successor Reference Entity has the meaning given to it in Credit-Linked Term 14(b) (*Succession Event*);

Supranational Organisation means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development;

Suspension Event means the Calculation Agent determines that a public announcement has been made by ISDA that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of

Credit Event Resolution Request Date are satisfied in accordance with the Rules and such announcement relates to a Reference Entity and Credit Event under the CLNs;

Suspension Event Cessation Date means, with respect to a Suspension Event, the date on which the Calculation Agent determines that ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved either (a) the matters described in the definition of Suspension Event or (b) not to determine such matters;

Trade Date means the date from which the credit protection purchased by the Issuer commences, as specified in the applicable Final Terms or if not so specified, the Issue Date;

Transaction Type means, unless otherwise specified in the Final Terms:

A. for the purposes of the application of the Physical Settlement Matrix to the CLNs if the Physical Settlement Matrix is applicable, each Reference Entity designated as one of the following in the Final Terms:

- (a) North American Corporate;
- (b) European Corporate;
- (c) Australia Corporate;
- (d) New Zealand Corporate;
- (e) Japan Corporate;
- (f) Singapore Corporate;
- (g) Asia Corporate;
- (h) Asia Sovereign;
- (i) Emerging European & Middle Eastern Sovereign;
- (j) Japan Sovereign;
- (k) Australia Sovereign;
- (l) New Zealand Sovereign;
- (m) Singapore Sovereign;
- (n) Latin America Sovereign;
- (o) Western European Sovereign,

and any other Transaction Type which may be added to the Physical Settlement Matrix from time to time; and

B. for the purposes of the application of the Programme Transaction Type Standard Terms to the CLNs, each Reference Entity designated as one of the following in the Final Terms:

- (a) Africa Corporate; and
- (b) Africa Sovereign;

Transaction Type Standard Terms means, unless other specified in the Final Terms, in respect of any Transaction Type specified in the Final Terms as a Reference Entity:

- (a) if the Physical Settlement Matrix is applicable, the relevant terms corresponding to such Transaction Type contained in the Physical Settlement Matrix; and
- (b) in all other cases, the relevant Transaction type Standard Terms corresponding to such Entity Type contained in Appendix 1 hereto (the Programme Transaction type Standard Terms).

For the avoidance of doubt, the Transaction Type Standard Terms can also apply to Cash Settled CLNs;

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

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

and, if specified as applicable to a Deliverable Obligation Category, the Transferable Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are not Loans;

Undeliverable Obligation means in the case of a Physical Settled CLN, any Deliverable Obligation which is the subject of the Potential Cash Settlement Event and/or a Hedge Disruption Event;

Undeliverable Valuation Date means the date that is 2 Business Days after the latest of the Latest Permissible Physical Settlement Date, the Extended Physical Settlement Date or the Further Extended Physical Settlement Date, as the case may be;

Unwind Costs means the amount specified in the applicable Final Terms or if "Standard Unwind Costs" are specified in the applicable Final Terms, an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, fees, charges, expenses (including loss of funding), tax and duties incurred by the Issuer and/or any of its Affiliates in connection with the redemption of the CLNs and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned pro rata amongst each nominal amount of CLNs in the Calculation Amount;

Valuation Date means the date that is the number of calendar days or Business Days (as specified in the Final Terms) after the Conditions to Settlement have been satisfied (or in the case of a Basket Cash CLN, Basket Physical CLN or Basket Cash or Physical CLN, each date on which the Conditions to Settlement have been satisfied) or, if no date is so specified, the date that is 5 Business Days after the Conditions to Settlement have been satisfied;

Valuation Method:

- (a) The following Valuation Methods may be specified in the applicable Final Terms for a CLN with only one Reference Obligation and only one Valuation Date:
 - (i) **Market** means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or
 - (ii) **Highest** means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.
- (b) The following Valuation Methods may be specified in the applicable Final Terms for a CLN with only one Reference Obligation and more than one Valuation Date:

- (i) **Average Market** means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
- (ii) **Highest** means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or
- (iii) **Average Highest** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Market.

- (c) The following Valuation Methods may be specified in the applicable Final Terms for a CLN with more than one Reference Obligation and only one Valuation Date:

- (i) **Blended Market** means the unweighted arithmetic mean of the Market Value for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date;
- (ii) **Blended Highest** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Reference Obligation with respect to the Valuation Date;
- (iii) **Weighted Blended Market** means the weighted arithmetic mean of the Market Value for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the CLNs; or
- (iv) **Weighted Blended Highest** means the weighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Reference Obligation with respect to the Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the CLNs.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Weighted Blended Market.

- (d) The following Valuation Methods may be specified in the applicable Final Terms for a CLN with more than one Reference Obligation and more than one Valuation Date:

- (i) **Average Blended Market** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date;
- (ii) **Average Blended Highest** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date;
- (iii) **Weighted Average Blended Market** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the weighted arithmetic mean of the values so determined with respect to each Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the CLNs; or

- (iv) **Weighted Average Blended Highest** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Market Valuation Method, the weighted arithmetic mean of the values so determined with respect to each Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the CLNs.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Weighted Average Blended Market.

