KBC IFIMA S.A.

(Incorporated with limited liability in the Grand Duchy of Luxembourg)

Unconditionally and irrevocably guaranteed by KBC Bank NV

(*Incorporated with limited liability in Belgium*)

EUR 10,000,000,000

Euro Medium Term Note Programme

Under this EUR 10,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), KBC IFIMA S.A., a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, with registered office at 4 rue du Fort Wallis, L-2714 Luxembourg, Grand Duchy of Luxembourg and registered with the trade and companies register (RCS Luxembourg) under number B193577 (the "**Issuer**" or "**KBC IFIMA S.A.**") may from time to time issue notes that are guaranteed by the Guarantor (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below). Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions herein. This does not affect any Notes issued prior to the date of this Base Prospectus.

The payments and, where applicable, delivery of all amounts due in respect of the Notes will be guaranteed by KBC Bank NV (the "**Guarantor**") pursuant to a deed of guarantee dated 15 July 2026 as amended and/or supplemented and/or restated from time to time (the "**Guarantee**") executed by the Guarantor.

The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed EUR 10,000,000,000 (or its equivalent in other currencies).

The Notes may be issued on a continuing basis to any Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis and which may include KBC Bank NV acting in its capacity as a Dealer separate from that as a Guarantor (each a "**Dealer**" and together the "**Dealers**").

This Base Prospectus has been approved as a base prospectus by the *Commission de surveillance du secteur financier* (the "**CSSF**") as competent authority under Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer, the Guarantor or the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

According to Article 6(4) of the Luxembourg act dated 16 July 2019 on prospectuses for securities, as amended (the "**Luxembourg Law on Prospectus**"), the CSSF does not assume any responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer or the Guarantor. **The CSSF has neither reviewed nor approved the information contained in this Base Prospectus in relation to any issuance of any Notes that are (i) not to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or (ii) not to be offered to the public and, in each case, for which a prospectus is not required in accordance with the Prospectus Regulation.** In relation to any Notes, this Base Prospectus must be read as a whole and together with the applicable Final Terms (as defined below). Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described or incorporated by reference herein. Application may also be made to the Luxembourg Stock Exchange for Notes issued under the Programme during the period of 12 months from the date of approval of this Base Prospectus to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange or, if specified in the applicable Final Terms, on a specific segment of the regulated market of the Luxembourg Stock Exchange to which only qualified investors (as defined in the Prospectus Regulation) have access (the "**Professional Segment**"). References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes are intended to be admitted to trading on the Luxembourg Stock Exchange's regulated market and are intended to be listed on the official list of the Luxembourg Stock Exchange or, if applicable, the Professional Segment. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended ("**MiFID II**"). No certainty can be given that the application for the listing of any Notes will be granted. Furthermore, admission of the Notes to the Official List and trading on the regulated market of the Luxembourg Stock Exchange or, if applicable, the Professional Segment is not an indication of the merits of the Issuer or the Notes. Unlisted Notes may also be issued pursuant to the Programme. The applicable Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange or the Professional Segment (or any other stock exchange).

This Base Prospectus received approval from the CSSF on 15 July 2026 and will be valid for 12 months from the date of its approval by the CSSF in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the "EEA") and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation and will expire with respect to such Notes on 15 July 2027. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The final terms to this Base Prospectus in respect of the issue of any PD Notes (as defined below) (the "**Final Terms**"), which will complete the applicable terms and conditions of the Notes, will be filed with the CSSF. Copies of the Final Terms in relation to PD Notes to be admitted to trading and listed on the Official List of the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange at www.luxse.com.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer(s). In the case of Notes which are (i) to be admitted to trading on a regulated market (as defined in the Prospectus Regulation) of an EEA Member State other than the regulated market of the Luxembourg Stock Exchange (a "**Host Member State**"); or (ii) offered to the public in a Host Member State, the Issuer will request that the CSSF delivers to the competent authority of the Host Member State a certificate of approval pursuant to Article 25 of the Prospectus Regulation attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

Notes to be issued under the Programme during the period of twelve months from the date of this Base Prospectus which are (a) offered to the public in the EEA in circumstances which require the publication of a prospectus under the Prospectus Regulation whether or not such Notes are listed and admitted to trading on any market; or (b) admitted to trading on a regulated market as defined under MiFID II (including the regulated market of the Luxembourg Stock Exchange) are hereinafter referred to as the "**PD Notes**". Any PD Notes which have a denomination of less than EUR 100,000 (or its equivalent in any other currency) are hereinafter referred to as "**Non-Exempt PD Notes**".

PD Notes issued under this Programme may be issued in any denominations of not less than EUR 1,000 as agreed between the Issuer and the relevant Dealer(s).

The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any regulated market (as defined under MiFID II) or offered to the public within the EEA which do not require the publication of a prospectus under the Prospectus Regulation ("**Exempt Notes**").

The Notes of each Tranche will initially be represented by a temporary global Note (a "**Temporary Global Note**") which will be delivered on or prior to the issue date thereof to a common safekeeper (the "**Common Safekeeper**") or a common depositary (the "**Common Depositary**"), as the case may be, in either case for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), and/or any other agreed clearance system which will be exchangeable, as specified in the applicable Final Terms, for a permanent global Note (a "**Permanent Global Note**") upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. A Permanent Global Note will be exchangeable for definitive Notes, either upon request or only upon the occurrence of an Exchange Event, all as further described in "*Form of the Notes*" below.

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**") will be disclosed in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Prospective purchasers of Notes should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in the light of their own circumstances and financial condition. Certain issues of Notes involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the Issuer, the Guarantor or any Dealer in that regard. For a discussion of the risks see "Risk Factors" below. An investment in Notes linked to one or more Reference Items (as defined below) may entail significant risks not associated with investments in a conventional debt security. Such Notes may be principal protected or, alternatively, the principal invested in such notes may be at risk. If the Notes are principal protected, such protection is nevertheless dependent on the Issuer, failing which, the Guarantor complying with its obligations with respect to the Notes. If the Notes are not principal protected, the amount paid by the Issuer on redemption of the Notes may be less than the nominal amount of the Notes, together with any accrued interest, and may in certain circumstances be zero.

Arranger and Dealer

KBC Bank

The date of this Base Prospectus is 15 July 2026.

GENERAL

This Base Prospectus constitutes a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation.

Each of the Issuer and the Guarantor (together the "**Responsible Persons**") accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect its import.

The applicable Final Terms will (if applicable) contain information relating to any underlying equity security, ETF share, basket of equity securities and/or ETF shares, index, inflation index, equity index, currency or debt security (each a "Reference Item") to which the relevant Notes relate and which is contained in such Final Terms. However, unless otherwise expressly stated in the applicable Final Terms, any information contained therein relating to a Reference Item will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Reference Item or component thereof. Each of the Issuer and the Guarantor will, unless otherwise expressly stated in the applicable Final Terms, confirm that such extracts or summaries have been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Reference Item or component thereof, no facts have been omitted that would render the information reproduced inaccurate or misleading.

This Base Prospectus is to be read in conjunction with any supplement hereto and all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated by reference and form part of this Base Prospectus. This Base Prospectus may only be used for the purposes for which it has been published. Unless expressly stated otherwise, the information on websites referred to in this Base Prospectus are for information purposes only and do not form part of this Base Prospectus.

To the fullest extent permitted by law, any Dealer appointed under the Programme from time to time does not accept any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Dealer or on its behalf in connection with the Issuer, the Guarantor, or the issue and offering of the Notes. Each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to in this section) which it might otherwise have in respect of this Base Prospectus or any such statement. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer and the Guarantor under the Programme.

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

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

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes issued hereunder shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers appointed under the Programme from time to time expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the

Programme. Investors should review, *inter alia*, the documents incorporated herein by reference when deciding whether or not to purchase any Notes.

All references in this document to "**U.S. dollars**", "**USD**" and "**U.S.$**" refer to the lawful currency of the United States, those to "**Sterling**" refer to the lawful currency of the United Kingdom, and those to "**euro**", "**€**" and "**EUR**" refer to the lawful currency of the participating member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union.

In this Base Prospectus, unless a contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

All references in this document to "**KBC Bank Group**" refer to KBC Bank NV together with its subsidiaries and all references in this document to "**KBC Group**" refer to KBC Group NV together with its subsidiaries.

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

This Base Prospectus contains or incorporates by reference certain statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the Issuer's or the Guarantor's business strategies, trends in its business, competition and competitive advantage, regulatory changes and restructuring plans.

Words such as "**believes**", "**expects**", "**projects**", "**anticipates**", "**seeks**", "**estimates**", "**intends**", "**plans**" or similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. The Issuer and the Guarantor do not intend to update these forward-looking statements except as may be required by applicable securities laws.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. A number of important factors could cause actual results, performance or achievements to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include: (i) the ability to maintain sufficient liquidity and access to capital markets; (ii) market and interest rate fluctuations; (iii) the strength of global economy in general and the strength of the economies of the countries in which the Issuer or the Guarantor conducts operations; (iv) the potential impact of sovereign risk in certain European Union countries; (v) adverse rating actions by credit rating agencies; (vi) the ability of counterparties to meet their obligations to the Issuer or the Guarantor; (vii) the effects of, and changes in, fiscal, monetary, trade and tax policies, financial regulation and currency fluctuations; (viii) the possibility of the imposition of foreign exchange controls by government and monetary authorities; (ix) operational factors, such as systems failure, human error, or the failure to implement procedures properly; (x) actions taken by regulators with respect to the Issuer's or the Guarantor's business and practices in one or more of the countries in which the Issuer or the Guarantor conducts operations; (xi) the adverse resolution of litigation and other contingencies; (xii) the impact of events such as, or similar to, the Covid-19 pandemic and the conflicts in Ukraine and Iran and (xiii) the Issuer's or the Guarantor's success at managing the risks involved in the foregoing.

The foregoing list of important factors is not exclusive. When evaluating forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, as well as the other risks identified in this Base Prospectus.

This Base Prospectus contains various amounts and percentages which have been rounded and, as a result, when those amounts and percentages are added up, they may not total.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND THE OFFER OF THE NOTES GENERALLY

The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Guarantor and the Dealers represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the Guarantor or the Dealers which is intended to permit an offer to the public of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA and the United Kingdom, see "*Subscription and Sale*" below.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the state securities laws of any state or other jurisdiction in the United States, and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any U.S. persons (as defined in Regulation S promulgated under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction of the United States (see "*Subscription and Sale*" below).

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS –The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

PROHIBITION OF SALES TO CONSUMERS IN BELGIUM – If the Final Terms in respect of any Notes specifies the "Prohibition of sales to consumers in Belgium" as "Applicable", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available in Belgium to any "consumer" (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*) dated 28 February 2013, as amended.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID II Product Governance rules under EU Delegated Directive 2017/593, as amended (the "**MiFID II Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment. However, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

EU BENCHMARKS REGULATION – Amounts payable under the Notes may be calculated by reference to one or more "benchmarks" for the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016, as amended (the "**EU Benchmarks Regulation**"). In this case, a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the "benchmark" is included in ESMA's register of administrators under Article 36 of the EU Benchmarks Regulation.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has 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 or in the applicable Final Terms;

- has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;

- understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and

- is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal

advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

No debt securities falling under Article 19 of Commission Delegated Regulation (EU) No 2019/980, as amended (the "**Delegated Regulation**"), i.e., securities that are exchangeable for or convertible into shares, will be issued under this Base Prospectus.

Should the Issuer intend to issue a type of Non-Exempt Note that is not expressly documented under this Base Prospectus, which may in particular concern certain types of Credit Linked Notes, for which the relevant Category A information within the meaning of Article 26 of the Delegated Regulation is not included in this Base Prospectus, the Issuer will make such information available to prospective investors in accordance with the requirements of the Prospectus Regulation (such as, for example, by the publication of a drawdown prospectus containing the required Category A information referred to above).

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GENERAL DESCRIPTION OF THE PROGRAMME

This section contains a general overview of the different types of Notes which can be issued under the Programme.

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of, this Base Prospectus (including any documents incorporated by reference herein) and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer, the Guarantor and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of Notes other than Exempt Notes, and if appropriate a new Base Prospectus or a supplement to this Base Prospectus will be published.

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980, as amended (the "**Delegated Regulation**").

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this overview.

Issuer:	KBC IFIMA S.A.
Issuer Legal Entity Identifier (LEI):	213800PN8BSF31FXFM06
Guarantor:	KBC Bank NV
Guarantor Legal Entity Identifier (LEI):	6B2PBRV1FCJDMR45RZ53
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. There are also certain factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under "*Risk Factors*".
Description of the Programme:	Euro Medium Term Note Programme
Arranger:	KBC Bank NV
Dealers:	KBC Bank NV and any other Dealers appointed in accordance with the Programme Agreement.
Issuing and Principal Paying Agent:	Banque Internationale à Luxembourg S.A.
Programme Size:	Up to EUR 10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private placement or more widely and in each case on a syndicated or non-syndicated basis. The manner of distribution will be specified in the applicable Final Terms.
Currencies:	Subject to any applicable legal or regulatory restrictions, notes may be denominated in euro, Sterling, U.S. dollars, yen and any other currency agreed between the Issuer and the relevant Dealer.

Maturities:	Subject to compliance with all relevant laws, regulations and directives and unless previously redeemed or purchased and cancelled, each Note will have the maturity as specified in the applicable Final Terms.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form as described in "*Form of the Notes*".
Type of Notes:	The Issuer may issue:

(a) Fixed Rate Notes, where the interest amount (if any) payable will be calculated by reference to a fixed rate of interest;

(b) Floating Rate Notes, where the interest amount (if any) payable will be calculated by reference to a floating rate plus or minus a margin;

(c) Zero Coupon Notes and other non-interest bearing Notes which do not bear or pay interest, but may be issued at a discount to their principal amount;

(d) Index Linked Notes, where the interest (if any) payable on and/or the amount payable on redemption of the Notes is determined by reference to an Index. In the case of PD Notes, (i) proprietary indices of the Issuer or any legal entity belonging to the same group will not be referenced and (ii) indices provided by a legal entity or natural person acting in association with, or on behalf of, the Issuer will not be referenced;

(e) Equity Linked Notes, where the interest amount and/or redemption amount (if any) payable will be linked to a single Underlying Equity or a Basket of Underlying Equities. The Underlying Equity or a Basket of Underlying Equities to which Equity Linked Notes are linked do not belong to the Issuer nor to an entity belonging to the KBC Group and do not consist in equity of a third party issuer that are not admitted to trading on a regulated market (within the meaning of the Prospectus Regulation);

(f) Inflation Linked Interest Notes, where the interest amount and/or redemption amount is determined by reference to an Inflation Index;

(g) Currency Linked Notes, where the interest amount and/or redemption amount (if any) payable will be linked to one or more currency exchange rates;

(h) Credit Linked Notes, where the interest amount and/or redemption amount (if any) payable will be linked to a single Reference Entity, a basket of Reference Entities or an index of Reference Entities.

(i) Instalment Notes, where the principal amount is redeemable by the Issuer in instalments. The applicable

Final Terms will specify the Instalment Dates and the related Instalment Amount payable on such dates.

The Issuer may also issue combinations of the above Notes.

The Issuer and the Guarantor may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Final Terms.

Interest:	The Notes may or may not bear or pay interest. Interest bearing or paying Notes will be any of Fixed Rate Notes, Floating Rate Notes, Instalment Notes, Range Accrual Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Inflation Linked Interest Notes, Currency Linked Interest Notes or Credit Linked Notes. Interest will be calculated and be payable on such date or dates as determined by the Issuer and the relevant Dealer at the time of issue of the relevant Notes. Interest Rates may be subject to a maximum and/or a minimum. In relation to each Tranche of Notes, the indication of yield (if any) referred to in the applicable Final Terms will be calculated at the Issue Date of such Tranche on the basis of the Issue Price of such Tranche. It is not an indication of future yield.
Redemption:	The applicable Final Terms will indicate either that: (i) the relevant Notes cannot be redeemed prior to their stated maturity (other than Notes redeemable in instalments, following an Event of Default or after the occurrence of certain other specified early redemption events, if, as the case may be, specified as applicable in the applicable Final Terms) or (ii) unless "Prohibition of sales to consumers in Belgium" is specified as applicable in the applicable Final Terms, that such Notes will be redeemable at the option of the Issuer. If the Notes are redeemable in instalments, the applicable Final Terms will specify the instalment dates and the related instalment amount payable on each such date.
Final Redemption:	The Notes may be redeemable at par or by payment of a specified percentage of their principal amount or an amount calculated in accordance with the applicable Conditions (in the case of Index Linked Redemption Notes, Equity Linked Redemption Notes and Currency Linked Redemption Notes) or the Credit Linked Conditions (in the case of Credit Linked Notes).
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note will be EUR 1,000 at the time of the issue of Notes (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Withholding Tax:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 12 (*Taxation*). In the event that any such deduction is made, the Issuer or, as the case

	may be, the Guarantor will, save in certain limited circumstances provided in Condition 12 (*Taxation*) and except when "Prohibition of sales to consumers in Belgium" is specified as not applicable in the applicable Final Terms, be required to pay additional amounts to cover the amounts so deducted.
Status of the Notes:	The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer and *pari passu* without any preference among themselves except for obligations given priority by law.
Guarantee:	The Notes will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor and rank and will rank *pari passu* with all present and future unsecured and unsubordinated obligations of the Guarantor, without any preference among themselves and *pari passu* without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, except for obligations given priority by law.
Rating:	Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Approval, listing and admission to trading:	Application has been made to the CSSF for approval of this Base Prospectus in respect of all Notes other than the Exempt Notes issued under the Programme. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange, to be admitted to trading on the Luxembourg Stock Exchange's regulated market (including the professional segment of the Luxembourg Stock Exchange's regulated market) and to be offered to the public in Luxembourg or any relevant Public Offer Jurisdiction specified in the applicable Final Terms. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Governing law:	The Agency Agreement, the Notes (except Condition 2(c)), the Guarantee (except Clause 6) and the Coupons (and, in each case, any non-contractual obligations arising therefrom or in connection therewith) shall be governed by, and construed in accordance with, English law. Condition 2(c) of the Notes, Clause 6 of the Guarantee and any non-contractual obligations

	arising therefrom or in connection therewith shall be governed by, and construed in accordance with, Belgian law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including Belgium), the United Kingdom and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".
United States Selling Restrictions:	Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.
Exempt Notes:	Under this Base Prospectus, the Issuer may also issue Exempt Notes (being Notes for which no prospectus is required to be published under the Prospectus Regulation) and any terms and conditions not contained in this Base Prospectus which are applicable to such Exempt Notes will be set out in the applicable Final Terms.

RISK FACTORS

This section sets out the principal risks inherent in investing in Notes issued under the Programme, including key risks relating to investments linked to the different underlyings or bases of reference.

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

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

Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to fulfil its obligations under the Notes or of the Guarantor to satisfy its obligations under the Guarantee may occur for other unknown reasons or for reasons which may not be considered significant risks by the Issuer or the Guarantor based on the information currently available to it or which it may not currently be able to anticipate and the Issuer and the Guarantor do not represent that the risks of holding any Notes as set out below are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision and consult with their own professional advisors (if they consider it necessary).