- (e) Notwithstanding sub-paragraphs (a) to (d) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be;

Valuation Time means the time specified in the Final Terms or, if no time is so specified, 11.00 a.m. in the principal trading market for the Reference Obligation or Undeliverable Obligation, as the case may be;

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

Weighted Average Quotation means, in accordance with the bid quotations provided by the CLN Dealers, the weighted average of firm quotations obtained from the CLN Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation or Deliverable Obligation, as the case may be, with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

APPENDIX 1 – PROGRAMME TRANSACTION TYPE STANDARD TERMS

PART A

AFRICA CORPORATE CONVENTION TERMS

Calculation Agent City:	London
Business Days:	U.S.\$: London & New York Euro: London & TARGET Settlement Day
All Guarantees:	Applicable
Credit Event:	Bankruptcy Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/Moratorium Restructuring Multiple Holder Obligation: Applicable for Loans and Not Applicable for Bonds
Obligation(s):	Obligation Category: Bond or Loan Obligation Characteristics: Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance
Deliverable Obligations:	Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Not Subordinated Specified Currency Not Domestic Issuance Not Contingent Transferable Not Bearer Assignable Loan Consent Required Loan Not Domestic Law

PART B

AFRICA SOVEREIGN CONVENTION TERMS

Calculation Agent City:	London
Business Days:	U.S.\$: London & New York Euro: London & TARGET Settlement Day
All Guarantees:	Applicable
Credit Event:	Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/Moratorium Restructuring Multiple Holder Obligation: Not Applicable
Obligation(s):	Obligation Category: Bond Obligation Characteristics: Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance
Deliverable Obligations:	Deliverable Obligation Category: Bond Deliverable Obligation Characteristics: Not Subordinated Specified Currency Not Domestic Law Not Contingent Not Domestic Issuance Transferable Not Bearer

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each global note will be in registered form. Consequently, in relation to any Tranche of Notes represented by a Global Note Certificate, references in the Terms and Conditions of the Notes to **Noteholders** are references to the registered holder of the relevant Global Note Certificate which, for so long as the Global Note Certificate is registered in the name of a nominee of a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depository or common depository.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note Certificate (each an **Accountholder**) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the registered holder of such Global Note Certificate and in relation to all other rights arising under the Global Note Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note Certificate, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the registered holder of the Global Note Certificate.

Exchange of Global Note Certificates

Whenever a Global Note Certificate is to be exchanged for Individual Note Certificates, the Issuer shall procure the prompt delivery (free of charge to the registered holder) of such Individual Note Certificates, duly authenticated, in an aggregate principal amount equal to the principal amount of the Global Note Certificate to the registered holder of the Global Note Certificate against the surrender of the Global Note Certificate to or to the order of the Registrar within 30 days of the registered holder requesting such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the registered holder of a Global Note Certificate has duly requested exchange of the Global Note Certificate for Individual Note Certificates; or
- (b) a Global Note Certificate (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the registered holder of the Global Note Certificate in accordance with the terms of the Global Note Certificate on the due date for payment,

then the Global Note Certificate (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the registered holder of the Global Note Certificate will have no further rights thereunder (but without prejudice to the rights which the registered holder of the Global Note Certificate or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note Certificate will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Note Certificate became void, they had been the registered holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Conditions applicable to Global Note Certificates

Each Global Note Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note Certificate. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note Certificate will be made against presentation for endorsement of the Global Note Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note Certificate, the Issuer shall procure that the payment is noted in a schedule thereto.

Record Date: All payments in respect of Notes represented by a Global Note Certificate will be made to, or to the order of, the person whose name is entered on the register at the close of business on the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) immediately prior to the date of payment.

Exercise of put option: In order to exercise the option contained in Condition 8.5 (Redemption at the option of Noteholders) the registered holder of the Global Note Certificate must, within the period specified in the Conditions for the deposit of the relevant Note Certificate and Put Option Notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 8.4 (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Global Note Certificate may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg.

Notices: Notwithstanding Condition 17 (*Notices*), while all the Notes are represented by a Global Note Certificate and the Global Note Certificate is deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 17 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

DESCRIPTION OF FIRSTRAND BANK LIMITED

Please refer to the Information Incorporated by Reference section on page 15 of this Base Prospectus.

RELATED PARTY TRANSACTIONS

Please refer to the Information Incorporated by Reference section on page 15 of this Base Prospectus.

THE BANKING SECTOR IN SOUTH AFRICA

Please refer to the Information Incorporated by Reference section on page 15 of this Base Prospectus.