The Issuer and the Guarantor have assessed the materiality of the risk factors based on the expected magnitude of their negative impact on the Issuer, the Guarantor and/or the KBC Bank Group (including any relevant mitigating measures) and the probability of their occurrence. For the risks relating to the Guarantor and the KBC Bank Group set out below, the result of this assessment is mentioned after the title of each risk factor, using a scale of "low", "medium" or "high". The qualitative scale of the materiality of a risk factor using the labels "low", "medium" or "high" is only intended to compare the expected magnitude of the negative impact of such risks on the Guarantor and/or the KBC Bank Group (including any relevant mitigating measures) and the probability of their occurrence among the risk factors included in this section. These labels do not correspond to certain amounts or percentages and are based on an assessment in good faith by the Issuer and the Guarantor.

In accordance with the requirements of the Prospectus Regulation, the risk factors have been presented in a limited number of categories depending on their nature. In each category, the most material risk factors within each category have been listed in a manner that is consistent with the assessment made by the Issuer and the Guarantor provided for in the third subparagraph of article 16 of the Prospectus Regulation, based on the probability of their occurrence and the expected magnitude of their negative impact.

Capitalised terms used herein and not otherwise defined shall bear the meanings ascribed to them in the "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus. Any reference to any code, law, decree, regulation, directive or any implementing or other legislative measure shall be construed as a reference to such code, law, decree, regulation, directive or implementing or other legislative measure as the same may be amended, supplemented, restated and/or replaced from time to time.

RISK FACTORS RELATING TO THE ISSUER, THE GUARANTOR AND THE KBC BANK GROUP

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

The Issuer is a finance vehicle whose principal purpose is to raise debt to be on-lent to the Guarantor and other subsidiaries of the Guarantor. The Issuer does not have any trading assets and does not generate trading income. The Issuer's ability to make payments on the Notes is therefore dependent on receiving equivalent amounts from the Guarantor. Accordingly, if the Guarantor's financial condition were to deteriorate, the Issuer and investors in the Notes may suffer direct and materially adverse consequences.

2. Risks relating to the business activities of the Guarantor and the KBC Bank Group and the markets in which they operate

As members of the KBC Bank Group are financial institutions, the KBC Bank Group is exposed to risks that are typical for the financial sector, including both financial risks (credit risk, market risk (trading and non-trading) and liquidity risk) and non-financial risks (operational risk, compliance risk and reputational risk). Environmental, social and governance ("**ESG**") risks are also key risks related to the KBC Bank Group's business environment which manifest themselves through the aforementioned risk areas. Integrated risks can occur when these risks accumulate and potentially reinforce each other.

In the context of these risks, the KBC Bank Group has put processes in place to manage them. While the KBC Bank Group seeks to identify, control and manage the risks to which it is subject and manage these in order to make optimal use of its available capital, the KBC Bank Group might still be exposed to unidentified, unanticipated or incorrectly quantified risks. For more background information on how these risks are managed, please refer to the section entitled "*Risk management*" in the section entitled "*Description of the Guarantor*" and the KBC Bank Group's risk management approach set out on pages 37 to 63 of the Guarantor's 2025 annual report, which is incorporated by reference into this Base Prospectus.

2.1 Risks resulting from regulatory and supervisory supervision (medium risk)

The KBC Bank Group's business activities are subject to substantial regulation and regulatory supervision in the jurisdictions in which it operates.

The regulatory and supervisory framework in the EU has become increasingly more expansive and complex and new regulations and supervisory requirements are introduced with ambitious timelines for implementation. While a sound regulatory framework, coupled with strong supervision, is necessary to ensure stability of the financial sector, extensive regulatory and supervisory intervention could impose high compliance costs on the KBC Bank Group, particularly staff costs associated with regulatory reporting.

Recent regulatory and legislative developments applicable to credit institutions, such as the Guarantor, may adversely impact the KBC Bank Group and its business, financial condition or results of operations. A non-exhaustive overview of certain important regulatory and legislative developments, such as changes to the prudential requirements for credit institutions, capital adequacy rules and recovery and resolution mechanisms, is set out in the section entitled "*Banking supervision and regulation*" in the section entitled "*Description of the Guarantor*". In addition, the KBC Bank Group is subject to an expanding body of digital and operational resilience regulations, including the Outsourcing and Digital Operational Resilience Act ("**DORA**"), the EU AI Act and the Markets in Crypto-Assets Regulation (MiCAR), compliance with which may give rise to significant implementation costs and operational constraints.

Moreover, the KBC Bank Group has seen an increase in the level of scrutiny and short implementation timelines applied by regulators and governments to enforce applicable regulations and calls to impose further charges on the financial services industry and, as a consequence, on the KBC Bank Group in recent years. Implementation of related regulation and supervisory guidance can result in a crowding out-effect on the KBC Bank Group's

business and strategic transformation and may drive up the capital and liquidity requirements applicable to the KBC Bank Group. Not complying with this increasingly complex regulation is penalised with heavy supervisory measures (on capital) and possible fines, which are recently more often used by supervisory authorities. Regulatory complexity is further increased by a lack of alignment in regulatory rules and guidelines across different areas, such as banking supervision versus resolution supervision and national versus European regulations.

ESG risks furthermore remain high on the agenda of regulators, leading to a number of directives, guidelines and disclosure requirements. These have to be gradually implemented in the coming years with the main focus on strategy, governance, risk management and internal and external reporting. In this respect, please also refer to the risk factor entitled "*ESG risks*".

Within the above context, the KBC Bank Group is in particular exposed to risks for unforeseen regulatory changes and increased supervisory scrutiny, which could lead to a significant financial and operational impact. The KBC Bank Group may further face challenges in aligning its business and activities with new and evolving regulatory requirements. Any misalignment can, as indicated above, result in increased compliance costs, higher capital and liquidity requirements and potential fines for non-compliance. Additionally, the rapid implementation timelines for new regulations may strain the KBC Bank Group's resources, diverting attention from strategic initiatives and potentially impacting its competitive position.

2.2 **Geopolitical risks (medium risk)**

Geopolitical risks are a main concern for the global and European financial sector, including for the KBC Bank Group. Events such as conflicts, trade wars and political instability can lead to market volatility and disruptions in trade, all of which can impact financial institutions' operations and profitability, including for the KBC Bank Group.

In recent years, geopolitical risks have remained elevated, particularly shaped by the persistent Russia-Ukraine and Palestine-Israel conflicts, tensions in the Middle East, and the ongoing strategic competition between the US and China. The aftermath of numerous elections in 2024, including in the US, has led to new policy directions and heightened uncertainty, particularly around trade relations. These developments put additional pressure on economic competitiveness in Europe and globally, causing significant challenges for the economy and financial markets in general and for the financial sector in particular.

Although the KBC Bank Group's net result as at 31 December 2025 remained stable compared to 31 December 2024, and while its capital position (fully loaded common equity ratio of 13.9% at the end of 2025) and liquidity position (net stable funding ratio ("**NSFR**") of 138% and liquidity coverage ratio ("**LCR**") of 159% at the end of 2025) remained strong, the current geopolitical and emerging risks may continue to impact the profitability and performance of the KBC Bank Group:

- The prospect of trade disputes and geopolitical tensions (including the armed conflict between the United States, Israel and Iran that began in late February 2026 and its impact on the region) is expected to affect growth and inflation expectations for the financial year 2026. Due to the volatile nature of the global trade environment, whereby changes can materialise rapidly, the KBC Bank Group's performance and its clients may be negatively impacted, causing (in)direct (negative) effects on the KBC Bank Group. This may for example be due to increased financial instability, credit losses, fluctuations in asset values, increased cost of capital and operational disruptions.

- The geopolitical and emerging risks that have arisen in recent years continue to limit the ability of the KBC Bank Group's credit models to adequately reflect all the consequences of the resulting economic conditions. As such, post-model adjustments might need to be recognised in addition to the expected credit loss provisions produced by the models. In this respect, please also refer to the risk factor entitled "*Model risk*".

Additionally, geopolitical risks can also amplify existing risks. This may for example be the case for cyber risk (in this respect, please refer to the risk factor entitled "*Information (security) risk*") and compliance risk (in this respect, please refer to the risk factor entitled "*Compliance risk*"). The KBC Bank Group may furthermore face challenges in adapting to rapid changes in the geopolitical landscape, which can result in increased market volatility and disruptions in trade (in this respect, please also refer to the risk factor entitled "*Market risk in non-trading activities*").

2.3 **ESG risks (medium risk)**

ESG risks encompass both current and prospective environmental, social and (corporate) governance risks which impact the KBC Bank Group, either directly or through its counterparties and exposures:

- Environmental risk: The risk arising from climate change (climate risk), nature and biodiversity loss (nature risk) or other environmental issues caused by human influences on nature, such as scarcity of fresh water, (air, water and soil) pollution and non-circularity.

  In particular, if not addressed, environmental change is expected to have devastating effects (such as extreme storms, floods, natural resource shortages, food and water crises, pandemics, mass migration and economic crises) with extremely high costs for society, including for the KBC Bank Group and its clients.

  The path towards a greener economy on the other hand remains highly dependent on technological breakthroughs, upcoming (EU) policies, regulation and actions by governments (e.g. stricter energy efficiency and nature restoration rules, incentives from the EU Green Deal). These can impact the stability and value of the Guarantor's loan and investment portfolios. The KBC Bank Group may in this context face challenges in aligning with new and evolving ESG regulations, particularly when there is a lack of coordination between different regulatory bodies. Any such misalignment can, for example, result in increased compliance costs and potential fines for non-compliance. In this respect, please also refer to the risk factor entitled "*Risks resulting from regulatory and supervisory supervision*". For more background information on how these risks are managed, please refer to the section entitled "*Risk management*" in the section entitled "*Description of the Guarantor*".

- Social risk: The risk arising from changing expectations concerning relationships with employees, suppliers, clients and communities, such as labour and workforce considerations (labour standards, working conditions, diversity, health and safety), human rights and poverty, community impact and client relationships (client protection, e.g. against cybercrime, product responsibility and responsible marketing). Any such risk may in particular impact the operations of the KBC Bank Group.

- Governance risk: The risk arising from changing expectations concerning corporate governance (corporate policies and codes of conduct, such as responsibilities of senior staff members, remuneration, internal controls and shareholder rights), anti-corruption and anti-bribery and transparency (e.g. in tax planning and external disclosures). In addition to compliance risk, this could also have an important reputational impact on the KBC Bank Group where any such applicable rules are not correctly dealt with.

In the Guarantor's risk taxonomy, ESG risks are identified as key risks related to the KBC Bank Group's business environment which manifest themselves through (all) other traditional risk areas, such as credit risk, market risk, operational risk and reputational risk.

2.4 **Market risk in non-trading activities (medium risk)**

Market risk is the risk that the value and/or earnings of an instrument or portfolio will decrease because of adverse movements in financial markets. This includes changes in a variety of market parameters (for instance interest rates, equity prices and exchange rates), including the effects of changes in the volatility and the liquidity of these factors.

Market risk in non-trading activities arises for the KBC Bank Group from both on- and off-balance sheet exposures in the investment and funding portfolios. Market risk can also arise from the KBC Bank Group's trading portfolios, as explained in the risk factor entitled "*Market risk in trading activities*".

In respect of its non-trading activities (comprising the KBC Bank Group's banking activities, life insurance activities and other business operations), the KBC Bank Group is primarily exposed to interest rate risk, credit spread risk and equity price risk. Other risks to which the KBC Bank Group is exposed in this context relate to real estate, inflation and foreign exchange risks. These risks are further detailed below.

Interest rate risk

Interest rate risk encompasses the potential for negative deviations from the expected value of a financial instrument or portfolio due to changes in the level or in the volatility of interest rates. The value of interest-bearing positions decreases when market interest rates increase and vice-versa, unless the position contains inherent protection against such decrease, such as a variable or floating interest rate mechanism.

Over the last years, the notion of interest rate risk for banking activities has been progressively extended to the impact of interest rate movements on the Net Interest Income ("**NII**") generation, which is an important driver supporting the sustainability of banking activities. The KBC Bank Group estimates that, as at 31 December 2025, an increase of market interest rates (through a parallel increase in the swap curve) by 10 basis points would have led to a decrease in the economic value of the KBC Bank Group's total portfolio by EUR 60 million.

The sensitivity of NII is measured in several ways. Through a sensitivity gap analysis in the banking book, the Guarantor manages interest rate sensitivity of assets and liabilities across the different maturities. Generally, assets reprice over a longer term than liabilities, which means that the Guarantor's NII benefits from a normal yield curve. The economic value of the Guarantor is sensitive primarily to movements at the mid- to long-term end of the yield curve.

The Guarantor also uses two other mechanisms to measure interest rate sensitivity and does this according to the Regulatory Technical Standards on IRRBB supervisory outlier tests ("**SOT**") of the European Banking Authority ("**EBA**"):

- In the SOT on Economic Value of Equity ("**EVE**") six different scenarios are applied to the banking books. These scenarios comprise material parallel shifts up and down, steepening or flattening of the swap curves or shifts in the short-term rates only. The worst-case scenario impact (the most negative impact on the economic value of equity) is set off against tier 1 capital. For the banking book at the KBC Bank Group level, the SOT on EVE came to -6.27% of tier 1 capital as at 31 December 2025. This is well below the -15% threshold which is monitored by the ECB and which indicates that the overall interest rate sensitivity of the Guarantor's balance sheet was, at that time, limited.

- The SOT on EVE is complemented by the SOT on NII which measures the impact of two scenarios (parallel up and parallel down) on NII, assuming a constant balance sheet. The impact of the worst-case scenario on NII is also set off against tier 1 capital. According to this measure, the interest rate sensitivity of the KBC Bank Group came to -1.00% as at 31 December 2025, compared to the -5% outlier threshold used by the ECB, meaning that it was, at that time, limited as well.

Although the interest rate sensitivity of the KBC Bank Group, as measured in accordance with the EBA standards referred to above, was below the thresholds monitored by the supervisory authority, interest rate fluctuations could still have a material adverse effect on the results and financial condition of the KBC Bank Group and, hence, on the Issuer's ability to satisfy its obligations in relation to the Notes and the Guarantor's ability to satisfy its obligations under the Guarantee.

Credit spread risk

Credit spread risk is the risk arising from changes in the volatility of credit and liquidity spreads among entities with the same level of creditworthiness, so as to mitigate the overlap with credit risk.

Within the KBC Bank Group, credit spread analysis is limited to bonds. In this respect, the Guarantor applies a conservative approach and does not include spread sensitivity on the liability side. Bonds are purchased with a view to acquiring interest income and their selection is largely conservative and based on criteria such as credit risk rating, risk/return measures and liquidity characteristics. The value of the KBC Bank Group's positions will decrease when credit spread increases, and vice-versa.

As at 31 December 2025, the total carrying value (i.e., the amount at which an asset or liability is recognised in the KBC Bank Group's accounts) of the KBC Bank Group's sovereign and non-sovereign bond portfolio combined was EUR 69.0 billion. The KBC Bank Group estimates that an increase in credit spread of 100 basis points across the entire curve would have led, as at 31 December 2025, to a negative economic impact of EUR 2.8 billion on the value of both portfolios combined.

Equity risk

Equity risk is the risk arising from changes in the level or in the volatility of equity prices. The total value of the KBC Bank Group's equity portfolio as at 31 December 2025 amounted to EUR 0.2 billion excluding the instruments held for trading. As at that date, there was no material private equity exposure.

In the context of equity risk, an unexpected and prolonged downturn of the equity markets could lead to financial losses, reduced asset values and adverse impacts on the KBC Bank Group's profitability.

Other risks related to market risk (non-trading)

In addition to the KBC Bank Group's key market (non-trading) risks described above, the KBC Bank Group is also subject to the following market risks in the context of its non-trading activities:

- Real estate risk: The risk due to changes in the level or in the volatility of real estate prices. In this respect, in particular the commercial real estate sector is facing significant challenges, triggered by low demand, high interest rates and an inflationary environment, which is leading to increased supply in construction and pressure on the funding capabilities of the commercial real estate participants. This may impact the KBC Bank Group's portfolio as well as its counterparty risk. The KBC Bank Group is furthermore subject to this risk in relation to its mortgage portfolio in light of the potential loss arising when borrowers default on loans secured by real property. In this respect, please also refer to the risk factor entitled "*Credit risk*".

- Inflation risk: The risk due to changes in the level or in the volatility of inflation rates. Inflation risk is the risk that the future real value of an investment will be reduced by inflation over time, which could be caused by an increase in prices or a decrease in the value of money. This risk has become more important in recent years in light of the geopolitical environment. In this respect, please also refer to the risk factor entitled "*Geopolitical risks*".

- Foreign exchange risk: The risk due to changes in the level or volatility of currency exchange rates. This risk may again become more important in light of the geopolitical environment. In this respect, please also refer to the risk factor entitled "*Geopolitical risks*".

While several processes and procedures are in place to manage these risks, these measures may not fully protect the KBC Bank Group against all associated risks. For further background information on how these risks are managed, please refer to the section entitled

"*Risk management*" in the section entitled "*Description of the Guarantor*" and for further background information on market risks in non-trading activities generally and interest rate risk, credit spread risk and equity risk specifically, please refer to pages 50 to 54 of the Guarantor's 2025 annual report, which is incorporated by reference into this Base Prospectus.

2.5 **Credit risk (medium risk)**

Credit risk is the risk that a contracting party is unwilling or unable to meet an obligation it has committed to, such as paying interest and instalments on a loan or repaying the principal and interest on a bond at maturity. This risk can arise for various reasons, such as the party being insolvent, unwilling to pay or prevented from fulfilling the obligation due to events beyond its control. Credit risk thus encompasses default risk and country risk, but also includes migration risk, which is the risk of adverse changes in credit ratings. This risk can be exacerbated in light of the geopolitical environment. In this respect, please also refer to the risk factor entitled "*Geopolitical risks*".

The KBC Bank Group's principal exposure to credit risk arises from its loan portfolio. This includes all the loans and guarantees that the KBC Bank Group has granted to individuals, companies, governments and banks (including debt securities if they are issued by companies or banks). The aggregate outstanding amount of the KBC Bank Group's loan portfolio amounted to EUR 228.0 billion as at 31 December 2025. Most counterparties were private individuals (41% of outstanding portfolio) and corporates (50% of outstanding portfolio). Most counterparties were located in Belgium (53% of outstanding portfolio) or in the Czech Republic (19% of outstanding portfolio). Impaired loans (i.e., loans where it is unlikely that the full contractual principal and interest will be repaid/paid) constituted 1.8% of this portfolio. A detailed breakdown of the KBC Bank Group's loan portfolio, including information on impairments, can be found on pages 43 to 49 of the Guarantor's 2025 annual report, which is incorporated by reference into this Base Prospectus. More information can be found in note 3.9 (*Impairment (income statement)*) of the consolidated financial statements of the Guarantor's 2025 annual report, which is incorporated by reference into this Base Prospectus.