TAXATION

The following is a general description of certain South African tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in that country or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

South African Taxation

Withholding Tax

Under current taxation law in South Africa, all payments made under the Notes to resident and non-resident Noteholders will be made free of withholding or deduction for or on account of any taxes, duties, assessments or governmental charges in South Africa. However, there will be withholding tax (**WHT**) on interest payments to non-residents (excluding controlled foreign companies) at 10 per cent., effective from 1 January 2013. This WHT will apply to interest as defined in section 24J(1) of the South African Income Tax Act, No. 58 of 1962 (the **Income Tax Act**) (refer below) or deemed interest as contemplated in section 8E(2) of the Income Tax Act. There are exemptions, which include interest paid by any South African bank in respect of any debt, excluding "back to back" arrangements between non-residents and a South African bank. As the Issuer is a bank, interest paid by it will not attract WHT. The legislation may be subject to change before it is implemented on 1 January 2013.

Securities Transfer Tax (STT)

No STT is payable on the issue or transfer of Notes (bonds) under the South African Securities Transfer Tax Act, No 25 of 2007, because they do not constitute securities for the purposes of that Act.

Value-Added Tax (VAT)

No VAT is payable on the issue or transfer of Notes.

Notes (bonds) constitute "debt securities" as defined in section 2(2)(iii) of the South African Value-Added Tax Act, No. 89 of 1991. The issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security is a financial service, which is exempt from VAT in terms of section 12(a) of that Act.

Commissions, fees or similar charges raised for the facilitation of these services will however be subject to VAT at the standard rate (currently 14 per cent.), except where the recipient is a non-resident in which case such commissions, fees or similar charges may be subject to VAT at a zero rate.

Income Tax

Under current taxation law effective in South Africa, a "resident" (as defined in section 1 of the Income Tax Act) is subject to income tax on his/her world-wide income. Accordingly, all Noteholders who are "residents" of South Africa will generally be liable to pay income tax, subject to available deductions, allowances and exemptions, on any interest earned pursuant to the Notes. Non-residents of South Africa are subject to income tax on all income derived from a South African source (subject to applicable double taxation treaties). Interest income is deemed to be derived from a South African source if it is derived from the utilisation or application in South Africa by any person of funds or credit obtained in terms of any form of "interest-bearing arrangement". The Notes will constitute an "interest-bearing arrangement". The place of utilisation or application of funds will, unless the contrary is proved, be deemed, in the case of a juristic person (being anyone other than a natural person), to be that juristic person's place of effective management. The Issuer has its place of effective management in South Africa as at the date of this Base Prospectus. Accordingly, if the funds raised from the issuance of any Tranche of Notes are applied by the Issuer in South Africa, the interest earned by a Noteholder will be deemed to be from a South African source and subject to South African income tax, unless such interest income is exempt from South African income tax under section 10(1)(h) of the Income Tax Act (see below).

Under section 24J of the Income Tax Act, any discount or premium to the Nominal Amount of a Note is treated as part of the interest income on the Note. Interest income which accrues (or is deemed to

accrue) to a Noteholder is deemed, in accordance with section 24J of the Income Tax Act, to accrue on a day-to-day basis until that Noteholder disposes of the Note or until maturity, unless an election has been made by the Noteholder (if the Noteholder is entitled under Section 24J of the Income Tax Act to make such election) to treat its Notes as trading stock on a mark-to-market basis. This day-to-day basis accrual is determined by calculating the yield to maturity and applying it to the capital involved for the relevant tax period. In practice the premium or discount is treated as interest for the purposes of the exemption under section 10(1)(h) of the Income Tax Act.

Under section 10(1)(h) of the Income Tax Act, interest received by or accruing to a Noteholder who, or which, is not a resident of South Africa during any year of assessment, is exempt from income tax, unless that person:

- (a) is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during that year of assessment; or
- (b) at any time during that year of assessment, carried on business through a permanent establishment in South Africa.

If a Noteholder does not qualify for the exemption under section 10(1)(h) of the Income Tax Act, exemption from, or reduction of, any South African tax liability may be available under an applicable double taxation treaty. Furthermore, certain entities may be exempt from South African income tax. Purchasers are advised to consult their own professional advisers as to whether the interest income earned on the Notes will be exempt under section 10(1)(h) of the Income Tax Act or under an applicable double taxation treaty

Capital Gains Tax

Capital gains and losses of residents of South Africa on the disposal of Notes are subject to South African capital gains tax, unless the Notes are purchased for re-sale in the short term at a profit or as part of a scheme of profit making, in which case the proceeds will be subject to South African income tax. Any discount or premium on acquisition which has already been treated as interest for income tax purposes, under section 24J of the Income Tax Act will not be taken into account when determining any capital gain or loss. Under section 24J(4A) of the Income Tax Act a loss on disposal will, to the extent that it has previously been included in taxable income (as interest), be allowed as a deduction from the taxable income of the holder when it is incurred and accordingly will not give rise to a capital loss.

Capital gains tax under the Eighth Schedule to the Income Tax Act will not be levied in relation to Notes disposed of by a person who is not a resident of South Africa unless the Notes disposed of are attributable to a permanent establishment of that person through which a trade is carried on in South Africa during the relevant year of assessment.

Purchasers are advised to consult their own professional advisers as to whether a disposal of Notes will result in a liability to capital gains tax.

Definition of interest

The references to "interest" above mean "interest" as understood in South African tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the Terms and Conditions of the Notes or any related documentation.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **EU Savings Tax Directive**), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the EU Savings Tax Directive, which may, if implemented amend or broaden the scope of the requirements described above.

SUBSCRIPTION AND SALE

The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in the amended and restated dealer agreement dated 14 December 2011 (the **Dealer Agreement**) and made between the Issuer and the Dealers. Any such agreement will, inter alia, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. The Notes will be offered on a continuous basis by the Issuer to the Dealers or to others. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer.

As at the date of this Base Prospectus FirstRand Bank London is the sole Dealer under the Programme.

United States of America: *Regulation S Category 2.*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

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

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction Under The Prospectus Directive:

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Qualified investors:* at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (b) *Fewer than 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

Selling Restrictions Addressing Additional United Kingdom Securities Laws:

Each Dealer has represented, warranted and agreed that:

- (a) **No deposit-taking**: in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) **Financial promotion**: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance**: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Selling Restrictions Addressing Additional Securities Laws:

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the FIEA) and each Dealer has represented and agreed that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to others for re-offering or resale, directly or

indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

South Africa

In relation to South Africa, each Dealer has (or will have) represented, warranted and agreed that it will not make an "offer to the public" (as such expression is defined in the South African Companies Act 71 of 2008 (the **South African Companies Act**)) of Notes (whether for subscription, purchase or sale) in South Africa. No South African residents or their offshore subsidiaries may subscribe for or purchase any Note or beneficially hold or own any Note unless such subscription purchase or beneficial holding or ownership is otherwise permitted under the South African exchange control regulations or the rulings or policies of FSD. This Base Prospectus does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed *General* above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

FORM OF FINAL TERMS

Final Terms dated [●]



FIRSTRAND

Bank Limited

(Registration Number 1929/001225/06)
(incorporated with limited liability in South Africa)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.\$1,500,000,000
Structured Note Programme

Issue Price: [●] per cent.

[Name(s) of Manager(s)]

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

Final Terms dated [●]

FIRSTRAND BANK LIMITED
(Registration Number 1929/001225/06)
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] (the **Notes**)
under the U.S.\$1,500,000,000
Structured Note Programme

PART A – CONTRACTUAL TERMS

[Option 1: *The following paragraphs should only be inserted for issues to be admitted to trading on an EU regulated market and/or offered to the public in the European Economic Area]*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 14 December 2011 [and the supplement to the Base Prospectus dated [●] which [together] constitute[s] a base prospectus] (the **Base Prospectus**) for the purposes of Directive 2003/71/EC (the **Prospectus Directive**). This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus [as so supplemented].

Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement to the Base Prospectus] [is/are] available for viewing at [[address] [and] [website]] and copies may be obtained from the registered office of FirstRand Bank Limited at 1 Merchant Place, Cnr. Fredman Drive & Rivonia Road, Sandton, 2196, South Africa.

End of Option 1

[Option 2: *The following paragraphs should only be inserted for issues of Notes which are not to be admitted to trading on an EU regulated market and not offered to the public in the European Economic Area]*

[This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 14 December 2011 [and the supplement to the Base Prospectus dated [●]] ([together], the "**Base Prospectus**"). These Final Terms of the Notes must be read in conjunction with such Base Prospectus [as so supplemented].

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

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

Parties Issuer:	FirstRand Bank Limited
Dealer:	[FirstRand Bank Limited London Branch] [Specify any other Dealer]
Fiscal Agent:	The Bank of New York Mellon, London Branch
Registrar:	The Bank of New York Mellon (Luxembourg) SA
Calculation Agent:	[FirstRand Bank Limited] [Specify]

Provisions relating to the Securities

1.	Issuer:	FirstRand Bank Limited
2.	[(i) Series Number:	
	[(ii) Tranche Number:	[●]
		<i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)]</i>
3.	Specified Currency or Currencies:	[●]
4.	Aggregate Nominal Amount:	[●]
	[(i) Series:	[●]
	[(ii) Tranche:	[●]
5.	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)].