The KBC Bank Group's loan portfolio is also subject to concentration risk, in particular geographic concentration risk, as it is significantly concentrated in Belgium. Belgian exposures accounted for 53% of the outstanding portfolio as at 31 December 2025. This concentration means that any adverse developments in the Belgian economy could have a disproportionate impact on the KBC Bank Group's credit risk profile and financial results.

The mortgage portfolio of the KBC Bank Group amounted to EUR 83.6 billion as at 31 December 2025, which was 40.4% of the KBC Bank Group's loans and advances to customers being EUR 206.9 billion as at 31 December 2025, excluding reverse repos. In this context, the KBC Bank Group is also subject to real estate risk in light of the potential loss arising when borrowers default on loans secured by real property, potentially resulting in a lower recovery than the outstanding loan balance due to a decline in the value of the underlying collateral. In this respect, please refer to the risk factor entitled "*Other risks related to market risk (non-trading)*".

Other significant sources of credit risks arise from (i) trading book securities, (ii) counterparty risks under derivatives and (iii) government securities. More background information on credit risks relating to trading book securities, counterparty risk of derivatives and government securities can be found in the section entitled "*Other credit risks*" on page 49 of the Guarantor's 2025 annual report, which is incorporated by reference into this Base Prospectus.

2.6 **Compliance risk (medium risk)**

Compliance risk is the risk that a judicial, administrative or regulatory sanction is imposed on an institution and/or its employees because of non-compliance with the laws and regulations pertaining to the compliance domains, resulting in loss of reputation and potential financial loss. This loss of reputation can also be the result of non-compliance with the applicable

internal policy in this regard and with the institution's own values and codes of conduct in relation to the integrity of its activities.

Given this broad concept and in order to be consistent, the KBC Bank Group incorporates "conduct risk", as defined by the EBA, in compliance risk. Conduct risk encompasses the current or prospective risks of losses arising from inappropriate supply of financial services, including cases of wilful or negligent misconduct. Conduct risk covers many "hard" legal aspects of compliance, such as informing customers, providing the required transparency, avoiding misleading information and forced tying of products, selling the right product to the right customer and at the right time, avoiding conflicts of interests in doing business, manipulation of benchmarks, obstacles or unfair treatment of customers' complaints. Conduct risk also covers "softer" aspects, which are based specifically on behaviour and are linked to people, culture and mindset. By incorporating conduct risk management within the broader compliance risk framework, the KBC Bank Group is able to develop a more holistic approach to managing risks that encompasses both individual behaviours and adherence to legal and regulatory standards.

Within KBC Bank Group's compliance risk management, several compliance risk domains have been identified as being potentially material to the KBC Bank Group and which need to be managed, including:

- Financial crime, which encompasses the prevention of anti-money laundering and terrorism financing (including embargoes), is a top priority for the KBC Bank Group.

- Data and consumer protection and AI, which is a highly-regulated area in which the Guarantor aims to ensure future-proof, reliable and trustworthy bank activities for its clients.

- Investor protection, which remains important as financial markets legislation are subject to constant changes and continuous expansion.

- Corporate governance and business ethics, which aims to ensure that financial institutions operate in a safe and sound manner, manage risks effectively and make decisions that are in the best interest of their stakeholders.

Within the context of the above, the KBC Bank Group is mainly exposed to the risk of fines or sanctions, which could be material, and a potential impact on its reputation in case of any adverse situations occurring within the KBC Bank Group. In this respect, please also refer to the risk factor entitled "*Risks resulting from regulatory and supervisory supervision*". Despite any efforts being made by the KBC Bank Group to manage such risks, the possibility of compliance breaches remains, which could significantly negatively impact the KBC Bank Group.

More background information can be found in the section entitled "*Compliance risk*" on pages 61-63 of the Guarantor's 2025 annual report, which is incorporated by reference into this Base Prospectus.

2.7 **Operational risk (medium risk)**

Operational risk refers to the potential for inadequate or failed internal processes, people and systems, or sudden external events, whether man-made or natural. Operational risk lies at the core of any organisation's day-to-day business operations, meaning it is directly linked to the building blocks of an organisation (people, processes, systems). In addition, it covers risks emerging from actions that specifically target the organisation's operations (such as intentional fire, external fraud or theft), as well as sudden non-financial damaging and/or destructive external events that affect the organisation in its day-to-day operations, such as a war or pandemic.

While the KBC Bank Group endeavours to hedge such risks by implementing adequate systems, controls and processes tailored to its business, it is possible that these measures prove to be ineffective in relation to operational risks to which the KBC Bank Group is exposed.

The nature of the KBC Bank Group's business inherently generates operational risks, with the main operational risks of the KBC Bank Group including, without limitation, (i) information (security) risk, (ii) third-party and outsourcing risk, (iii) model risk and (iv) business continuity risk. Each of these operational risks is set out in further detail below.

Information (security) risk

Information security risk is the risk of loss, misuse, unauthorised disclosure, modification, inaccessibility and inaccuracy of information, as well as the risk of damage to information. It concerns all forms of information (spoken, written, printed, electronic or any other medium) and its processing and handling, regardless of whether they involve people, technology or relationships with trading partners, clients and third parties.

Information technology ("**IT**") risk pertains to the ineffective lifecycle management of information and related technology used by an organisation, ranging from the non-delivery of business and regulatory requirements, increased costs and IT complexity, to business operations endangered by unstable or unavailable IT services.

Since 2022, the risk of disruptive cyber-attacks on critical infrastructure and institutions such as telecoms, energy and financial markets infrastructure has increased significantly. Following the Russian invasion in Ukraine and the sanctions imposed on Russia, the European Union has faced an increased risk of disruptive, state sponsored cyber-attacks towards critical (financial markets) infrastructure and institutions. Additionally, some of the cyber-attacks (e.g. DDoS and password spraying) targeting entities of the KBC Bank Group can be attributed to pro-Russian hacker groups. Currently, this risk is further elevated due to the escalating conflict in Iran, which has coincided with heightened cyber activity by state-aligned and proxy threat actors targeting European infrastructure. In this respect, please also refer to the risk factor entitled "*Geopolitical risks*". Until the date of this Base Prospectus, there has been relatively limited impact on the targeted KBC Bank Group entities and their clients. Technological developments, in particular advances in artificial intelligence, including generative and predictive models such as Mythos, have increased and may further increase the frequency, scale and sophistication of cyber-attacks, fraud, social engineering, deepfakes, disinformation and other malicious activities targeting the KBC Bank Group, its clients, counterparties and service providers. The Guarantor as well as the KBC Bank Group's local entities remain vigilant, with constant monitoring procedures in place. These consist of mature internal controls, strong detection mechanisms, swift management response and comprehensive insurance policies to mitigate possible financial impacts caused by potential cyberattacks. Furthermore, the Guarantor combines cyber threat intelligence with findings from several cyber risk identification exercises (such as ethical hacks and targeted employee training and awareness programmes) to proactively identify, assess and understand cyber risks. This is aimed at enhancing KBC Bank Group's ability to defend against and respond to cyber threats effectively, but may not fully protect it against all cyber-related risks.

The KBC Bank Group may, in particular, face challenges in keeping up with the rapidly evolving threat landscape, where new vulnerabilities and attack vectors continuously emerge. These could lead to significant financial losses and operational disruptions for the KBC Bank Group, for example due to outages of ATMs or its mobile banking applications. Any such operational impact may also have an adverse impact on the KBC Bank Group's reputation and competitiveness.

Third-party and outsourcing risk

Outsourcing risk is a specific form of third-party risk and pertains to the risk stemming from problems regarding the continuity, integrity and/or quality of the activities outsourced to or partnered with third parties (within or outside the KBC Bank Group), or from the equipment or staff made available by these third parties. Outsourcing is a specific subset of third-party arrangements, where the service provider performs tasks that would otherwise be carried out by the institution itself.

Regulatory frameworks such as the EBA Guidelines on Outsourcing and Third-Party Risk Management provide comprehensive governance expectations, including requirements on

risk-based decision making, board level accountability and full lifecycle oversight of outsourcing relationships.

To ensure robust management of its third-party and outsourcing processes and risks, the KBC Bank Group has defined one single group wide approach which comprises a group wide DORA aligned Third-Party Risk Management (TPRM) policy. This policy sets out the principles and strategy for third-party activities and standardises the approach to be followed whenever the transfer of an activity or function to a third party is considered.

Contracting external service providers (with Microsoft currently being an important provider to the KBC Bank Group) as well as intra-group outsourcing, is an enabler for the KBC Bank Group's operational activities. Therefore, it is important for the KBC Bank Group to remain vigilant about outsourcing and third-party risks. Furthermore, in light of the digital transformation trends, a lot of attention is given to the mitigation of these increasing risks. While data breaches at the side of third-party providers (if any) are investigated, analysed and managed as per processes and while procedures are in place to ensure that the KBC Bank Group continues to take adequate preventive and detective measures, any such measures might prove to be inadequate with a potential material adverse impact on the KBC Bank Group's operations. In this respect, please also refer to the risk factor entitled "*Information (security) risk*".

Model risk

Model risk is the potential loss which an institution may incur due to errors in the development, implementation or use of models, which can lead to incorrect decision-making based on these models.

KBC Bank Group's data-driven strategy is underpinned by an expanding set of mathematical, statistical and numerical (AI) models to support decision-making, measure and manage risk, manage businesses and streamline processes. As the use of these models increases, so does the importance of recognising, understanding and mitigating risks related to the design, implementation or use of these models, in order to protect both the KBC Bank Group and its clients. Through KBC Bank Group's model risk management standards, a framework is established that allows model risk to be identified, understood and managed, but it is possible that the KBC Bank Group will become subject to risks which are not (yet) covered by this framework.

Where these risks materialise, post-model adjustments might need to be recognised in addition to the expected credit loss provisions produced by the models. In this context, geopolitical risks continue to limit the ability of the KBC Bank Group's credit models to adequately reflect all the consequences of the resulting economic conditions. In this respect, please also refer to the risk factor entitled "*Geopolitical risks*".

Business continuity risk (including crisis management)

Business continuity risk is the risk that business activities cannot be continued at an acceptable pre-defined level resulting from the inability of the organisation to plan for and respond to serious (business) disruptions, crises or disasters.

The Guarantor has business continuity plans in place aimed at ensuring availability of critical services, including a crisis management plan. The latter includes both crisis prevention (i.e., reducing the probability of a crisis) and crisis response (i.e., effectively and efficiently handling of a crisis (if any)). Despite these continuity plans, uninterrupted business continuity cannot be assured and this may adversely impact the KBC Bank Group’s operations.

Other operational risks

In addition to the Guarantor's key operational risks described above, the KBC Bank Group is also exposed to the following operational risks which need to be followed-up and managed:

- Process risk: The risk of adverse consequences caused by insufficient, badly designed or poorly implemented processes and processing controls and unintentional human errors or omissions during normal (transaction) processing.

- M&A and acquisition risk: M&A and acquisition risk refers to the possibility that acquired businesses or assets may not perform or be integrated as planned, which could result in difficulties achieving the anticipated synergies, cost savings and/or strategic benefits from the relevant acquisition. There may furthermore be an adverse impact related to the execution of such transactions. Any such risks may impact the KBC Bank Group's operations and financial position. By way of example, in 2025 the KBC Group announced the acquisition of a 98.45% stake in 365.bank, a commercial bank based in Slovakia, which acquisition was finalised in January 2026. In addition, in October 2025, the KBC Group reached an agreement to acquire Business Lease in the Czech Republic and Slovakia, intended to enable the KBC Group to significantly expand its leasing activities in Central Europe and strengthen its market position in both countries. This acquisition was finalised on 10 February 2026. Within these contexts, M&A and acquisition risk may materialise. In this respect, please also refer to the section "*Activities in Central and Eastern Europe*" in the section "*Description of the Guarantor*".

- Fraud risk: The risk of deliberate abuse of procedures, systems, assets, products and/or services by one or more persons who intend to deceitfully or unlawfully benefit themselves or others. In this respect, please also refer to the risk factor entitled "*Compliance risk*".

- Legal risk: The risk of adverse consequences caused by a failure by the KBC Bank Group to comply with legal or regulatory requirements or contractual obligations towards clients or third parties or by a failure to properly manage the KBC Bank Group's disputes. In this respect, please also refer to the risk factor entitled "*Risks resulting from regulatory and supervisory supervision*".

- Personal and physical security risk: The risk of adverse consequences arising from damage to physical assets, from acts inconsistent with employment, health or safety laws or agreements, from personal injury claims or from diversity and discrimination events.

For more background information, please refer to the section entitled "*Risk management*" in the section entitled "*Description of the Guarantor*" and the KBC Bank Group's risk management approach set out on pages 37 to 63 of the Guarantor's 2025 annual report, in particular the section entitled "*Operational risk*" on pages 59 to 60, which is incorporated by reference into this Base Prospectus.

2.8 **Liquidity risk (low risk)**

Liquidity risk is the risk that an institution does not have the means to meet its liabilities as they become due and consequently runs the risk of defaulting on its obligations unless it can attract new funds (which has a cost component) or can quickly liquidate assets in the market (thus running the risk of negatively influencing the market). This problem intensifies when an institution is faced with, for instance, sudden increased withdrawals of funds or when funding lines are cut.

Regulation (EU) No 575/2013, as amended by Regulation (EU) No 2019/879 (CRR II) and Regulation (EU) No 2024/1623 (CRR III) (together, the "**CRR**") requires the KBC Bank Group to meet targets set for the Basel IV liquidity related ratios, i.e., (i) the LCR, which requires banks to hold sufficient unencumbered high quality liquid assets to withstand a 30-day stressed funding scenario and (ii) the NFSR, which is calculated as the ratio of an institution's amount of available stable funding to its amount of required stable funding. As

at 31 December 2025, the LCR amounted to 159% and the NSFR to 138%, both above the regulatory minimum of 100%.

Any failure of the KBC Bank Group to meet the liquidity ratios could result in administrative actions or sanctions or the KBC Bank Group ultimately being subject to any resolution action, all of which could have a material adverse impact on the KBC Bank Group. In this respect, please also refer to the risk factor entitled "*Risks resulting from regulatory and supervisory supervision*".

The liquidity risk to which the KBC Bank Group is exposed can be sub-divided in contingency liquidity risk, structural liquidity risk and day-to-day liquidity risk:

- Contingency liquidity risk is the risk that arises when the KBC Bank Group may not be able to attract additional funds or replace maturing liabilities under stressed market conditions. This risk, assessed based on liquidity stress tests, relates to changes to the liquidity buffer of the KBC Bank Group under extreme stressed scenarios.

- Structural liquidity risk is the risk that arises when the KBC Bank Group's long-term assets and liabilities might not be (re)financed in a timely manner or can only be refinanced at a higher-than-expected cost. Typical for banking operations, funding sources generally have a shorter maturity than the assets that are funded, leading to a negative net liquidity gap in the short-term buckets and a positive net liquidity gap in the longer-term buckets. This creates liquidity risk if the KBC Bank Group would be unable to renew maturing short-term funding.

- Day-to-day liquidity risk is the risk occurring when the KBC Bank Group's operational liquidity management cannot ensure that a sufficient buffer is available at all times to deal with extreme liquidity events where no wholesale funding can be rolled over.

The above risks are exacerbated by changes in central bank policies and the increased market volatility. In particular, an escalation of geopolitical risks could result in unpredictable changes in the market and unprecedented client behaviour, which may limit the KBC Bank Group's possibilities to meet its obligations. In this respect, please also refer to the risk factor entitled "*Geopolitical risks*".

For more background information on how these risks are managed, please also refer to the section entitled "*Risk management*" in the section entitled "*Description of the Guarantor*" and the Guarantor's risk management approach set out on pages 37 to 63 of the Guarantor's 2025 annual report, in particular the section entitled "*Liquidity risk*" on pages 55 to 56, which is incorporated by reference into this Base Prospectus.

2.9 **Market risk in trading activities (low risk)**

Market risk relates to changes in the level or in the volatility of prices in financial markets. Market risk in trading activities is the potential negative deviation from the expected value of a financial instrument (or portfolio of instruments) in the trading book due to changing interest rates, exchange rates, equity or commodity prices.

The KBC Bank Group's trading activities are conducted through dealing rooms in Belgium, the Czech Republic, Slovakia, Bulgaria and Hungary, as well as through a limited sales-desk-only presence in the United Kingdom and Asia. Trading activities are managed centrally from both a business and a risk management perspective. As a result, wherever possible and practical, residual trading positions (and the associated market risk) of the KBC Bank Group's foreign entities are systematically transferred to the Issuer. Consequently, as at the date of this Base Prospectus, the Guarantor holds approximately 97% of the KBC Bank Group's trading-book-related regulatory capital. Market risk is predominantly measured using the Value-at-Risk ("**VaR**") model which is defined as an estimate of the amount of economic value that might be lost on a given portfolio over a defined holding period, with a specified confidence level. The measurement only takes account of the market risk of the current portfolio and does not attempt to capture possible losses driven by counterparty or operational aspects. Therefore, the Guarantor applies the Historical Value-at-Risk ("**HVaR**") method,

which uses the actual market performance to simulate how the market could develop going forward (and thus does not rely on assumptions regarding the distribution of price fluctuations or correlations). The KBC Bank Group's HVaR methodology for regulatory capital calculations is based on a 10-day holding period, with historical data going back 500 working days. As at 31 December 2025, the KBC Bank Group's HVaR amounted to EUR 4 million, and varied between EUR 2 million and EUR 6 million during the financial year ending 31 December 2025.

Market risk in trading activities could be exacerbated by geopolitical turmoil which causes volatility in the financial markets. In this respect, please also refer to the risk factor entitled "*Geopolitical risks*".

2.10 **Reputational risk (low risk)**

Reputational risk is the risk arising from the loss of confidence in, or negative perception of, a company by stakeholders (such as the KBC Bank Group's employees and representatives, clients and non-clients, shareholders, investors, financial analysts, rating agencies and the local community in which it operates), whether accurate or not, that can adversely affect its ability to maintain existing, or establish new, business and client relationships, and to have continued access to sources of funding.

To manage reputational risk, KBC Bank Group aims to achieve sustainable and profitable growth. It seeks to fulfil its role in society and the local economy in a way that benefits all stakeholders.

In this respect, the credit ratings of the Guarantor are important to maintain access to key markets and trading counterparties. Please also refer to the section entitled "*Credit ratings*" in the section entitled "*Description of the Guarantor*" for an overview of the current credit ratings.

Any failure by the Guarantor to maintain its credit ratings could adversely impact the competitive position of the Guarantor and the KBC Bank Group, making it more difficult to enter into hedging transactions, leading to increased borrowing costs or limiting access to the capital markets or the ability of the Guarantor and/or the KBC Bank Group to engage in funding transactions. In connection with certain trading agreements, the Guarantor might also be required, if its current ratings are not maintained, to provide additional collateral. As at the date of this Base Prospectus, no negative outlook is mentioned by any of the rating agencies, though these ratings cannot be guaranteed for the future.