6. (i) Specified Denominations: [•]
- Notes which are to be admitted to trading on a Regulated Market in the European Economic Area or offered in the European Economic Area in circumstances where a Prospectus is required to be published under the Prospectus Directive may not have a minimum denomination of less than EUR100,000 (or nearly equivalent in another currency)*
- (ii) Calculation Amount: [•]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. [(i)] Issue Date: [•]
- [(ii)] Interest Commencement Date: [Specify/Issue Date/Not Applicable]
- [(iii)] Trade Date: [Specify/Issue Date/Not Applicable] [(Relevant for Credit-Linked Notes)]
8. Maturity Date: [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
- If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.*

9. Interest Basis: [● per cent. Fixed Rate]
 [[specify reference rate] +/-] [●] per cent. Floating Rate]
 [Zero Coupon]
 [Index-Linked Interest]
 [Credit Linked]
 [Dual Currency Interest]
 [Other (specify)]
 (further particulars specified below)
10. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]
11. Redemption/Payment Basis: [Redemption at par]
 [Index-Linked Redemption]
 [Credit Linked]
 [Dual Currency]
 [Partly Paid]
 [Instalment]
 [Other (specify)]
12. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]
13. [(i)] Additional Conditions: [Applicable/Not Applicable] (if applicable give details)
 [(ii)] Date [Board] approval for issuance of Notes obtained: [●]
 (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)
 [(iii)] [Date of approval(s) of Financial Surveillance Department of the South African Reserve Bank for issuance of Notes obtained:] [Required for each issue]
 [(iv)] The following Relevant Annex(es) and further provisions shall apply to the Notes: [Credit Linked Annex and the further Credit-Linked Note provisions set out in Annex A]
 [Others – Specify]
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear].
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"/not adjusted].
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount.
- (iv) Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●].
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)/other]
- (vi) Determination Dates: [●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/ Actual (ICMA))*].
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) First Interest Payment Date: [●]
- (iv) Business Day Convention: [●]
- [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other *(give details)*]
- (v) Additional Business Centre(s): [Not Applicable/give details]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ ISDA Determination/ other *(give details)*]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [[Name] shall be the Calculation Agent *(no need to specify if the Fiscal Agent is to perform this function)*].

- (viii) Screen Rate Determination:
- (a) Reference Rate: [For example, LIBOR or EURIBOR]
- (b) Interest Determination Date(s): [The second day on which the TARGET system is open prior to the start of each Interest Period/ The first day of each Interest Period/ other (give details)].
- (c) Relevant Screen Page: [For example, Reuters LIBOR 01/EURIBOR 01]
- (ix) ISDA Determination:
- (a) Floating Rate Option: [•]
- (b) Designated Maturity: [•]
- (c) Reset Date: [•]
- [(d)] [ISDA Definitions: [2000/2006]]
- (x) Margin(s): [+/-] [•] per cent. per annum
- (xi) Minimum Rate of Interest: [•] per cent. per annum
- (xii) Maximum Rate of Interest: [•] per cent. per annum
- (xiii) Day Count Fraction: [•]
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:
17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Amortisation Yield: [•] per cent. per annum
- (ii) Any other formula/basis of determining amount payable: [Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 12(i)]
18. **Index-Linked Interest Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula: [Give or annex details]
- (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): [•]

- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [●] [*Need to include a description of market disruption or settlement disruption events and adjustment provisions*]
- (iv) Interest Determination Date(s): [●]
- (v) Interest Period(s): [●]
- (vi) Specified Interest Payment Dates: [●]

(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable".)
- (vii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (viii) Additional Business Centre(s): [●]
- (ix) Minimum Rate of Interest: [●] per cent. per annum
- (x) Maximum Rate of Interest: [●] per cent. per annum
- (xi) Day Count Fraction: [●]
- (xii) Market Disruption or Settlement Disruption Events: [*Describe any market disruption or settlement disruption events that affect the Index.*]

19. Dual Currency Note Provisions

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Rate of Exchange/method of calculating Rate of Exchange: [*Give details*]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Fiscal Agent): [●]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

PROVISIONS RELATING TO REDEMPTION

20. **Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [•]
 - (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•] per Calculation Amount
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [•] per Calculation Amount
 - (b) Maximum Redemption Amount: [•] per Calculation Amount
 - (iv) Notice period: [•]
21. **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [•]
 - (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•] per Calculation Amount
 - (iii) Notice period: [•]
22. **Final Redemption Amount of each Note** [[•] per Calculation Amount
 In cases where the Final Redemption Amount is Index-Linked or other variable-linked: *[Where the Notes are Credit-Linked Notes, specify "Not Applicable" and complete Annex A]*
- (i) Index/Formula/variable: [•]
 - (ii) Party responsible for calculating the Final Redemption Amount (if not the Fiscal Agent): [•]
 - (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [•]
 - (iv) Determination Date(s): [•]

- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
- (vi) Payment Date: [●]
- (vii) Minimum Final Redemption Amount: [●] per Calculation Amount
- (viii) Maximum Final Redemption Amount: [●] per Calculation Amount

23. Early Redemption Amounts

- (i) Early Redemption Amount (Tax) per Calculation Amount: Principal amount plus accrued interest (if any) to the date fixed for redemption
- (ii) Early Termination Amount: [Not Applicable (if the Early Termination Amount is the principal amount of the Notes/specify the Early Termination Amount if different from the principal amount of the Notes)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 24. Form of Notes: **Registered Notes:**
Global Note Certificate exchangeable for individual Note Certificates in the limited circumstances specified in the Global Note Certificate.
- 25. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details.]
- 26. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
- 27. Details relating to Instalment Notes and Instalment Amount: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
- 28. Other terms or special conditions: [Not Applicable/give details]

DISTRIBUTION

- 29. (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Stabilising Manager (if any): [Not Applicable/give name]

- 30. If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
- 31. TEFRA: Not Applicable
- 32. Total commission and concession: [●] per cent. of the Aggregate nominal amount
- 33. Additional selling restrictions: [Not Applicable/*give details*]

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the London Stock Exchange of the Notes described herein pursuant to the U.S.\$1,500,000,000 Structured Note Programme of FirstRand Bank Limited.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [*Relevant third party information, for example in compliance with Annex XII of the Prospectus Directive Regulation in relation to an index or its components, should be specified*][●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.].

Signed on behalf of FirstRand Bank Limited:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [London/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the London Stock Exchange/[other] with effect from [].] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

Ratings: The Notes to be issued have been rated:

[S & P: [●]]
[Moody's: [●]]
[[Other]: [●]]

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

[[*Insert legal name of the relevant entity which has given the rating*] [is/is not] established in the European Union and [[is/is not] registered/has applied for registration] under Regulation (EC) No. 1060/2009 (as amended) .]

[[*Insert legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). However, the application for registration under the CRA Regulation of [*insert legal name of the relevant EU CRA entity that applied for registration*], which is established in the European Union and is registered under the CRA Regulation, disclosed the intention to endorse credit ratings of [*insert legal name of the relevant non-EU CRA entity*]. While notification of the corresponding endorsement decision has not yet been provided by the relevant competent authority, the European Securities and Markets Authority has indicated that ratings issued in third countries may continue to be used in the European Union by relevant market participants for a transitional period ending on 31 January 2012 (which may be extended to 30 April 2012).]

[[*Insert legal name of the relevant non-EU CRA entity*] is not established in the European Union or registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") but has/have been endorsed by (and for the purposes of the CRA Regulation [is/are] deemed to be issued by) [*insert legal name of the relevant EU-registered CRA entity*] which is an entity established in the European Union and registered under

the CRA Regulation.]

[[Insert legal name of the relevant non-EU CRA entity] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"), but it [is]/[has applied to be] certified in accordance with that CRA Regulation.]

- 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**
Need to include a description of any interest, including conflicting ones, that is material to the issue/ offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

(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**

(i) Reasons for the offer: [●]

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

(ii) Estimated net proceeds: [●]

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

[(iii)] Estimated total expenses: [●] *[Include breakdown of expenses.]*

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

- 5. [Fixed Rate Notes Only – YIELD**

Indication of yield: [●]

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

- 6. [Index-Linked Or Other Variable-Linked Notes Only – PERFORMANCE OF INDEX/ FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Need to include details of where past and future performance and volatility of the index/formula/ other variable can be obtained. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.

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

(When completing this paragraph, 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].

7. [Dual Currency Notes Only – PERFORMANCE OF RATE[S] OF EXCHANGE

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]

(When completing this paragraph, 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)

8. OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

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

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s) [●]

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

ANNEX A – FURTHER PROVISIONS FOR THE FINAL TERMS RELATING TO CREDIT-LINKED NOTES

The following provisions form part of the Final Terms. The Notes are Credit-Linked Notes. The Credit-Linked Annex shall apply to the Notes as further modified by the following provisions and shall together modify and supplement the Conditions.

GENERAL

- | | | |
|----|--|--|
| 1 | Type of Credit-Linked Notes: | [Single Reference Entity Cash CLN]
[Single Reference Entity Physical CLN]
[Single Reference Entity Cash or Physical CLN]

[Nth-to-Default Cash CLN]
[Nth-to-Default Physical CLN]
[Nth-to-Default Cash or Physical CLN]

[Basket Cash CLN]
[Basket Physical CLN]
[Basket Cash or Physical CLN] |
| 2 | Whether Transaction Type Standard Terms applicable: | [Yes/No] <i>[N.B. This can apply for Cash Settled CLNs]</i> |
| 3 | Reference Entity(ies) and the related Reference Obligations, Obligations and/or Deliverable Obligations: | <i>[Insert details of the underlying Reference Entity(ies), Reference Obligations and, if applicable, Obligations and/or Deliverable Obligations]</i> |
| 4 | Transaction Type(s): | <i>[insert details]</i> [Not Applicable] <i>[N.B. Specify Transaction Type(s) where the Transaction Type Standard Terms apply]</i> |
| 5 | Substitution of Reference Entity(ies) is applicable: | [Yes/No] |
| 6 | Substitution of the Reference Obligation(s) is applicable: | [Yes/No] |
| 7 | All Guarantees: | [Transaction Type Standard Terms apply] or [Applicable/Not Applicable] |
| 8 | Reference Price: | [100 per cent] |
| 9 | Credit-Linked Payer Calculation Amount: | <i>[Insert details]</i> |
| 10 | Scheduled Termination Date: | <i>[Insert details]</i> |