Reputation is deemed a vital element for the performance of the KBC Bank Group. Notwithstanding pro-active risk management efforts, rapidly spreading misinformation or negative perceptions can still severely damage or even destroy the KBC Bank Group's reputation. New digital communication channels and social media amplify this risk.

2.11 **Capital adequacy (low risk)**

The Guarantor is currently subject to the capital requirements and capital adequacy ratios imposed by Directive (EU) No 2013/36 ("**CRD IV**", as amended by Directives (EU) No 2019/878 (CRD V) and (EU) No 2024/1619 (CRD VI), the "**CRD**") and the CRR. The Basel standards are implemented in the EU through the CRR/CRD framework, as amended from time to time. When new requirements are implemented, a transitional period may be allowed during which these rules are gradually phased in. As at the date of this Base Prospectus, the Guarantor makes use of the Basel IV transitional measures. These measures include a five-year implementation period for the output floor (2025–2030), which limits the benefit of internal risk models by requiring banks to hold capital based on at least 72.5% of standardised risk-weighted assets. Additional EU-specific transitional arrangements – such as the delayed application of stricter rules for unrated corporates – extend the full impact until 2033.

In addition to the official transitional solvency ratios, the KBC Bank Group also reports 'fully loaded' figures, assuming the full application of all regulatory rules, without any transitional relief. In the figures below, relating to the year ended 31 December 2025, 'fully loaded' is to

be understood as 'unfloored fully loaded', which means no transitional relief except for the output floor (expected to become a constraint only as from 2033 onwards).

The CRD imposes capital requirements that are in addition to the Common Equity Tier 1 capital requirement (5.27% as at 31 December 2025 and 5.28% fully loaded reflecting all known future changes). This combined buffer requirement includes a capital conservation buffer (2.50% as at 31 December 2025), a buffer for other systemically important banks (1.50% as at 31 December 2025), a countercyclical buffer in times of credit growth (1.17% as at 31 December 2025 and 1.28% fully loaded reflecting all known future changes) and a systemic risk buffer (0.10% as at 31 December 2025 and 0.00% fully loaded reflecting all known future changes) set as an additional loss absorbency buffer to prevent and mitigate non-cyclical system or macro prudential risk not covered in CRD. These additional requirements have an impact on the KBC Bank Group and its operations, as they impose higher capital requirements. In addition, capital requirements could increase if economic conditions or trends in the financial markets worsen and, as such, capital increases may be difficult to achieve or only be raised at high costs in the context of adverse market circumstances.

The Guarantor is also subject to Directive (EU) No 2014/59 (the "**BRRD**"), as implemented in the Belgian law of 25 April 2014 on the legal status and supervision of credit institutions, which imposes, among other things, minimum requirements for own funds and eligible liabilities ("**MREL**"). The Guarantor needs to hold a certain amount of MREL instruments compared to its risk-weighted assets ("**RWA**") (MREL in % of RWA) and vs. the size of its balance sheet (MREL in % of leverage ratio exposure). The nominal amount of required MREL instruments therefore fluctuates with changes in RWA or leverage ratio exposure, or because resolution authorities impose different MREL targets on institutions. Finally, MREL instruments have a maturity date. This all implies that the Guarantor has a continuous need to issue MREL instruments in order to maintain compliance with regulatory requirements in this respect. In this respect, the Guarantor will be subject to market volatility and demand.

Please refer to the section entitled "*Banking supervision and regulation*" in the section entitled "*Description of the Guarantor*" in which a broader overview of the capital adequacy requirements is provided.

RISK FACTORS RELATING TO THE NOTES

3. Risks relating to the structure and terms of the Notes

3.1 Noteholders may be required to absorb losses in the event that the KBC Bank Group becomes non-viable or fails

Noteholders may lose their investment in the event that the KBC Bank Group becomes non-viable or fails. In such circumstances and aside from parts of the KBC Bank Group that can still go through normal insolvency proceedings, resolution authorities may require senior notes to be bailed-in, including (without limitation) the rights of Noteholders under the Guarantee.

In order to safeguard financial stability and minimise taxpayers' exposure to losses, the Bank Recovery and Resolution Directive as implemented in the Belgian Banking Law (as defined below) and as transposed into (i) Belgian law by the law of 25 April 2014 on the status and supervision of credit institutions, as amended (the "**Belgian Banking Law**"), and any other law or regulation relating to the transposition of the Bank Recovery and Resolution Directive under Belgian law and (ii) Luxembourg law by the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the "**BRR Law**"), includes a "bail-in" tool in relation to unsecured debt (including the rights of Noteholders under the Guarantee) and a statutory "write-down and conversion power" in relation to regulatory capital instruments. These powers allow resolution authorities to write down the claims of unsecured creditors (including the rights of Noteholders under the Guarantee) of a failing institution in order to recapitalise the institution by allocating losses to its shareholders and unsecured creditors, or to convert debt into equity, as a means of restoring the institution's capital position.

The bail-in power includes the power to cancel a liability or modify the terms of contracts for the purposes of reducing or deferring the liabilities of the relevant financial institution and the power to convert a liability from one form to another, all with a view to recapitalising the failing credit institution.

The BRR Law is applicable, among others, to financial institutions (within the meaning of the BRR Law) incorporated under Luxembourg law that are (i) subsidiaries of credit institutions or certain investment firms (both within the meaning of the BRR Law) and (ii) supervised on a consolidated basis with of their parent company (in accordance with Articles 6 to 17 of the CRR). The Issuer is a financial institution established under Luxembourg law that is subsidiary of the Guarantor (a Belgian credit institution), covered by its consolidated prudential supervision. It follows that the Issuer meets these criteria and, as a result, falls within the scope of the BRR Law. The Resolution Authority (which for the Issuer means the EU Single Resolution Board together with the resolution committee of the CSSF, acting in its capacity as the resolution council) has the power to bail-in (i.e., write down or convert) the liabilities arising out of the Notes issued by the Issuer.

The Resolution Authority (which for the KBC Bank Group and the Guarantor means the EU Single Resolution Board together with the resolution committee of the National Bank of Belgium) has the power to bail-in (i.e., write down or convert) senior debt such as the liability of the Guarantor under the Guarantee, after having written down or converted tier 1 capital instruments and tier 2 capital instruments. On 31 December 2025, the Guarantor's tier 1 and tier 2 capital amounted to EUR 22.6 billion in total.

Potential investors in the Notes should consider the risk that a Noteholder may lose all of its investment, including the principal amount plus any accrued and unpaid interest, if such statutory loss absorption measures are acted upon or that the rights of the Noteholders under the Guarantee or the Notes may be converted into ordinary shares.

Noteholders may have limited rights or no rights to challenge any decision to exercise such powers or to have that decision reviewed by a judicial or administrative process or otherwise.

3.2 **The Notes will rank behind certain deposits and secured liabilities**

All Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and the Guarantee will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor. All Notes and the Guarantee rank and will rank *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer or the Guarantor, respectively, without any preference among themselves save to the extent that laws affecting creditors' rights generally in a bankruptcy or winding-up may give preference to any of such other obligations.

In case of bankruptcy or resolution of the Guarantor or the KBC Bank Group, the Notes (including the obligations of the Guarantor under the Guarantee) currently rank behind deposits of SMEs and physical persons, and *pari passu* with deposits of large enterprises in excess of EUR 100,000 and derivatives.

The EU package of reforms to the Crisis Management and Deposit Insurance Framework (the "CMDI Package") has now been adopted and includes, among other instruments, Directive (EU) 2026/806 of the European Parliament and of the Council of 30 March 2026 amending Directive 2014/59/EU (the "BRRD Amending Directive"), Directive (EU) 2026/804 of the European Parliament and of the Council of 30 March 2026 amending Directive 2014/49/EU (the "DGSD Amending Directive") and Regulation (EU) 2026/808 of the European Parliament and of the Council of 30 March 2026 amending Regulation (EU) No 806/2014 (the "SRMR Amending Regulation"). The BRRD Amending Directive requires Member States to transpose the relevant measures by 11 May 2028 and to apply such measures from 12 May 2028. The DGSD Amending Directive requires Member States to transpose the relevant measures by 11 May 2028 and to apply such measures from 11 May 2028, subject to certain exceptions.

Subject to transposition into Belgian law, the CMDI Package, among other things, introduces a general depositor preference across the European Union. As a result, following such transposition, in the event of bankruptcy or resolution of the Guarantor or the KBC Bank Group, the Notes (including the obligations of the Guarantor under the Guarantee) are expected to rank behind all deposits held with the Guarantor that benefit from the general depositor preference, irrespective of their amount or the category of depositor. Certain limited deposits that are not eligible for the general depositor preference are expected to continue to rank pari passu with senior preferred liabilities, such as the Notes and the obligations of the Guarantor under the Guarantee. Such change in ranking could also negatively impact any credit ratings assigned to the Notes. This means that, in such circumstances, Noteholders would only be repaid after, and to the extent that, all deposits benefiting from such depositor preference have been repaid in full and, hence, Noteholders bear a greater risk should the KBC Bank Group become (i) subject to the "bail-in" tool referred to in the risk factor entitled "Noteholders may be required to absorb losses in the event that the KBC Bank Group becomes non-viable or fails" above or (ii) insolvent.

On 31 December 2025, the Guarantor, on a non-consolidated basis, had a total amount of customer deposits of EUR 141 billion (as reported in accordance with Belgian Generally Accepted Accounting Principles). The Guarantor does not separately report deposits of large enterprises, SMEs and physical persons.

Creditors that benefit from security rights granted by the Issuer or the Guarantor will be paid in priority from the proceeds of that security and remaining proceeds (if any) will be paid to the other creditors (including the Noteholders) in accordance with their ranking. On 31 December 2025, the book value of the Guarantor's asset encumbrance amounted to EUR 59 billion (on a non-consolidated basis in accordance with Belgian Generally Accepted Accounting Principles).

Below is an overview of the current ranking of the various debt, equity and derivative instruments issued by KBC Bank Group in case of bankruptcy or resolution. The Notes fall within the category of "*Other Preferred Senior Unsecured Liabilities*".

Common Equity Tier 1
Additional Tier 1
Tier 2 + other Subordinated Liabilities
Non Preferred Senior Unsecured Instruments *(art. 389/1, 2° Banking Law)*
Other Preferred Senior Unsecured Liabilities
Derivatives
Deposits Large Enterprises (> EUR 100,000)
Deposits SMEs and Physical Persons (> EUR 100,000)
Covered Deposits (< EUR 100,000)
Secured Liabilities

Below is an indicative overview of the ranking of the various debt, equity and derivative instruments issued by KBC Bank Group in case of bankruptcy or resolution, as expected to apply following the implementation in Belgium of the general depositor preference under the

CMDI Package. The Notes are expected to fall within the category of "Senior preferred liabilities".

Common Equity Tier 1	
Additional Tier 1	
Tier 2	
Other subordinated liabilities	
Senior non-preferred liabilities (art. 389/1, 2° of the Belgian Banking Law)	
Senior preferred liabilities (art. 389/1, 1° of the Belgian Banking Law)	*Pari passu*
Deposits non-eligible for the general depositor preference	
Deposits eligible for the general depositor preference	
Secured liabilities	

Furthermore, it should be noted that the Belgian Banking Law introduced (i) a general lien on movable assets ("*algemeen voorrecht op roerende goederen*"/"*privilège général sur biens meubles*") for the benefit of the deposit guarantee fund ("*garantiefonds voor financiële diensten*"/"*fonds de garantie pour les services financiers*") as well as (ii) a general lien on movable assets for the benefit of natural persons and SMEs for deposits exceeding EUR 100,000. These general liens could have an impact on the recourse that Noteholders would have on the estate of the Guarantor in the case of an insolvency as the claims which benefit from a general lien will rank ahead of the claims of the Noteholders.

As at the date of this Base Prospectus, the Belgian measures transposing the CMDI Package have not yet been enacted. The exact interaction between the current Belgian statutory liens and the future Belgian rules implementing the general depositor preference will therefore depend on the Belgian transposition measures.

3.3 **The Issuer may redeem the Notes prior to their stated maturity, subject to certain conditions**

The Issuer may redeem the Notes prior to their stated maturity in accordance with the Conditions in the following circumstances:

- when, for reasons outside its control, the Issuer or the Guarantor would be unable after taking reasonable measures available to it to make payments of principal or Interest Amounts under the Notes or payments in respect of the Guarantee without having to pay additional amounts as a result of any change in, or amendment to, amongst other things, the laws or regulations of the Grand Duchy of Luxembourg or Belgium, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes (see Condition 5(b) (*Redemption for tax Reasons*));

- if so specified in the applicable Final Terms, at the discretionary option of the Issuer (see Condition 5(c) (*Redemption at the option of the Issuer (Issuer Call)*));

- in the case of Notes redeemable in instalments, by payment of the relevant instalment amount on the related instalment date (see Condition 5(a) (*Redemption by Instalments and at Maturity*));

- in the event that the Calculation Agent determines that the performance of the Issuer's obligations under the Notes or, as the case may be, the Guarantor's obligations under the Guarantee or that any arrangements made to hedge the Issuer's obligations under such Notes have or will become unlawful, illegal or otherwise prohibited in whole or in part (see Condition 5(f) (*Illegality*)); and

- in case the relevant Benchmark Reference Rate that is required to make any calculations on the Notes has ceased to be calculated and/or published and no successor or replacement rate has been determined by the Issuer in accordance with Condition 3(g) (*Benchmark Reference Rate replacement*) for any reason whatsoever.

If the prohibition of sales to consumers in Belgium is specified as applicable in the applicable Final Terms, the Notes will be redeemed at their applicable Early Redemption Amount, which will be (i) the Fixed Early Redemption Amount or the product of the Fixed Early Redemption Percentage and the nominal amount, as specified in the applicable Final Terms, together with accrued but unpaid interest if "Including Interest" is specified to be applicable in the applicable Final Terms or (ii) if no Fixed Early Redemption Amount or Fixed Early Redemption Percentage is specified in the applicable Final Terms, the fair market value thereof on the date of redemption, including accrued interest (if any), adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its Affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Calculation Agent.

If the prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms, the Notes will be redeemed at (i) the fair market value, (ii) at the choice of the Noteholder at, (a) the fair market value or (b) the amount which is the product of (x) the market value of the savings component and the derivative component, where account is taken of the accrued unpaid interest and (y) the nth power of the sum of 1 and the funding rate from that date until maturity (whereby n equals the remaining maturity expressed in years), or by default, the fair market value, or (iii) the higher of the fair market value or the nominal amount, in each case without any costs being charged for such termination and with a pro rata refund to the Noteholder of the costs initially paid by the Noteholders to the Issuer. In case of an early redemption due to a force majeure, the Notes shall redeem at the fair market value, without any costs being charged for such early termination.

The Early Redemption Amount may be less than the nominal amount of such Note, and may not be sufficient such that if an investor were to reinvest such amount, it would, on the scheduled redemption date, be worth an amount equal to the nominal amount of such Note.

Notes redeemable in instalments in accordance with Condition 5(a) (*Redemption by Instalments and at Maturity*) will be redeemed in part on each Instalment Date at the related Instalment Amount specified in the applicable Final Terms.

3.4 **The Issuer and the Guarantor are not prohibited from issuing additional debt**

There is no restriction on the amount of debt that the Issuer or Guarantor may issue, which may rank senior to or *pari passu* with the obligations under the Notes or the Guarantee and which may benefit from security or guarantees not offered to the Noteholders. The Guarantor has also issued and may continue to issue covered bonds and allocate certain assets to a special estate for these purposes, and the Noteholders do not have recourse to such special estate.

The issue of any such debt or securities may reduce the amount recoverable by investors upon the Issuer's or Guarantor's bankruptcy. If the Issuer's or the Guarantor's financial condition were to deteriorate, the holders could suffer direct and materially adverse consequences, including suspension of interest and/or reduction of interest and/or reduction of principal and, if the Issuer or the Guarantor were liquidated (whether voluntarily or involuntarily), the Noteholders could suffer a loss of their entire investment.

The Guarantor may be required to issue additional debt because of regulatory requirements. In order to make the bail-in power (as described above) effective, credit institutions (including the Guarantor) must at all times meet a minimum requirement for own funds and eligible

liabilities ("**MREL**") so that there is sufficient capital and liabilities available to stabilise and recapitalise failing credit institutions. The EU Single Resolution Board ("**SRB**") requires the Guarantor, at its consolidated level, to achieve a ratio of:

- 22.4% of risk weighted assets ("**RWA**") as from the second quarter of 2025, with the Combined Buffer Requirement needed to be held on top and amounting to 5.27% as at 31 December 2025; and

- 5.90% of leverage ratio exposure amount ("**LRE**") as from the second quarter of 2025.

Currently, the Guarantor, at its consolidated level, satisfies this requirement since its MREL ratio as of 31 December 2025 is 31.35% of RWA and 9.87% of LRE.

3.5 **Amendments to or the discontinuation of EURIBOR or other reference rates or benchmarks may adversely affect the value and liquidity of and return on certain Notes**

Amounts payable with respect to certain Notes may be determined by reference to reference rates such as the Euro Interbank Offered Rate ("**EURIBOR**") and the Norwegian Interbank Offered Rate ("**NIBOR**") or other benchmarks within the meaning of the EU Benchmarks Regulation ("**Benchmarks**"). EURIBOR is provided by the European Money Markets Institute ("**EMMI**") and NIBOR by the Norske Finansielle Referanser AS ("**NoRe**"). As at the date of this Base Prospectus, EMMI and NoRe appear in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the EU Benchmarks Regulation.

Amendments to the way in which these reference rates are calculated or discontinuation of these reference rates can adversely affect the value of and return on any affected Notes. These reference rates are the subject of ongoing national and international regulatory reform. The implementation of the anticipated reforms may result in changes to a benchmark's administration, causing it to perform differently than in the past, to be eliminated entirely or resulting in other consequences which cannot be predicted as at the date of this Base Prospectus. Any such consequence could have an adverse effect on any Notes linked to such a benchmark.

The EU Benchmarks Regulation, which became applicable on 1 January 2018 and was most recently amended by Regulation (EU) 2025/914, applies to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the European Union. Pursuant to the amendments to the EU Benchmarks Regulation introduced by Regulation (EU) 2025/914, which became effective from 1 January 2026, the scope of the regulation has been reduced to apply only to critical or significant benchmarks (based on quantitative or qualitative criteria), EU climate transition benchmarks, EU Paris-aligned benchmarks and certain commodity benchmarks. EURIBOR remains as a critical benchmark under the amended EU Benchmarks Regulation.