TERMS RELATING TO CREDIT EVENTS

- | | | |
|----|---------------------------------|---|
| 11 | Credit Event Provisions: | |
| | (i) Credit Events: | [Transaction Type Standard Terms apply]

<i>Where the Standard Terms apply, specify whether "Restructuring" is applicable in the case of a North American Corporate Transaction Type or Standard North American Corporate Transaction Type or</i>
[Bankruptcy]
[Failure to Pay]
[Grace Period Extension: [Applicable][Not Applicable]]
[Grace Period: [●]] (<i>Specify if not fallback in the Credit</i>) |

Linked Annex
 [Obligation Acceleration]
 [Obligation Default]
 [Repudiation/Moratorium]
 [Restructuring]
 [Restructuring Maturity Limitation and Fully Transferable Obligation: [Applicable]/[Not Applicable]]
 [Modified Restructuring Maturity Limitation and Conditionally Transferable Obligations: [Applicable/Not Applicable]]
 [Multiple Holder Obligation: [Applicable]/[Not Applicable]]
 [Default Requirement: *[Insert details]*]
 [Payment Requirement: *[Insert details]*]

(ii) Additional Credit Events: [None/*insert details*]

(iii) Potential Repudiation / Moratorium: [Applicable][Not Applicable]

[(iv)] [Credit Event Portion: *[Specify relevant Credit Event Portion]*]

[(v)] [For Nth-to-Default CLNs only, specify N: [●]]

12 Obligations:

Obligation Category: [Transaction Type Standard Terms apply]
 or
 (*Select one only*) [Payment]
 [Borrowed Money]
 [Reference Obligation Only]
 [Bond]
 [Loan]
 [Bond or Loan]

Obligation Characteristics: [Transaction Type Standard Terms apply]
 or
 (*Select all that apply*) [Not Subordinated]
 [CLN Specified Currency: [Standard] [Other (*Specify*)]]
 [Not Sovereign Lender]
 [Not Domestic Currency]
 [Domestic Currency means: [●]]
 [Not Domestic Law]
 [Domestic Law means: [●]]
 [Listed]
 [Not Domestic Issuance]

[Additional Obligations: [●]]

Excluded Obligations: [None] *[Insert details]*

TERMS RELATING TO SETTLEMENT FOLLOWING A CREDIT EVENT

13 Conditions to Settlement: [Credit Event Notice]
 [Notice of Publicly Available Information]
 [Public Sources: *[Insert details]*]
 [Specified Number: [Two] [●]]
 [Notice of Physical Settlement]
 [Other Transaction Type Standard Terms apply (if any)]

14 Settlement Currency: *[Insert details]*

- 15 Settlement Method: [Cash Settlement] [Physical Settlement] [Auction Settlement]
- 16 Fallback Settlement Method: [Cash Settlement] [Physical Settlement] [Not Applicable]
- 17 Credit Derivatives Determinations Committee Extension: [Applicable]/[Not Applicable]

TERMS RELATING TO REDEMPTION BY AUCTION SETTLEMENT

- 18 Auction Cash Settlement Amount: [As defined in Credit-Linked Term 17]/[Other (specify)]
- 19 Auction Cash Settlement Date: [As defined in Credit-Linked Term 17]/[Other (specify)]

TERMS RELATING TO REDEMPTION BY CASH SETTLEMENT

- 20 Accrued Interest: [Not Applicable] [Include Accrued Interest] [Exclude Accrued Interest]
- 21 Valuation Date: [Not Applicable]/[●]
- 22 Valuation Time: [Not Applicable]/[●]
- 23 Valuation Method: [Highest] [Market] [*other – specify*]
- 24 Quotation Amount: [Not Applicable] [*Insert details*]
- 25 Quotation Method: [Bid] [Offer] [Mid-market]
- 26 Minimum Quotation Amount: [Not Applicable] [*Insert details*]
- 27 CLN Dealer(s) [Not Applicable] [*Insert details*]
- 28 CLN Specified Currency: [Not Applicable] [*Insert details*]
- 29 Cash Settlement Date: [Not Applicable] [*Insert details*]
- 30 **Cash Settlement**
- (i) Cash Settlement Amount: [Not Applicable] [*Insert details*]
- (ii) Cash Settlement of Loan: [Not Applicable] [If one or more Loans are included in the Portfolio of Deliverable Obligations, then the Issuer shall redeem a corresponding portion of the Notes by making a payment to the Noteholders of an amount equal to the Loan Settlement Amount to be apportioned *pro rata* amongst the Noteholders on the Settlement Date.
- "Loan Settlement Amount"** means the aggregate cash amount representing the portion of the Portfolio represented by Loans, calculated using the relevant Final Price for each Loan multiplied by the relevant nominal amount of each Loan in the Portfolio.]
- 31 Quotations: [Not Applicable][Include Accrued Interest][Exclude Accrued Interest]
- 32 Alternative Cash Settlement Specifications: [Not Applicable] [*Insert details*]