The EU Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of successor or alternative reference rates and as to potential changes to a Benchmark may adversely affect Notes which reference such Benchmark, including the return on the relevant Notes and the trading market for them. In particular, with respect to EURIBOR, the European Money Markets Institute, as administrator of EURIBOR, having failed with an attempt to

evolve the EURIBOR methodology to a fully transaction-based methodology, has developed a hybrid methodology for the determination of EURIBOR that takes into account current transaction data, historical transaction data and modelled data based on expert opinions and has obtained regulatory authorisation under the Benchmarks Regulation for the EURIBOR so calculated. However, since reference rates relying on expert opinion and modelled data are widely regarded as potentially less representative than reference rates determined in a fully transaction-based approach and because central banks, supervisory authorities, expert groups and relevant markets thus are developing towards preferred use of risk-free overnight interest rates with a broad and active underlying market as reference rates, there is a risk that the use or provision of EURIBOR may come to an end in the medium or long term.

Finally, under the terms of the Benchmarks Regulation, the European Commission was also granted powers to designate a replacement for certain critical benchmarks contained in contracts governed by the laws of an EU Member State (such as the Notes), where that contract does not already contain a suitable fallback. There can be no assurance, that the fallback provisions of the Notes would be considered suitable. Accordingly, there is a risk that any Notes linked to or referencing a benchmark would be transitioned to a replacement Benchmark selected by the European Commission. There is no certainty at this stage what any such replacement Benchmark would be.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark; and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Any changes to the administration of a Benchmark or the emergence of alternatives to a Benchmark as a result of regulatory reforms, may cause such Benchmark to perform differently than in the past or to be discontinued, or there could be other consequences which cannot be predicted. The potential discontinuation of a Benchmark or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Notes referencing or linked to such Benchmark. The development of alternatives to a Benchmark may result in Notes linked to or referencing such Benchmark performing differently than would otherwise have been the case if such alternatives to such Benchmark had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes referencing or linked to a Benchmark.

The Conditions provide for certain fallback arrangements in the event that a published Benchmark Reference Rate (including any page on which such Benchmark Reference Rate may be published (or any successor service)) becomes unavailable or a Benchmark Event (as defined in the Terms and Conditions) otherwise occurs. The Issuer may, after appointing and consulting with an Independent Adviser, determine a Successor Rate or Alternative Reference Rate to be used in place of the relevant Benchmark Reference Rate where that relevant Benchmark has been selected as the Reference Rate to determine the Rate of Interest. The use of any such Successor Rate or Alternative Reference Rate to determine the Rate of Interest may result in Notes linked to or referencing the relevant Benchmark Reference Rate performing differently (including paying a lower Rate of Interest) than they would do if the relevant Benchmark Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Reference Rate for the relevant Benchmark is determined by the Issuer, the Conditions provide that the Issuer may vary the Conditions, as necessary, to ensure the proper operation of such Successor Rate or Alternative Reference Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Reference Rate is determined by the Issuer, the Conditions also provide that an Adjustment Spread may be determined by the Issuer to be applied to such Successor Rate or Alternative Reference Rate. The aim of the Adjustment Spread is to reduce or eliminate, so far as is practicable, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the relevant Benchmark with the Successor

Rate or the Alternative Reference Rate. However, there is no guarantee that such an Adjustment Spread will be determined or applied, or that the application of an Adjustment Spread will either reduce or eliminate economic prejudice to Noteholders. If no Adjustment Spread is determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Rate of Interest.

In addition, if the relevant Benchmark Reference Rate has ceased to be calculated and/or published and the Issuer, for any reason, does not determine the Successor Rate or Alternative Reference Rate, the Rate of Interest will revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the relevant Benchmark was discontinued and such Rate of Interest will continue to apply until maturity. In such case, the Issuer may also decide to early redeem the Notes at the Early Redemption Amount (see the risk factor entitled "*The Issuer may redeem the Notes prior to their stated maturity, subject to certain conditions*" above).

Any such consequences could have a material adverse effect on the value of, and return on, any Notes to which the fallback arrangements are applicable. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could adversely affect the ability of the Issuer to meet its obligations under the Notes and could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

3.6 **Conflicts of interest**

The Agent, some of the Dealers and their affiliates have engaged in, and may in the future engage in, commercial dealings in the ordinary course of business with the Issuer, the Guarantor or any of their affiliates (including, but not limited to, lending, depositary, risk management, advisory and banking relationships). They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Issuer, the Guarantor and their affiliates may have existing or future business relationships with any Reference Item(s) and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Noteholder.

Such activities could present conflicts of interest, could influence the prices of the Notes or other securities and could adversely affect the value of the Notes.

Potential investors should also be aware that the Issuer is a wholly-owned subsidiary of the Guarantor, that the Guarantor may act as Dealer and that the interests of KBC Bank NV and the Issuer may conflict with the interests of the Noteholders. Moreover, the Noteholders should be aware that KBC Bank NV, acting in whatever capacity, will not have any obligations vis-à-vis any Noteholders and, in particular, will not be obliged to protect the interests of any Noteholders.

The proceeds of the Notes are used to fund the activities of the Guarantor. As such, there may be influence on the placing of the Notes with investors. The Guarantor has put in place clear and effective arrangements for the identification, prevention and management of the potential conflicts of interest that may arise in relation to the placement of the Notes, which include disclosure where the effective organisational and administrative arrangements to prevent or manage these conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client will be prevented. In such case, the description shall explain the general nature and sources of the conflicts of interest, as well as

the risks to the client that arise as a result of the conflicts of interest and the steps undertaken to mitigate these risks, in sufficient detail to enable the client to take an informed decision whether or not to invest in the Notes.

Where the Issuer or the Guarantor acts as Calculation Agent or the Calculation Agent is an affiliate of the Issuer or the Guarantor, potential conflicts of interest may exist between the Calculation Agent and Noteholders. The Calculation Agent is entitled to carry out a series of determinations which affect the Notes. Such determinations could have an adverse effect on the value of the Notes and on the amounts payable to investors under the Conditions, whether in the case of interest payments or redemption payments following an early redemption event, on an Instalment Date (as specified in the applicable Final Terms) or at maturity, in each case giving rise to a potential conflict of interest in respect of the interests of the Noteholders. Subject to regulatory obligations, the Calculation Agent will pursue actions and take steps that it deems necessary or appropriate in accordance with the Conditions without regard to the consequences for Noteholders. The Calculation Agent may at any time be in possession of information in relation to the Notes which may not be available to Noteholders. There is no obligation on the Calculation Agent to disclose such information to Noteholders.

Potential conflicts of interest may arise in connection with Notes that are offered to the public, as any distributors or other entities involved in the offer and/or the listing of such Notes as indicated in the applicable Final Terms, will act pursuant to a mandate granted by the Issuer and can receive commissions and/or fees on the basis of the services performed in relation to such offer and/or listing.

The Issuer, the Guarantor and any Dealer may at the date hereof or at any time hereafter, be in possession of information in relation to a Reference Item (as defined under risk factor 4.5) that is or may be material in the context of the Notes and may or may not be publicly available to Noteholders. Subject to any applicable laws and regulations, there is no obligation on the Issuer, the Guarantor or any Dealer to disclose to Noteholders any such information.

3.7 **The Noteholders may be bound by amendments to the (Conditions of the) Notes to which they have not consented, which may result in less favourable terms of the Notes for all or certain Noteholders**

The Conditions contain provisions for calling meetings of Noteholders (including by way of conference call or by use of a video-conference platform) 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. Noteholders may have diverging interests and amendments considered beneficial by the majority of Noteholders could be considered detrimental by a minority of Noteholders, who would still be bound by the decision of the relevant majority.

The Conditions also provide that the Agent and the Issuer may agree, without the consent of the Noteholders to any modification (subject to certain specific exceptions) of the Agency Agreement which is not prejudicial to the interests of the Noteholders or any modification of the Notes, the Coupons, the Agency Agreement, the Guarantee or the Deed of Covenant which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law.

If the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms, adjustments and modifications cannot relate to an essential feature of the Notes and the Notes cannot be early redeemed by the Issuer, unless in the case of force majeure or an event which substantially alters the economics of the contract as initially agreed between the parties and for which the Issuer is not accountable. In addition, any adjustment or modification may not create a significant imbalance between the rights and obligations of the parties to the detriment of the Noteholder and the Issuer may not charge costs to the Noteholder for any such adjustment or modification.

3.8 **Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued**

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 their account with the relevant clearing system at the relevant time may need to purchase a principal amount of Notes such that their holding amounts to a Specified Denomination in order to (i) receive a definitive Note in respect of such holding (should definitive Notes be printed) or (ii) be able to transfer their Notes (subject in all cases to the rules and procedures of the relevant clearing system).

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

3.9 **Regulatory risk – dividend equivalent withholding may affect payments on the Notes**

Section 871(m) of the U.S. Internal Revenue Code of 1986 causes a 30 per cent. withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met (such instruments, "**Specified Notes**"). If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should refer to the section "*Taxation – U.S. Dividend Equivalent Withholding*".

For the purposes of withholding under the U.S. Foreign Account Tax Compliance Act, commonly known as FATCA, Specified Notes are subject to a different grandfathering rule than other Notes. Prospective investors should refer to the section "*Taxation - Foreign Account Tax Compliance Act*".

3.10 **Scaling factor**

A Scaling Factor other than 100 per cent. will change both the extent to which the Reference Item's performance must vary in order to create a payment for the Noteholders, and the quantum of such payment. Depending on the other variables applicable to the Notes, in particular whether there is a negative Interest Multiplier, a Scaling Factor may or may not be detrimental to Noteholders' interests.

If any Interest Amount or Redemption Amount is based on the positive performance (requiring an increase in value) of the Reference Item during the relevant Interest Period or the term of the Notes, the application of a Scaling Factor of less than 100 per cent. to the initial value of such Reference Item will increase both the likelihood of such payment becoming due, and its ultimate quantum. Conversely, if such a Scaling Factor were greater than 100 per cent., then the Reference Item will have to perform to a greater extent to ensure that it exceeds the initial value multiplied by the Scaling Factor.

Generally, if a Reference Item is applied to Notes in conjunction with a Multiplier greater than 100 per cent. or contains some other leverage factor, such as the Scaling Factor, the effect of changes in the Reference Item on the principal or Interest Amount payable is likely to be magnified.

3.11 **Notes where a Maximum Rate of Interest applies**

Notes where a Maximum Rate of Interest applies, will be less exposed to the positive performance or fluctuations of the Reference Item.

Notes where a Maximum Rate of Interest or Cap Rate or Cap % applies to a particular Interest Basis, have an interest rate that is subject to a maximum specified rate. The maximum Interest

Amount payable in respect of such Interest Basis will occur when the applicable formula leads to a Rate of Interest which is higher than the maximum specified rate, in which case the Rate of Interest will be limited to the Maximum Rate of Interest specified in the Final Terms. Investors in such Notes will therefore not benefit from any increase in the relevant Reference Rate or value of the Reference Item which would otherwise cause such interest rate to exceed the maximum specified rate. The market value of these Notes would therefore typically fall the closer the maximum specified rate.

3.12 **Notes subject to optional redemption by the Issuer**

An optional redemption feature permitting the Issuer to call the Notes early is likely to limit the market value of Notes. If the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the Optional Redemption Amount at which they would be redeemed.

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 reinvest 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.

3.13 **Cessation of Reference Rate**

If the Reference Rate required to make calculations on the Notes has ceased to be calculated and/or published and no successor or replacement rate has been established by the Issuer in accordance with the Conditions for any reason, the Issuer may redeem the Notes at their Early Redemption Amount together (if appropriate) with accrued interest. At such time, Noteholders may not be able to reinvest 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.

3.14 **Additional Disruption Events**

The Issuer may specify in the Final Terms any of the following Additional Disruption Events: "Change in Law", "Hedging Disruption", "Increased Cost of Hedging", "Increased Cost of Stock Borrow" (applicable only for Equity Linked Notes and Index Linked Notes), "Insolvency Filing" (applicable only for Equity Linked Notes) and/or "Loss of Stock Borrow" (applicable only for Equity Linked Notes and Index Linked Notes) as Additional Disruption Event.

In case such specified Disruption Event occurs, the Issuer may in its sole discretion (a) require the Calculation Agent to determine the appropriate adjustment to the Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or (b) redeem all Notes at the Early Redemption Amount.

If the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms, adjustments and modifications shall be subject to the conditions set out in Condition 11(a), paragraph 3.

3.15 **Alternative Currency Provisions**

If the applicable Final Terms specify that "Alternative Currency Provisions" are applicable, then if the Issuer in agreement with the Calculation Agent determines that it would be commercially impracticable for the Issuer to satisfy any payment obligation in respect of the Notes when due in the Scheduled Currency as a result of a Specified Currency Disruption Event, the Issuer in its sole and absolute discretion may either (i) postpone the obligation to pay, (ii) replace the payment obligation by an obligation to make payment of the Alternative Currency Equivalent or (iii) redeem all but not part of the Notes.

Investors should note that in case the obligation to pay is being postponed, the relevant payment will be due on the date so postponed (within the Maximum Alternative Currency

Number Business Days), investors shall receive no Interest Amounts or other sums payable in respect of the postponement of the payment of such amount.

Investors should note that the Calculation Agent shall determine any alternative rate or currency in a commercially reasonable manner. There is risk that the amounts to be paid to investors will therefore be determined in a manner other than what investors may have expected.

In making any determination in respect of any Specified Currency Disruption Event, neither the Issuer nor the Calculation Agent shall have regard to any interests arising from circumstances particular to any one or more Noteholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of any such determination for any one or more Noteholders (whatever their number), resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof.

No Noteholder shall be entitled to claim, from the Issuer or the Calculation Agent or any other person, any indemnification or payment in respect of any tax consequences or other losses of any such determination upon individual any Noteholders.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 11 by the Issuer or the Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents and all Noteholders.

4. Additional risks with respect to specific types of Notes

A wide range of Notes may be issued under the Programme. Notes may have one or more features which contain particular risks for potential investors.

Notes may or may not bear interest. Interest Amounts and Redemption Amounts may be determined on a number of different bases and Notes may accrue separate Interest Amounts determined by reference to different methodologies (each, as specified in the applicable Final Terms, an "**Interest Basis**"). An investor's return on its investment in the Notes will depend, among other things, on the Interest Amounts and Redemption Amounts payable thereon.

4.1 Zero Coupon Notes

Except where the Notes bear interest on a separate Interest Basis or are redeemed early, Zero Coupon Notes will bear no interest and an investor will receive no return on the Notes until redemption. Any investors holding these Notes will be subject to the risk that if the Notes are redeemed prior to their Maturity Date, an investor may not be able to reinvest the Amortised Face Amount (see below) so as to receive returns equivalent to the Final Redemption Amount that would, absent such early redemption, have been paid on the Maturity Date.

In general, the prices at which Zero Coupon Notes trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than prices for conventional interest-bearing Notes. The longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

Zero Coupon Notes are also subject to different early redemption and late payment provisions (see Conditions 5(e) and 5(j)). In contrast to the scenario described in risk factor 3.3 above, if the Prohibition of sales to consumers in Belgium is specified as applicable in the applicable Final Terms, the Early Redemption Amount for Zero Coupon Notes will be the Amortised Face Amount, which is calculated by discounting back to the relevant date of payment the amount that would otherwise have been payable at maturity, using the Amortisation Yield on an annual or semi-annual compounded basis (depending on what is specified in the applicable Final Terms). If the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms, the Early Redemption Amount shall be calculated in accordance with Condition 5(e)(ii).

4.2 **Fixed Rate Notes**

Fixed Rate Notes will bear interest at one or more fixed Rates of Interest, each of which will remain constant during the specified Interest Periods.

Fixed Rate Notes are subject to the risk that market interest rates increase (or fall insufficiently) during the life of the Notes with the consequence that the real return on the fixed rate element of such Notes, and the value of the Notes, may fall. Even if the Notes provide for the fixed Rate of Interest to increase during their term, any periodic increases may not keep pace with any increase in market interest rates. If the Notes provide for the fixed Rate of Interest to decrease during their term, investors are subject to the risk that the revised Rate of Interest will be below the then prevailing market interest rates and, even where market interest rates are falling, the reduction in the Rate of Interest on the Notes may be greater than any reduction in market interest rates.

4.3 **Floating Rate Notes**

Floating Rate Notes bear interest calculated by reference to a floating Rate of Interest (a "**Reference Rate**"), which will be subject to market fluctuations in that Reference Rate. Such Reference Rates may be subject to fallbacks if the relevant rate is not published (see Condition 3(b)(ii)(A) and Condition 3(g)). Please also see the risk factor entitled "*Amendments to or discontinuation of EURIBOR or other reference rates may adversely affect the value and liquidity of and return on certain Notes*" above. Payments on the Notes may be delayed, or be of a lower quantum than expected, as a result.

4.4 **Range Accrual Notes**

Range Accrual Notes will bear interest at a fixed rate of interest on each day within the relevant Interest Period for which the specified Range Accrual Condition is satisfied. Given the potential fixed rate of interest that is payable, the risks outlined in risk factor 4.2 above apply to Range Accrual Notes. In addition, certain risks arise in connection with the particular Range Accrual Condition that applies to such Notes.

The quantum of the Interest Amount will depend on the number of days in the relevant Interest Period (N) on which the "**Reference Spread**" fixes at a level which satisfies the parameters for the applicable Range Accrual Condition (see Condition 3(c)(iii)). Such parameters will be set by reference to a specified Lower Threshold and, in certain cases, Upper Threshold. If the Reference Spread does not fix at a level satisfying the Range Accrual Condition on any of those days, then N will be zero and no Interest Amounts will be payable for such Interest Period. If N is greater than zero, then the applicable Range Accrual Rate of Interest will be the product of a multiplier (equal to N divided by the actual number of calendar days in such Interest Period (A)) and the specified fixed rate, but capped at any specified Maximum Rate of Interest.

The "**Reference Spread**" (which could be negative) will be the spread of Variable 1 (based on a benchmark Reference Rate) over Variable 2 (which will be a benchmark Reference Rate or otherwise specified to be zero). Consequently, the accrual of interest on Range Accrual Notes on any day (in other words, the value of N for any Interest Period) will depend on how the performance of Variable 1 (or, if Variable 2 is not zero, the relative performance of Variable 1 against Variable 2) compares with the parameters of the Range Accrual Condition. Small movements in the Reference Spread may, therefore, have very large effects on the value of the Notes and the amount of interest to be paid.

Range Accrual Notes may not accrue interest for extended periods of time, if at all. Range Accrual Notes may pay significantly less interest than a conventional Fixed Rate Note issued at the same time paying interest at a fixed rate equal to the maximum potential fixed rate payable on the Range Accrual Notes. This may have a detrimental effect on the market value of the Range Accrual Notes.

4.5 **Reference Item Linked Notes**

The Issuer may also issue Notes that pay Interest Amount(s) linked to an index, an underlying equity, an ETF share or a basket of underlying equities and/or ETF shares, an inflation index and/or a currency exchange rate (together with a Reference Rate, each a "**Reference Item**") and/or Redemption Amount(s) the timing and/or quantum of which is linked to a Reference Item that is an index, an underlying equity, an ETF share or a basket of underlying equities and/or ETF shares or a currency exchange rate (together "**Reference Item Linked Notes**").

Reference Item Linked Notes involve a high degree of risk and may entail significant risks not associated with investments in a conventional debt security. Reference Item Linked Notes pose risks to investors as a result of fluctuations in the value of the Reference Item(s) to which such Reference Item Linked Notes relate.