TERMS RELATING TO REDEMPTION BY PHYSICAL SETTLEMENT

33	Physical Settlement	
	(i) Physical Settlement Date:	[Not Applicable] [<i>Insert details</i>]
	(ii) Physical Settlement Period:	[Not Applicable][Transaction Type Standard Terms apply]
		or
		[<i>Insert details</i>] Business Days
	(iii) Asset Transfer Notice Cut-Off Date:	[Not Applicable] [<i>Insert details</i>] Business Days after the Notice of Physical Settlement has been sent by the Issuer to Note holders pursuant to Term 3(f).
34	Deliverable Obligations:	
	Deliverable Obligation Category:	[Not Applicable] [Transaction Type Standard Terms apply] or [[Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan]
	Deliverable Obligation Characteristics:	[Not Applicable] [Transaction Type Standard Terms apply] or [Not Subordinated] [CLN Specified Currency] [Not Sovereign Lender] [Not Domestic Currency] [Not Domestic Law] [Listed] [Not Contingent] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Loan Participation] [Transferable] [Maximum Maturity: [●] years] [Accelerated or Matured] [Not Bearer]
	Excluded Deliverable Obligations:	[Not Applicable] [<i>Insert details</i>]
	Accrued Interest:	[Not Applicable] [Include Accrued Interest] [Exclude Accrued Interest]
35	Alternative Cash Settlement:	[Not Applicable] [Standard Alternative Cash Settlement Specifications apply/ <i>Insert details</i>]
36	Escrow:	[Transaction Type Standard Terms apply] or [Applicable]/[Not Applicable]

TERMS RELATING TO INTEREST PROVISIONS ON THE NOTES

- 37 Extension Interest: [Applicable]/[Not Applicable]
- 38 Cessation of Interest: [Interest ceases to accrue from the Interest Payment Date immediately preceding the Event Determination Date (or, in the case of the first Interest Period, the Interest Commencement Date)]
- [Interest ceases to accrue from (but excluding) the Event Determination Date]
- [Interest ceases to accrue from the Interest Payment Date immediately preceding the relevant Cash Settlement Date, Physical Settlement Date or Delivery Date, as applicable (or, in the case of the first Interest Period, the Interest Commencement Date)]

FURTHER PROVISIONS/AMENDMENTS

- 39 [Capped Reference Entity: [Not Applicable] [•]]
- 40 Unwind Costs: [•]/[Standard Unwind Costs]
- 41 Additional provisions/amendments to the Credit-Linked Terms: [Not Applicable] [*Insert any other relevant details*]
- [*Insert any additional requirements/conditions for physical delivery of Portfolio*]

GENERAL INFORMATION

Authorisations

1. The establishment of the Programme was authorised by written resolutions of the Board of Directors of the Issuer passed on 3 March 2011. The update of the Programme was authorised by written resolution of the Board of Directors of the Issuer passed on 29 September 2011. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Significant/Material Change

2. Since 30 June 2011 there has been no material adverse change in the prospects of the Issuer or the Issuer and its Subsidiaries (taken as a whole) nor any significant change in the financial or trading position of the Issuer or the Issuer and its Subsidiaries (taken as a whole).

Auditors

3. The audited non-consolidated financial statements of the Issuer for the years ended 30 June 2011 and 30 June 2010 and the audited consolidated financial statements of the Issuer for the years ended 30 June 2011 and 30 June 2010 have been audited without qualification by PricewaterhouseCoopers Inc. whose address is 2 Eglin Road, Sunninghill 2157, South Africa and Deloitte & Touche whose address is The Woodlands, 20 Woodlands Drive, Woodmead 2199, South Africa.

Approvals

4. The Issuer will have to obtain the approval of FSD for the issue of each Tranche of Notes under the Programme.

Litigation

5. The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

Documents on Display

6. Copies of the following documents may be inspected during normal business hours at the specified offices of the Fiscal Agent and from the registered office of the Issuer for 12 months from the date of this Base Prospectus:
 - (a) the Certificate of Incorporation, Memorandum of Association and Articles of Association of the Issuer;
 - (b) the audited non consolidated financial statements of the Issuer for the years ended 30 June 2011 and 30 June 2010;
 - (c) the audited consolidated financial statements of the Issuer for the years ended 30 June 2011 and 30 June 2010;
 - (d) the base prospectus dated 9 November 2011 relating to the Issuer's U.S.\$1,500,000,000 euro medium term note programme;
 - (e) the Agency Agreement;
 - (f) the Deed of Covenant; and
 - (g) the amended and restated programme manual (which contains the forms of the Note Certificates in global and individual form) dated 14 December 2011 and signed for the purposes of identification by the Issuer and the Fiscal Agent.

Clearing of the Notes

7. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification

Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg

Use of Proceeds

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

Post Issuance Information

9. The Issuer does not intend to provide any post-issuance information in relation to any Note issues.

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United Kingdom

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