If Notes are specified to be principal protected, they are principal protected only at maturity. If Notes are specified to be principal protected, such protection is nevertheless dependent on the Issuer, failing which, the Guarantor complying with its obligations with respect to the Notes. If such Notes redeem before their scheduled maturity, except in case of an Event of Default or where their Early Redemption Amount, Autocall Redemption Amount or Optional Redemption Amount (as applicable) is specified as a higher amount, they may return less than the principal protected amount or even zero. In the case of Notes paying a Redemption Amount linked to the Reference Item which are not principal protected (where the Floor % is specified as less than 100 per cent.), the amount paid by the Issuer on redemption of the Notes may be less than the nominal amount of the Notes, together with any accrued interest, and may in certain circumstances be zero. In the case of Notes which bear interest linked to one or more Reference Items, the Interest Amount(s) payable to Noteholders will be contingent on the performance of the relevant Reference Item(s) and on the structure of such Notes. Prospective investors in such Notes should note that, in certain circumstances, they may not receive any Interest Amount.

Prospective investors in Reference Item Linked Notes should understand the risks inherent in linking the performance of the Notes to the relevant Reference Item(s) and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Reference Item Linked Notes in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Notes and the particular Reference Item(s) to which the value of, and payments in respect of, the relevant Reference Item Linked Notes may relate, as specified in the applicable Final Terms.

Fluctuations in the value and/or volatility of the relevant Reference Item(s) may affect the value of the relevant Reference Item Linked Notes. Investors in Reference Item Linked Notes may risk losing their entire investment if the value of the relevant Reference Item(s) does not move in the anticipated direction.

Index Linked Notes and Inflation Linked Interest Notes are not in any way sponsored, endorsed, sold or promoted by the Index Sponsor of the relevant Index or the Inflation Index Sponsor of the relevant Inflation Index. The Index Sponsor or Inflation Index Sponsor (as applicable) makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the Index or Inflation Index (as applicable) and/or the figure at which the Index or Inflation Index (as applicable) stands at any particular time on any particular day or otherwise. An investor's decision to invest in the Index Linked Notes or in the Inflation Linked Interest Notes should be made without reliance on the Index Sponsor or Inflation Index Sponsor (as applicable). The Index Sponsor or the Inflation Index Sponsor shall not be liable (whether in negligence or otherwise) for any loss, damages, costs, charges, expenses or other liabilities including, without limitation, liability for any special, punitive, indirect or consequential damages, even if notified of the possibility of such damages to any person for any error in the Index or the Inflation Index and the Index Sponsor or the Inflation Index Sponsor shall not be under any obligation to advise any person of an error therein.

Unless otherwise redeemed or purchased and cancelled early, there is no return on Reference Item Linked Notes other than the potential payment of the relevant periodic Interest Amounts and/or Redemption Amount on maturity.

Other factors which may influence the market value of Reference Item Linked Notes include interest rates, potential dividend or interest payments (as applicable) in respect of the relevant Reference Item(s), changes in the method of calculating the level of the relevant Reference Item(s) from time to time and market expectations regarding the future performance of the relevant Reference Item(s), its composition and such Reference Item Linked Notes.

If any of the relevant Reference Item(s) is an index, the value of such Reference Item on any day will reflect the value of its constituents on such day. Changes in the composition of such Reference Item and factors (including those described above) which either affect or may affect the value of the constituents, will affect the value of such Reference Item and therefore may affect the return on an investment in Reference Item Linked Notes.

4.6 **Autocall Notes**

Autocall Notes are a form of Reference Item Linked Note that shall be early redeemed if the parameters for the applicable Autocall Condition (see Condition 5(d)(iii)(I)) are satisfied in respect of any Autocall Observation Date. Such parameters will be set by reference to how the Autocall Variable (being the value or average value of the specified Reference Item to which the Autocall Notes are linked) performs against the product of (i) the Autocall Strike (being (i) a specified strike level, price or rate or (ii) a value or average value of the specified Reference Item) and the applicable Scaling Factor (see risk factor 4.8).

The Reference Items to which Autocall Notes may be linked are Index, Underlying Equity (which may be an ETF Share) or Basket of Underlying Equities (which may be or include an ETF Share) and Currency exchange rates. Prospective investors should also consider risk factor 4.5 above and the relevant sections of risk factor 4 relating to the specific Reference Item to which the Notes in which they wish to invest are linked.

Where the Autocall Redemption Amount is linked to the performance of the relevant Reference Item, unless the Floor % is specified in the applicable Final Terms to be greater than or equal to 100 per cent., the Autocall Redemption Amount could be less than the nominal amount of such Autocall Notes and investors could lose all or a significant portion of their investment.

4.7 **Notes issued at a substantial discount or premium**

The market values of Notes issued at a substantial discount or premium from their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing Notes. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

4.8 **Notes with Multipliers**

Notes with variable interest rates and redemption payments can be volatile investments. Where any one or more of an Interest Multiplier, Autocall Multiplier, Index Redemption Multiplier, Equity Redemption Multiplier or Currency Redemption Multiplier (each, a "**Multiplier**") applies to the Notes, their market value may be even more volatile than for Notes that do not include such feature(s).

The Multiplier will determine the level of exposure of the investor to the Reference Item and will be specified as a percentage. A Multiplier (other than an Autocall Multiplier) may be a positive or a negative number.

If the Multiplier is lower than 100 per cent., it may reduce the effects of the gains and losses on the Reference Item. If the Reference Item is performing well, Noteholders will not benefit from the positive performance of the underlying Reference Item to the fullest extent.

If the Multiplier is higher than 100 per cent., the exposure of the Noteholders to the effects of the losses and gains on the Reference Item will be increased. If the Reference Item is not performing well, investors may receive a lower Interest Amount, Redemption Amount or Autocall Redemption Amount.

If a Multiplier is specified as a negative percentage, investors will generally benefit from under-performance of the relevant Reference Item, subject to the application of a Scaling Factor and/or Margin.

4.9 **Interest on Instalment Only Notes**

Instalment Notes are Notes where the principal amount is redeemable by the Issuer in instalments. The applicable Final Terms will specify the Instalment Dates and the related Instalment Amount payable on such dates.

If the applicable Final Terms specify that the Notes are Interest on Instalment Only Notes, interest for any Interest Period will only accrue on the Instalment Amount payable on the Instalment Date falling on the Interest Period End Date or Interest Payment Date relating to such Interest Period. No interest will accrue on any part of the outstanding notional of the Notes other than the Instalment Amount payable on the forthcoming Instalment Date.

5. Additional risks associated with Credit Linked Notes

Investors in the Credit Linked Notes should be aware that the Credit Linked Notes may redeem early if a Credit Event has occurred and Credit Payment on Maturity does not apply, but may redeem later than the Scheduled Maturity Date pending the determination of a Credit Event or Event Determination Date or the determination of the Auction Final Price or Final Price in respect of a Credit Event. In particular, prospective investors should be aware that notes to which "Credit Payment on Maturity" applies will only pay the relevant redemption amount of such Note on the Scheduled Maturity Date (or the final Redemption Date, if later) even though the Credit Event which leads to the calculation of the redemption amount occurs some time prior to the Scheduled Maturity Date. In certain circumstances, the Credit Linked Notes may redeem at zero.

If "Credit Payment on Maturity" applies, the occurrence of a Credit Event will not result in the early termination of the Credit Linked Notes. Investors are therefore exposed to the risk that, following the occurrence of a Credit Event, they will not receive any principal and a lower rate of interest from either the Interest Suspension Accrual Date up to the Scheduled Maturity Date.

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

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

The primary credit risk of the Credit Linked Notes is that of the Reference Entity or Entities identified in the applicable Final Terms. The occurrence of a Credit Event in relation to a relevant Reference Entity will directly and materially affect the return and/or value of an investor's investment in the Credit Linked Notes. The likelihood of a Credit Event occurring in respect of a relevant Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of such Reference Entity, general economic conditions, the conditions of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Prospective investors should review each Reference Entity and conduct their own investigation and analysis with respect to the credit risk of each Reference Entity and the likelihood of a Credit Event with respect to such Reference Entity.

Set out below are additional factors to which prospective investors should have regard when considering an investment in the Credit Linked Notes.

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

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

Risk of Loss of Interest

Save as otherwise provided in the applicable Final Terms, if a Credit Event occurs interest may be reduced from the Interest Suspension Accrual Date until such Applicable Proportion of the Credit Linked Notes is redeemed on an Applicable Proportion of the Credit Linked Notes.

Risk of Loss of Principal

Investors bear the risk of a total loss of principal if a Credit Event and a Relevant Event Determination Date occur. The Outstanding Aggregate Nominal Amount of the Credit Linked Notes is likely to be lower following a Credit Event and may be zero. In addition, Noteholders should be aware that if "Credit Payment on Maturity" applies to the Notes, then payment of the Redemption Amount will only be made at maturity of the Notes notwithstanding that the Credit Event leading to the calculation of the Redemption Amount occurs before the Scheduled Maturity Date of the Notes and Noteholders will not receive any interim payment of principal in respect of such Note.

The Redemption Amount will reflect the market value of the obligations of the Reference Entity in respect of which a Credit Event occurred less a deduction for Unwind Costs (see further "*Unwind Costs*" below).

5.2 **Risks relating to the Credit Linked Conditions and the Credit Derivatives Determinations Committees**

Credit Linked Conditions

The terms and conditions of the Credit Linked Notes do not incorporate by reference the definitions and provisions of the 2014 ISDA Credit Derivatives Definitions, as such definitions may be amended by the supplements thereto and there may be differences between the definitions used in the Conditions of the Credit Linked Notes and the Credit Derivatives Definitions. Consequently, investing in Credit Linked Notes is not exactly the same as entering into a credit default swap that incorporates the Credit Derivatives Definitions.

While ISDA has published the Credit Derivatives Definitions in order to facilitate transactions and promote uniformity in the credit derivatives market, the credit derivatives market is expected to continue to evolve and 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 conditions governing the Credit Linked Notes may differ in the future because of changes to market standards. Such a result may have a negative impact on the Credit Linked Notes.

Changes to the terms applicable to credit derivatives generally may not 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 to amending the Credit Linked Notes have been met.

The 2014 ISDA Credit Derivatives Definitions introduced new "Asset Package Delivery" provisions which enable an Asset Package to be the subject of an Auction held to determine the Auction Final Price for a Reference Entity following the occurrence of an Asset Package Credit Event. As at the date of these Credit Linked Conditions, the Auction Settlement Terms have not been updated to reflect such Asset Package Delivery provisions. The Calculation Agent has discretion to adjust the Auction Final Price for any Asset Package if it determines

that the Auction Final Price does not reflect the price for the entire Asset Package and in doing so the Calculation Agent may, but is not obliged to, have regard to any Auction Settlement Terms published by ISDA to settle credit derivatives transactions following an Asset Package Credit Event.

Credit Derivatives Determinations Committees

The Credit Derivatives Determinations Committees (each, an "**ISDA DC**") were established pursuant to the March 2009 Supplements 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 ISDA DCs 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 ISDA DC. In certain circumstances, determinations made by the Calculation Agent may be overridden by subsequent determinations made by an ISDA DC. If the Issuer delivers a Credit Event Notice or Succession Event Notice to the Agent, the Noteholders should be aware that such notice may be superseded by a determination of an ISDA DC.

In making any determination in its capacity as Calculation Agent or Issuer, the Issuer shall have regard to and, where applicable, be bound by decisions made by an ISDA DC.

Investors, in their capacity as Noteholders, will not have the ability to refer questions to an ISDA DC since the Credit Linked Notes will not constitute an actual credit default swap transaction. As a result, Noteholders are dependent on market participants in actual credit transactions to refer specific questions to the relevant ISDA DC. Neither the Issuer nor the Calculation Agent, acting in any capacity, have any duty to the Noteholders to refer, or to desist from referring, specific questions to the relevant ISDA DC.

Noteholders shall have no recourse against the Issuer, the Calculation Agent, any institutions serving on an ISDA DC or the external reviewers in the event of any loss arising directly or indirectly from any action, determination or resolution taken or made by an ISDA DC.

The Final Terms set out certain representations relating to the relevant ISDA DC which are deemed to be made by each Noteholder.

Exposure to Reference Entities, Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations and Valuation Obligations

Unless otherwise provided in the applicable Final Terms, investors in Credit Linked Notes are exposed to the credit risks and other risks associated with each relevant Reference Entity and their Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations, Valuation Obligations and any relevant jurisdictional risks.

The Basket Credit Linked Notes and Index Tranche Credit Linked Notes are linked to the credit risk of more than one Reference Entity. The likelihood of a Credit Event occurring in respect of any of the Reference Entities referenced by a Basket Credit Linked Note or Index Tranche Credit Linked Note will differ for each Reference Entity and prospective investors should conduct their own analysis of the credit risk of each of the multiple Reference Entities for the relevant Basket Credit Linked Note or Index Tranche Credit Linked Notes.

Further, in respect of Basket Credit Linked Notes or Index Tranche Credit Linked Notes, the credit risk to Noteholders may be increased, amongst other things, as a result of the concentration of Reference Entries in a particular industry sector or geographic area, or the exposure of the Reference Entities to similar financial or other risks as other Reference Entities.

The risk that the Noteholders bear in relation to the Credit Linked Notes is a function of both the risk of a Credit Event occurring in respect of the Reference Entity or Entities and the risk relating to the amount that may be recovered following such Credit Event. Where a Credit Event results in a high recovery rate, the Noteholders will incur a relatively small loss.

Conversely, where a Credit Event results in a low recovery rate, Noteholders will incur a larger loss.

Synthetic Exposure

The Credit Linked Notes do not represent a claim against any Reference Entity and, in the event of any loss, investors in Credit Linked Notes will not have recourse under the Credit Linked Notes to any Reference Entity nor shall a Noteholder have any legal, beneficial or other interest whatsoever in any of the Obligations, the Reference Obligations or the Valuation Obligations relating to a Credit Linked Note. The Issuer is not obliged to own or hold any Obligation or Reference Obligation, and no inference may be drawn from the Programme, the Credit Linked Conditions or any applicable Final Terms that the Issuer holds any such Obligation or Reference Obligation or has any credit exposure to any Reference Entity. 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.

Redemption after Scheduled Maturity Date

Redemption may occur irrespective of whether the Relevant Credit Event is continuing on or after a Relevant Event Determination Date. The relevant Redemption Date may be later than the Scheduled Maturity Date. If the Issuer determines, in its sole and absolute discretion, that one or more Reference Entities is or may be subject to (a) a Credit Event, (b) if "Grace Period Extension" is specified as being applicable in the applicable Final Terms, a Potential Failure to Pay or, (c) if "Repudiation/Moratorium" is specified as being applicable in the applicable Final Terms, a Potential Repudiation/Moratorium, the Credit Linked Notes then outstanding shall not be redeemed on the Scheduled Maturity Date but shall be redeemed instead on the Extended Maturity Date. If an extension of the Scheduled Maturity Date applies pursuant to and in accordance with Credit Linked Condition 9 (*Maturity Date Extension*), the Issuer may deliver a Credit Event Notice or the Credit Derivatives Determinations Committee may make a DC Credit Announcement which will trigger settlement of the Credit Linked Notes after the Scheduled Maturity Date.

5.3 **Risks relating to the Credit Event Redemption Method**

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

Auction Redemption

If "Auction Redemption" is specified as being applicable in respect of the Credit Linked Notes, then the amounts payable by and/or rights and obligations of the parties under the Credit Linked Notes 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 Redemption" is specified as being applicable with respect to the Credit Linked Notes but a 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 Redemption Method shall apply. In such circumstances, the Final Price will be determined pursuant to the Valuation Method.

Noteholders should note that they will not be able to deliver a Customer Physical Settlement Request (as defined in the Credit Derivatives Auction Settlement Terms) to the Issuer in respect of their holding of Credit Linked Notes.

In the event of a Governmental Intervention Credit Event or certain Restructuring Credit Events which constitute an Asset Package Credit Event, the Auction Final Price may be determined by reference to the value of the Asset Package received or retained by a Relevant Holder in place of the Prior Deliverable Obligation or Package Observable Bond in connection with such Asset Package Credit Event. Such Asset Package may be worth significantly less than the original Package Observable Bond prior to such Asset Package Credit Event and may result in a significantly lower Redemption Amount being paid out to Noteholders than would have been the case following the relevant Credit Event had the Auction Final Price been determined only by reference to Valuation Obligations.

Cash Redemption

If "Cash Redemption" is specified as being applicable in the applicable Final Terms with respect to the Credit Linked Notes or "Cash Redemption" is the Fallback Redemption Method, then the Calculation Agent will value the Reference Obligation or any other obligation of the Reference Entity fulfilling certain criteria including the Valuation Obligation Category and Valuation Obligation Characteristics by asking for quotations from Quotation Dealers. The date, time and method of such auction, and the selection of the Reference Obligation, will impact the Final Price. The Quotation Dealers selected by the Calculation Agent must be financial institutions, funds or other entities that purchase or deal in obligations similar to the Reference Obligation and may include the Issuer or any guarantor; however, the Quotation Dealers have no duty towards any Noteholder and may not be aware that the purpose of the auction is to determine a Final Price for purposes of the Credit Linked Notes or any other Credit Linked Notes.

Investors should note that the Final Price determined pursuant to a dealer poll may be significantly different to the Auction Final Price.

In the event of a Governmental Intervention Credit Event or certain Restructuring Credit Events which constitute an Asset Package Credit Event, the Final Price may be determined by reference to the value of the Asset Package received or retained by a Relevant Holder in place of the Prior Deliverable Obligation or Package Observable Bond which would otherwise have been valued in order to determine the Final Price. Such Asset Package may be worth significantly less than the original Prior Deliverable Obligation or Package Observable Bond prior to such Asset Package Credit Event and may result in a significantly lower Cash Redemption Amount being paid out to Noteholders than would have been the case following the relevant Credit Event had the Final Price been determined only by reference to Valuation Obligations.

Fixed Recovery Redemption

If "Fixed Recovery Redemption" is the applicable Credit Event Redemption Method, the occurrence of a Credit Event may result in the recovery for Noteholders being materially lower than the prevailing price of the relevant obligations of the relevant Reference Entity.

Credit Payment on Maturity

If "Credit Payment on Maturity" applies, the occurrence of a Credit Event will not result in the early redemption of the Credit Linked Notes. Investors are therefore exposed to the risk that, following the occurrence of a Credit Event, they will receive lower interest payments from the Interest Suspension Accrual Date up to the Maturity Date, and the Redemption Amount will only be payable on maturity of the Notes.

Redemption Failure/Alternative Redemption

If the Redemption Amount in respect of such Note cannot be paid when due as a result of a Redemption Failure Event, the Noteholder, after providing a release and indemnity to the satisfaction of the Issuer, may request such payment to be made to an account or person not affected by such Redemption Failure Event, provided that, if such Redemption Failure Event is continuing for 90 calendar days after the Scheduled Maturity Date or other scheduled payment or delivery date (including the applicable Redemption Date), in respect of an amount to be paid by the Issuer, if the Noteholder has not requested such payment to be made to an

account or person not affected by such Redemption Failure Event, the Issuer's obligations in respect of such payment will be discharged.

5.4 **Other risk factors**

Index Tranche Credit Notes

Noteholders are exposed to losses arising from Credit Events in relation to Index Tranche Credit Linked Notes only to the extent that the Aggregate Loss Amount exceeds the Loss Threshold Amount. The likelihood that Noteholders will be exposed to losses is therefore greater for more subordinated tranches (i.e. those with a lower Attachment Point).

Leverage

Certain Credit Linked Notes may be leveraged or highly leveraged investments, including, without limitation, Credit Linked Notes linked to a notional amount of one or more Reference Entities or Reference Obligations exceeding the Original Aggregate Nominal Amount of the Credit Linked Notes. The use of leverage will magnify the adverse impact of Credit Events.

Investors should note in particular that Index Tranche Credit Linked Notes may be leveraged such that the losses on those Notes are enhanced, although losses are limited to an investor's initial investment.

Hedging

In the ordinary course of their business, including without limitation in connection with their market-making activities, the Issuer, the Quotation Dealers 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.

Unwind Costs

Any Redemption Amounts payable to Noteholders following the occurrence of a Credit Event will reflect the Unwind Costs, if applicable, of the Issuer. These relate to the costs and expenses incurred by the Issuer in redeeming the Notes early or terminating, liquidating, obtaining or re-establishing any related funding, hedging or trading position in connection with the Notes or a result of a Credit Event occurring. These costs are not known at the Issue Date of the Credit Linked Notes and will depend on interest rates and borrowing costs in the future. Where the Unwind Costs are positive (which is likely to be the case where the Issuer is able to borrow funds for less than the Funding Interest Rate specified on the Issue Date), the relevant Redemption Amount will be increased. However, where the Unwind Costs are negative (which is likely to be the case where the cost of borrowing for the Issuer is higher than the Funding Rate specified on the Issue Date), the relevant Redemption Amount will be reduced.

The Issuer is not under any duty to hedge itself with respect to any Credit Linked Notes, nor is it required to hedge itself in a manner that will result in the lowest Unwind Costs. Investors should be aware that, if Unwind Costs are greater than the applicable Recovery Amount, the Redemption Amount will be zero.

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 each Reference Entity and/or Reference Obligation 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 may at the date hereof or at any time hereafter be in possession of 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 an issue of Notes and may or may not be publicly available to Noteholders. There is no obligation on any of the Programme Parties to disclose to Noteholders any such information, except for the Issuer's obligations to disclose inside information, regulated information and significant new factors in relation to the information contained in this Base Prospectus under any applicable regulatory requirements.

Correlation between Credit Risk of the Reference Entity and Credit Events

Generally, there may be a correlation between the credit risk of a Reference Entity and the occurrence of a Credit Event in respect of such Reference Entity. Market perception may also affect the value of the Notes, particularly in the case of Index Tranche Credit Linked Notes.

Correlation Risks in the case of more than one Reference Entity

The market price of Notes linked to more than one Reference Entity may be adversely affected by the correlation between Reference Entities. A positive correlation indicates that the probability of the occurrence of Credit Events of two Reference Entities tend to move in the same direction which could have the potential to increase losses accruing to Noteholders in the event that such a Credit Event occurs. A negative correlation indicates that the Credit Event probability moves in the opposite direction. The degree of correlation can also change over time. Depending on the structure of the Notes, a change in correlation can therefore have a positive or negative effect on the market value of the Notes.

Correlation Risks between the Issuer and the Reference Entity(ies)

In addition to credit risk of the Reference Entity or Entities identified in the applicable Final Terms, investors are also exposed to the credit risk of the Issuer. In certain circumstances, such as times of general market stress, there may be a correlation between the credit risk of the Reference Entity or Entities and the Credit Risk of the Issuer, meaning that overall risk for the investor will be increased.

5.5 General risk factors

Each of the risks described under these "*General risk factors*" could adversely affect the trading price of the Credit Linked Notes or the rights of Noteholders under the Credit Linked Notes and, as a result, investors could lose some or all of their investment. The Issuer may be unable to pay or deliver amounts on or in connection with the Credit Linked Notes for other reasons and the Issuer does not represent that the risks of holding the Credit Linked Notes (some of which are described below) are exhaustive. Prospective investors should also read the detailed information set out elsewhere in the applicable Final Terms (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

The original issue price of the Credit Linked Notes may include amounts in respect of certain commissions paid with respect to the distribution of the Credit Linked Notes together with certain costs (borne by the Issuer) of hedging the Credit Linked Notes. The price at which the Issuer may be willing to purchase the Credit Linked Notes in the secondary market, all other factors being equal, is likely to be less than the original issue price, since the original issue price included, and secondary market prices are likely to exclude, those commissions and the

projected profit included in such hedging costs. Any such secondary market prices may differ from values determined by pricing models used by the Issuer.

Several factors may influence the value of the Credit Linked Notes (and, if such value is adversely affected, investors could lose some or all of their investment). These factors include:

- expected rates of recovery on obligations of the Reference Entity;
- actions of a Reference Entity and its principal creditors;
- the nature of each Reference Entity's outstanding indebtedness, including its maturity and subordination structure and any guarantees or other support that the Reference Entity has provided to other entities;
- the Credit Events specified as applicable in the applicable Final Terms with respect to a Reference Entity that may trigger early redemption of the Credit Linked Notes;
- Issuer optionality, such as the ability to select the obligations of a Reference Entity that will be delivered or valued or to decide whether or not to trigger settlement;
- correlation among the credit spreads and/or default probabilities of the components of a basket or index, if applicable;
- market liquidity for a particular type of Credit Linked Notes;
- interest rates payable under the Credit Linked Notes;
- the time remaining to the maturity of the Credit Linked Notes; and
- economic, financial, political and regulatory or judicial events or conditions that affect any Reference Entity or its outstanding obligations, or the market for Credit Linked Notes generally or related financial markets, including credit spreads in the market, market liquidity or Credit Transactions relative to the liquidity of related cash instruments or related credit derivatives, and liquidity for secondary assignments of credit derivatives generally.

The market liquidity of referencing indices may vary significantly between the current series of the index and prior series. The market liquidity of Credit Linked Notes based on bespoke portfolios of Reference Entities will generally be less than that of Credit Linked Notes based on standardised indices.

A decrease in the liquidity of an issue of Credit Linked Notes may cause, in turn, an increase in the volatility associated with the price of such issue of Credit Linked Notes. Illiquidity may have a severely adverse effect on the market value of Credit Linked Notes. Any prospective investor in the Credit Linked Notes must be prepared to hold such Credit Linked Notes until redemption or expiry of the Credit Linked Notes. The Issuer may, but is not obliged to, purchase Credit Linked Notes at any time at any price in the open market or by tender or private treaty and may hold, resell or cancel them. The market for Credit Linked Notes may be limited.

If the amount payable on redemption, exercise or expiry of the Credit Linked Notes is less than their issue price, investors may lose all or part of their investment.

In certain circumstances the Issuer may make adjustments to the terms of the Credit Linked Notes or redeem or cancel them at their fair market value as determined by it without the consent of the Noteholders.

The market value can be expected to fluctuate significantly and investors should be prepared to assume the market risks associated with these Credit Linked Notes.

The obligations of the Issuer to make any payments under the Credit Linked Notes are subject to the risk of default of the Issuer. The value of the Credit Linked Notes is dependent on the creditworthiness of the Issuer, which may vary over the term of the Credit Linked Notes.

If investors are required to sell the Credit Linked Notes prior to maturity, investors could receive significantly less than their initial investment.

6. Risks related to the market generally

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

6.1 **There is currently no active secondary market for the Notes, which may affect the liquidity and market value of the Notes**

There is currently no established secondary market for the Notes, and one may never develop (even if the Notes are admitted to trading). A secondary market for certain Series of Notes may not apply to other Series of Notes. If a market does develop, it may not be liquid and an investor may not be able to find a timely and/or suitable counterpart. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market or at prices higher than the relevant investor's initial investment. Investors seeking to liquidate/sell positions in the Notes prior to their stated maturity date may receive substantially less than their original purchase price. Therefore, in establishing their investment strategy, investors should ensure that the term of the Notes is in line with their future liquidity requirements. Liquidity is likely to be very limited if the relevant Notes are not listed or no listing is obtained. The degree of liquidity may have a severely adverse effect on the market value of Notes, especially if investors are willing to sell the Notes within a short timeframe. In such circumstances, it is more likely that the Noteholders will have to sell the Notes at a discount in comparison with the nominal value of the Notes. To the extent that an issue of Notes is or becomes illiquid, investors may have to hold the relevant Notes until maturity before they are able to realise any value.

The Issuer may, but is not obliged to, list an issue of Notes on a stock exchange or regulated market. If Notes are not listed or traded on any stock exchange or regulated market, pricing information for the relevant Notes may be more difficult to obtain and the liquidity of such Notes may be adversely affected, and therefore the price of the Notes could be affected by their limited liquidity.

Pursuant to Condition 5(h) (*Purchases*), each of the Issuer, the Guarantor or any of their respective subsidiaries may, but is not obliged to, at any time purchase Notes at any price in the open market or by tender or private agreement. Any Notes so purchased may be held or resold or surrendered for cancellation. If any Notes are redeemed in part, then the number of Notes outstanding will decrease, which will reduce liquidity for the outstanding Notes. Any such activities may have an adverse effect on the price of the relevant Notes in the secondary market and/or the existence of a secondary market.

There may be less liquidity in the secondary market for the Notes also if they are exclusively offered to retail investors without any offer to institutional investors.

6.2 **Exchange rate risks and exchange controls**

The Issuer will pay principal and any Interest Amounts 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 (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) 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 or the ability of the Issuer or the Guarantor to make payment in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Where the Notes are denominated in a Specified Currency from an emerging or volatile market, investors should note that the risk of the occurrence and the severity of the consequences of the matters described herein may be greater than they would otherwise be in relation to more developed countries. Such Notes should be considered speculative. Economies in emerging or volatile markets generally are heavily dependent upon international trade and, accordingly, may be affected adversely by trade barriers, foreign exchange controls (including taxes), managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies may also be adversely affected by their economic, financial, military and political conditions and the supply and demand for such currency in the global markets. These factors will also impact the market value of the Notes (see risk factor 6.3).

6.3 **Market Value of Notes**

The market value of an issue of Notes will be affected by a number of factors independent of the creditworthiness of the Issuer, including, but not limited to:

(i) the value and volatility of the Reference Item(s);

(ii) where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;

(iii) market interest and yield rates;

(iv) fluctuations in exchange rates;

(v) liquidity of the Notes or any Reference Item(s) in the secondary market;

(vi) the time remaining to any redemption date or the maturity date; and

(vii) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item may be traded.

The price at which a Noteholder will be able to sell any Notes prior to maturity may be at a discount, which could be substantial, to the market value of such Notes on the issue date, if, at such time, the market price of the Reference Item(s) is below, equal to or not sufficiently above the market price of the Reference Item(s) on the issue date. The historical market prices of any Reference Item should not be taken as an indication of such Reference Item's future performance during the term of any Note.

6.4 **Credit ratings may not reflect all risks**

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

In general, European regulated investors are restricted under the CRA Regulation (as defined on the cover page of this Base Prospectus) from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit

ratings are endorsed by an EEA-registered credit rating agency or the relevant third country non-EEA rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms.

6.5 **Risks related to preservation of business procedures applicable to the Issuer**

The Luxembourg law dated 7 August 2023 on the preservation of businesses and modernising bankruptcy law (the "**Luxembourg Insolvency Modernisation Law**") implemented the possibility for companies to apply for a judicial reorganisation (*réorganisation judiciaire*) or a reorganisation by amicable agreement (*réorganisation par accord amiable*) and benefit from a stay (*sursis*).

Pursuant to the provisions of the Luxembourg Insolvency Modernisation Law, the application for or the opening of such proceedings does not terminate an agreement nor its execution terms and an acceleration of the Notes pursuant to provisions contrary to the Luxembourg Insolvency Modernisation Law would not be recognised by a Luxembourg court. In addition, in case of opening of these proceedings, the Issuer can, if this is imperatively required for the reorganisation of its business, suspend unilaterally the execution of its obligations during the stay granted by the court, without the Noteholders being able to accelerate and terminate the Notes.

IMPORTANT INFORMATION

This section sets out important information relating to the public offers of Non-Exempt PD Notes generally.

IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF NON-EXEMPT PD NOTES

Restrictions on Public Offers of Non-Exempt PD Notes in relevant Member States

Certain Tranches of Non-Exempt PD Notes with a denomination of less than EUR 100,000 (or its equivalent in any other currency) may, subject as provided below, be offered in any Member State of the EEA in circumstances where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus. Any such offer is referred to in this Base Prospectus as a "**Public Offer**".

This Base Prospectus has been prepared on the basis that it permits Public Offers in Belgium and/or Luxembourg, as specified in the applicable Final Terms (together, the "**Public Offer Jurisdictions**" and each, a "**Public Offer Jurisdiction**"). Any person making or intending to make a Public Offer of Non-Exempt PD Notes on the basis of this Base Prospectus must do so only with the Issuer's and the Guarantor's consent (see "*Consent given in accordance with Article 5.1 of the Prospectus Regulation*" below) and provided such person complies with the conditions attached to that consent.

If the Issuer intends to make or authorise any Public Offer of Non-Exempt PD Notes to be made in one or more Member States other than the Public Offer Jurisdictions, it will prepare a supplement to this Base Prospectus specifying such Member State(s) and any additional information required by the Prospectus Regulation in respect thereof. Such supplement will also set out provisions relating to the Issuer's consent to use this Base Prospectus in connection with any such Public Offer.

Save as provided above, none of the Issuer, the Guarantor or any Dealer has authorised, nor do they authorise, the making of any Public Offer of the Non-Exempt PD Notes in circumstances in which an obligation arises for the Issuer, the Guarantor or any Dealer to publish or supplement a prospectus for such offer.

Consent given in accordance with Article 5.1 of the Prospectus Regulation

In the context of any Public Offer of Non-Exempt PD Notes in a Public Offer Jurisdiction, the Issuer and the Guarantor accept responsibility, in each Public Offer Jurisdiction, for the content of this Base Prospectus under Article 11 of the Prospectus Regulation in relation to any person (an "**Investor**") to whom an offer of any Non-Exempt PD Notes is made by any financial intermediary to whom each of the Issuer and the Guarantor has given its consent to use this Base Prospectus (an "**Authorised Offeror**"), where the offer is made during the Offer Period specified in the applicable Final Terms and in compliance with all conditions attached to the giving of the consent. Such consent and conditions are described below under "*Consent*" and "*Common conditions to consent*". None of the Issuer, the Guarantor or any Dealer makes any representation or has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other applicable regulatory requirements or other securities law requirements in relation to such Public Offer.

Save as provided below, none of the Issuer, the Guarantor or any Dealer has authorised the making of any Public Offer and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Public Offer of Non-Exempt PD Notes. Any Public Offer made without the consent of the Issuer is unauthorised and none of the Issuer, the Guarantor or any Dealer accepts any responsibility or liability for the actions of the persons making any such unauthorised offer.

If, in the context of a Public Offer, an Investor is offered Non-Exempt PD Notes by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Base Prospectus in the context of the Public Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

Consent

Subject to the conditions set out below under "*Common conditions to consent*":

Specific consent

(A) the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of the Non-Exempt PD Notes in a Public Offer Jurisdiction by the relevant Dealer and by:

(i) any financial intermediary named as an Initial Authorised Offeror in the applicable Final Terms; and

(ii) any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Issuer's website (*www.kbc.com*) and identified as an Authorised Offeror in respect of the relevant Public Offer; and

General consent

(B) if (and only if) Part B of the applicable Final Terms specifies "General Consent" as Applicable, the Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of Non-Exempt PD Notes in a Public Offer Jurisdiction by any financial intermediary which satisfies the following conditions:

(i) it is authorised to make such offers under MiFID II; and

(ii) it accepts such offer by publishing on its website the following statement (with the information in square brackets completed with the relevant information):

"*We, [insert legal name of financial intermediary], refer to the [insert title of relevant Non-Exempt PD Notes] (the "**Notes**") described in the Final Terms dated [insert date] (the "**Final Terms**") published by KBC IFIMA S.A. (the "**Issuer**"). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [Belgium] [and] [Luxembourg] (the "**Public Offer**") in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus as completed by the Final Terms, and we are using the Base Prospectus in connection with the Public Offer accordingly*."

The "**Authorised Offeror Terms**" are that the relevant financial intermediary:

(I) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer, the Guarantor and the relevant Dealer that it will, at all times in connection with the relevant Public Offer:

(a) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**") including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Non-Exempt PD Notes by any person and disclosure to any potential Investor, and will immediately inform the Issuer, the Guarantor, and the relevant Dealer if at any time such financial intermediary becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;

(b) comply with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply as if it were a Dealer;

(c) consider the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in the applicable Final Terms;

(d) ensure that any fee (and any other commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Non-Exempt PD Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;

(e) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Non-Exempt PD Notes under the Rules;

(f) comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Non-Exempt PD Notes by the Investor), and will not permit any application for Non-Exempt PD Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;

(g) retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the Issuer, the Guarantor and/or the relevant Dealer or directly to the appropriate authorities with jurisdiction over the Issuer, Guarantor and/or the relevant Dealer in order to enable the Issuer, the Guarantor, and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the Issuer, the Guarantor, and/or the relevant Dealer;

(h) ensure that no holder of Non-Exempt PD Notes or potential Investor in the Non-Exempt PD Notes shall become an indirect or direct client of the Issuer, the Guarantor, or the relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;

(i) co-operate with the Issuer, the Guarantor, and the relevant Dealer in providing such information (including, without limitation, documents and records maintained pursuant to paragraph (f) above) upon written request from the Issuer, the Guarantor, or the relevant Dealer as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the Issuer, the Guarantor, or the relevant Dealer:

(i) in connection with any request or investigation by any regulator of competent jurisdiction in relation to the Non-Exempt PD Notes, the Issuer, the Guarantor, or the relevant Dealer; and/or

(ii) in connection with any complaints received by the Issuer, the Guarantor, and/or the relevant Dealer relating to the Issuer, the Guarantor, and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in rules published by any regulator of competent jurisdiction from time to time; and/or

(iii) which the Issuer, the Guarantor, or the relevant Dealer may reasonably require from time to time in relation to the Non-Exempt PD Notes and/or as to allow the Issuer, the Guarantor, or the relevant Dealer fully to comply within its own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

(j) during the primary distribution period of the Non-Exempt PD Notes: (i) not sell the Non-Exempt PD Notes at any price other than the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the relevant Dealer); (ii) not sell the Non-Exempt PD Notes otherwise than for settlement on the Issue

Date specified in the applicable Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the relevant Dealer); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Non-Exempt PD Notes (unless otherwise agreed with the relevant Dealer) and (v) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer;

(k) either (i) obtain from each potential Investor an executed application for the Non-Exempt PD Notes, or (ii) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Non-Exempt PD Notes on their behalf, and, in each case, maintain the same on its files for so long as is required by any applicable Rules;

(l) ensure that it does not, directly or indirectly, cause the Issuer, the Guarantor, or the relevant Dealer to breach any Rule or subject the Issuer, the Guarantor, or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;

(m) comply with the conditions to the consent referred to under "*Common conditions to consent*" below and any further requirements relevant to the Public Offer as specified in the applicable Final Terms;

(n) make available to each potential Investor in the Non-Exempt PD Notes this Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with this Base Prospectus; and

(o) if it conveys or publishes any communication (other than this Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Public Offer) in connection with the relevant Public Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that none of the Issuer, the Guarantor, or the relevant Dealer accepts any responsibility for such communication and (C) does not, without the prior written consent of the Issuer, the Guarantor, or the relevant Dealer (as applicable), use the legal or publicity names of the Issuer, the Guarantor or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the relevant Non-Exempt PD Notes and KBC Bank NV as the guarantor of the relevant Non-Exempt PD Notes on the basis set out in this Base Prospectus;

(II) agrees and undertakes to indemnify each of the Issuer, the Guarantor, and the relevant Dealer (in each case on behalf of such entity and its respective directors, officers, employees, agents, Affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer, the Guarantor, or the relevant Dealer; and

(III) agrees and accepts that:

(a) the contract between the Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use this Base Prospectus with its consent in connection with the relevant Public Offer (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;

(b) the English courts are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) ("**Disputes**") and accordingly submits to the exclusive jurisdiction of the English courts;

(c) for the purposes of paragraph (III)(b), the Issuer and the financial intermediary waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute; and

(e) the Guarantor and each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

Any financial intermediary falling within sub-paragraph (B) above who wishes to use this Base Prospectus in connection with an Public Offer is required, for the duration of the relevant Offer Period, to publish on its website the statement (duly completed) set out in paragraph (B)(ii) above.

Common conditions to consent

The conditions to the Issuer's consent are (in addition to the conditions described in paragraph (B) above if Part B of the applicable Final Terms specifies "*General Consent*" as "*Applicable*") that such consent:

(a) is only valid in respect of the relevant Tranche of Non-Exempt PD Notes;

(b) is only valid during the Offer Period specified in the applicable Final Terms;

(c) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Non-Exempt PD Notes in the Public Offer Jurisdictions as specified in the applicable Final Terms; and

(d) is subject to any other conditions set out in Part B of the applicable Final Terms.

ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NON-EXEMPT PD NOTES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR OTHER THAN THE ISSUER WILL DO SO, AND OFFERS AND SALES OF SUCH NON-EXEMPT PD NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT, ALL FIXED IN COMPLIANCE WITH ALL APPLICABLE LAWS, RULES AND REGULATIONS. NEITHER THE ISSUER NOR THE GUARANTOR WILL BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE NON-EXEMPT PD NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION.

NONE OF THE ISSUER, THE GUARANTOR AND ANY DEALER (EXCEPT WHERE ANY OF THOSE IS THE RELEVANT AUTHORISED OFFEROR) HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

Public Offers: Issue Price and Offer Price

Non-Exempt PD Notes to be offered pursuant to a Public Offer will be issued by the Issuer at the Issue Price specified in the applicable Final Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Dealer at the time of the relevant Public Offer and will depend, amongst other things, on the interest rate applicable to the Non-Exempt PD Notes and prevailing market conditions at that time. The offer price of such Non-Exempt PD Notes will be the Issue Price or such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the Non-Exempt PD Notes to such Investor, but in compliance with the Authorised Offeror Terms regarding such price. The Issuer will not be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Non-Exempt PD Notes to such Investor.

DOCUMENTS INCORPORATED BY REFERENCE

This section incorporates by reference selected publicly available information regarding the Issuer and the Guarantor that should be read in conjunction with this Base Prospectus.

The following documents, which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CSSF, shall be incorporated by reference in, and form part of, this Base Prospectus:

(a) the audited non-consolidated annual accounts of the Issuer for the financial years ended 31 December 2024 (the "**Issuer's 2024 Annual Report**") and 31 December 2025 (the "**Issuer's 2025 Annual Report**"), together, in each case, with the notes and the related audit report (available at https://www.kbc.com/content/dam/kbccom/doc/other/2024-FY-IFIMA.pdf and https://wcmassets.kbc.be/content/dam/kbccom/doc/other/2025-FY-IFIMA.pdf.cdn.res/last-modified/1776412410715/2025-FY-IFIMA.pdf, respectively);

(b) the audited consolidated annual financial statements of the Guarantor for the financial years ended 31 December 2024 (the "**Guarantor's 2024 Annual Report**") and 31 December 2025 (the "**Guarantor's 2025 Annual Report**"), together, in each case, with the notes and the related auditors' report and the ratios set out in "Additional Information" (available at https://wcmassets.kbc.be/content/dam/kbccom/doc/investor-relations/Results/jvs-2024/jvs-2024-bank-en.pdf.cdn.res/last-modified/1743056005625/jvs-2024-bank-en.pdf and https://wcmassets.kbc.be/content/dam/kbccom/doc/investor-relations/Results/jvs-2025/jvs-2025-bank-en.pdf.cdn.res/last-modified/1774777773420/jvs-2025-bank-en.pdf, respectively);

(c) the sections entitled "*Form of Final Terms*" (save for the introductory paragraphs, which are no longer valid and shall be superseded by the introductory paragraphs in the Form of Final Terms as set out in this Base Prospectus) on pages 51 to 128 and "*Terms and Conditions of the Notes*" on pages 129 to 216 of the base prospectus dated 10 July 2024 relating to the Programme (available at https://wcmassets.kbc.be/content/dam/kbccom/doc/investor-relations/7-Debt-issuance/KBC_Group/20240715-ifima-base-propspectus-2024.pdf.cdn.res/last-modified/1721030657918/20240715-ifima-base-propspectus-2024.pdf); and

(d) the sections entitled "*Form of Final Terms*" (save for the introductory paragraphs, which are no longer valid and shall be superseded by the introductory paragraphs in the Form of Final Terms as set out in this Base Prospectus) on pages 55 to 133 and "*Terms and Conditions of the Notes*" on pages 134 to 221 of the base prospectus dated 17 July 2025 relating to the Programme (available at https://wcmassets.kbc.be/content/dam/kbccom/doc/investor-relations/7-Debt-issuance/KBC IFIMA - 2025 Update - Base Prospectus first pages - signed.pdf).

In addition to the above, the following information shall be incorporated in, and form part of, this Base Prospectus as and when it is published on the website of the Issuer or the Guarantor (as applicable) (https://www.kbc.com/en/investor-relations/debt-issuance/kbc-groep2.html):

In respect of the Issuer:

(i) any audited non-consolidated annual accounts together with the notes and related audit report published by the Issuer after the date of this Base Prospectus and provided that this Base Prospectus is still valid pursuant to Article 12(1) of the Prospectus Regulation; and

(ii) any unaudited interim report published by the Issuer after the date of this Base Prospectus and provided that this Base Prospectus is still valid pursuant to Article 12(1) of the Prospectus Regulation.

***In respect of the Guarantor*:**

(iii) the information set out in the following sections in any audited consolidated annual financial statements of the Guarantor after the date of this Base Prospectus and provided

that this Base Prospectus is still valid pursuant to Article 12(1) of the Prospectus Regulation:

(i) Report of the Board of Directors

(ii) Income statement

(iii) Balance sheet

(iv) Statement of changes in equity

(v) Cash flow statement

(vi) Notes to the financial statements

(vii) Auditors' report

(viii) Additional information – ratios used

Subsequent interim and audited non-consolidated annual accounts of the Issuer and subsequent audited non-consolidated annual accounts of the Guarantor will be available on the website of the Issuer following their publication in accordance with the Issuer's financial calendar which can be consulted on the Issuer's website (https://www.kbc.com/en/investor-relations/information-on-kbc-bank/financial-calendar.html).

Future information incorporated by reference pursuant to (i), (ii) and (iii) above shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus. This information has not been scrutinised or approved by the CSSF during the scrutiny and approval process of this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in a document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the Luxembourg Stock Exchange's website at www.luxse.com, the Issuer's website at www.kbc.com and from the registered office of the Issuer. This Base Prospectus will also be published on the Luxembourg Stock Exchange's website at www.luxse.com and on the Issuer's website at www.kbc.com.

For the avoidance of doubt, unless expressly incorporated by reference into this Base Prospectus, any websites referred to in this Base Prospectus or any information appearing on such websites and pages do not form part of, and is not incorporated by reference in, this Base Prospectus.

The Issuer and the Guarantor will, in the event of any significant new factor, material mistake or material inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of any Notes or any change in the condition of the Issuer which is material in the context of the Programme or the issue of any Notes, prepare and publish a supplement to this Base Prospectus or publish a new base prospectus for use in connection with any subsequent issue of Notes. Furthermore, in connection with the listing of the Notes on the official list of the Luxembourg Stock Exchange and admission to trading on the regulated market of the Luxembourg Stock Exchange, so long as any Note remains outstanding and listed on such exchange, in the event of any material adverse change in the financial condition of the Issuer or the Guarantor which is not reflected in this Base Prospectus, the Issuer and the Guarantor will prepare a further supplement to this Base Prospectus or publish a new base prospectus for use in connection with any subsequent issue of the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.

If the terms of the Programme are modified or amended in a manner which would make this Base Prospectus, as supplemented, inaccurate or misleading, a new base prospectus will be prepared.

The following tables include cross references to the parts of the documents mentioned in paragraphs (a) and (b) above which are incorporated by reference into this Base Prospectus. Any non-incorporated parts of such a document (which, for the avoidance of doubt, means any parts not listed in the cross-reference lists below) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus. With respect to paragraphs (c) and (d) above, only the sections specifically indicated in paragraphs (c) and (d) above are incorporated by reference into this Base Prospectus.

Specific items contained in "*Documents Incorporated by Reference*"

Documents	**Page Number**[1]
Issuer's 2024 Annual Report - Annual Report of the Issuer for the financial year ended 31 December 2024	
Audited non-consolidated annual accounts of the Issuer for the financial year ended 31 December 2024 (Luxembourg GAAP)	
Balance sheet	13-17
Profit and loss account	18-19
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Issuer's 2025 Annual Report - Annual Report of the Issuer for the financial year ended 31 December 2025	
Audited non-consolidated annual accounts of the Issuer for the financial year ended 31 December 2025 (Luxembourg GAAP)	
Balance sheet	13-17
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* Page references are to the English language PDF version of the relevant documents incorporated by reference.

FORM OF THE NOTES

This section provides a general overview of the form in which the Notes may be issued.

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a Temporary Global Note which:

(i) if the Global Notes (as defined under "*Terms and Conditions of the Notes*" below) are intended to be issued in new global note ("**NGN**") form, as specified in the applicable Final Terms, will be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"); and

(ii) if the Global Notes are not intended to be issued in NGN Form, will be delivered on or prior to the original issue date of the Tranche to the Common Depositary for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent. Any reference in this section "*Form of the Notes*" to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Agent, and specified in the applicable Final Terms.

On and after the date (the "**Exchange Date**") which is 40 days after the Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein for interests in a Permanent Global Note of the same Series without interest coupons, receipts or talons against certification of beneficial ownership as described in the second sentence of the immediately preceding paragraph unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless upon due certification, exchange of the Temporary Global Note for interests in the Permanent Global Note is improperly withheld or refused. Pursuant to the Agency Agreement the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such Tranche shall be assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification. Unless otherwise specified in the applicable Final Terms, a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons, receipts and talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (A) an Event of Default (as defined in Condition 14) has occurred and is continuing, (B) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by

reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (C) the Issuer has or will become subject to adverse tax consequences, which would not be suffered were the Notes represented by a Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 18 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in paragraph (C) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the dates of receipt of the first relevant notice by the Agent. Global Notes and definitive Notes will be issued pursuant to the Agency Agreement.

The following legend will appear on all Notes (other than Temporary Global Notes), on all receipts, on all interest coupons and on all talons for further interest coupons:

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

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

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

A Note may be accelerated automatically by the holder thereof in certain circumstances described in Condition 14. In such circumstances, where any Note is still represented by a Global Note (or any part thereof) and a holder of such Note so represented and credited to their securities account with Euroclear or Clearstream, Luxembourg gives notice that it wishes to accelerate such Note, unless within a period of 15 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such Global Note, such Global Note will become void at 8.00 pm (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, on and subject to the terms of a deed of covenant (the "**Deed of Covenant**") dated 15 July 2026, as amended and/or supplemented and/or restated from time to time executed by the Issuer.

In Belgium, Notes shall not be physically delivered, except to a clearing system, a depositary or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian law of 14 December 2005 concerning the abolishment of bearer securities.

FORM OF FINAL TERMS

This section sets out a template for the Final Terms to be used for each specific Notes issuance.

[MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II") and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s][s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s][s'] target market assessment) and determining appropriate distribution channels.]

OR

[MIFID II product governance / Retail investors, professional investors and ECPs target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); EITHER [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice[, / and] portfolio management[, / and] [non-advised sales] [and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]

[UK MIFIR product governance / Retail investors, professional investors and ECPs target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("EUWA"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA ("UK MiFIR"); *EITHER* [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and]][non-advised sales][and pure execution services][, subject to the distributor's

suitability and appropriateness obligations under COBS, as applicable]]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable].]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold, distributed or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of [the European Union (Withdrawal) Act 2018, as amended (the "EUWA")][the EUWA]; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no disclosure document required by the Financial Conduct Authority Product Disclosure Sourcebook ("DISC") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

[PROHIBITION OF SALES TO CONSUMERS IN BELGIUM – The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available in Belgium to any "consumer" (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*) dated 28 February 2013, as amended.]

The following is the form of Final Terms which will be completed in relation to each Tranche of Notes (References to numbered Conditions are to the Terms and Conditions of the relevant Notes):

[*Date*]

KBC IFIMA S.A.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

[Public offer]

[Principal protected]/[Principal not protected]

Unconditionally and irrevocably guaranteed by KBC Bank NV under the EUR 10,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the "**Conditions**") set forth in the base prospectus dated 15 July 2026,[as supplemented by a supplement dated [●],] [together] the "**Base Prospectus**", which [together] constitute[s] a base prospectus for the purposes of Article 8 of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of a combination of these Final Terms and the Base Prospectus [as so supplemented]. [A summary of the issue of the Notes is annexed to these Final Terms.] The Base Prospectus is [and the supplements are] available on the website of the Luxembourg Stock Exchange at www.luxse.com and the website of the Issuer at www.kbc.com and copies may be obtained during normal business hours at the registered office of the Issuer. A copy of the Final Terms will be available on the website of the Luxembourg Stock Exchange at www.luxse.com and on the website of the Issuer at www.kbc.com.

(*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus (or equivalent) with an earlier date.)*

The Terms and Conditions (the "**Conditions**") set out in the Base Prospectus dated [14 July 2023]/[10 July 2024] will apply to the Notes and not the Terms and Conditions set out in the Base Prospectus dated 15 July 2026. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [10 July 2024]/[17 July 2025] which are incorporated by reference in the Base Prospectus dated 15 July 2026. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 15 July 2026 [and the supplement(s) to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of Article 8 of the Prospectus Regulation (the "**Base Prospectus**"), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all relevant information. The Base Prospectus has been published on the Issuer's website www.kbc.com.[2]

[*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*.]

GENERAL DESCRIPTION OF THE NOTES

1.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	(iii)	Date on which the Notes will be consolidated and form a single Series:	[The Notes will be consolidated, form a single Series and be interchangeable for trading purposes with [*Tranche [●]*] *of* [*Aggregate Nominal Amount of Tranche*][*Title of Notes*] on the [the Issue Date/exchange of the Temporary Global Note for interest in the Permanent Global Note, as referred to in paragraph [31] below][Not Applicable]
2.	**Specified Currency**:		[●]
3.	**Aggregate Nominal Amount**:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]

[2] *This website is not incorporated by reference and does not form part of this Base Prospectus*.

4.	**Issue Price**:		[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*]]
5.	(i)	Specified Denominations:	[•] *(If only one Specified Denomination, insert the Specified Denomination.)*
	(ii)	Calculation Amount:	[•] *(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.)*
6.	**Issue Date**:		[•]
7.	(i)	Maturity Date:	[•]/[Interest Payment Date falling in [or nearest to] [*specify month and year*]/[[•] Business Days after the [final] Valuation Date, expected to be [•]] (the "**Scheduled Maturity Date**").
	(ii)	Business Day Convention for Maturity Date:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ Not Applicable]
	(iii)	Additional Business Centre(s):	[Not Applicable]/[*specify other financial centres required for the Business Day definition*]
8.	**Interest Basis**:		[Fixed Rate Notes] [Floating Rate Notes] [Range Accrual Notes] [Zero Coupon Notes] [Index Linked Interest Notes] [Equity Linked Interest Notes] [Inflation Linked Interest Notes] [Currency Linked Interest Notes] [Where Credit Linked Notes are applicable, see also paragraph 30.] (*Specify one or more Interest Bas(is)(es) that appl(ies)(y) and specify further particulars in paragraphs 11 to 18 below as applicable*)
9.	**Redemption/Payment Basis**:		[Fixed Redemption Notes] [Instalment Notes] [Autocall Notes] [Index Linked Redemption Notes] [Equity Linked Redemption Notes]

[Currency Linked Redemption Notes]

[Credit Linked Redemption Notes]

(*Specify one or more Redemption/Payment Basis that applies and specify further particulars in paragraph 32 below, as applicable*)

10. **Issuer Call**: [Applicable][Not Applicable]

(*further particulars specified in paragraph 22 below*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11. **Fixed Rate Notes**: [Applicable/Not Applicable]

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

(i) Rate[s] of Interest: [[•] per cent. per annum]

[**Rate of Interest**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent. per annum	[•]	[•]
[•] per cent. per annum	[•]	[•]
[•] per cent. per annum	[•]	[•]]

(Use table format if there are different Rates of Interest for specific Interest Periods)

[Payable annually/semi-annually/quarterly/monthly in arrear]

(ii) Interest Commencement Date: [•]/[Issue Date]

(iii) Interest Period End Date(s): [•] in each year, starting on [•], up to and including [the Maturity Date]/[•]

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

(iv) Business Day Convention for Interest Period End Dates: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]

(v) Interest Payment Date(s): [[•] in each year, starting on [•], up to and including[the Maturity Date] [•]]/[Interest Payment Dates will correspond to Interest Period End Dates]/[Maturity Date]

(vi) Business Day Convention for Interest Payment Dates: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]

(vii)	Additional Business Centre(s):	[Not Applicable][*please specify other financial centres required for the Business Day definition*]
(viii)	Fixed Day Count Fraction:	(*Specify one of the options listed below*) [Actual/Actual (ICMA)] [Actual/Actual] or [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] or [360/360] or [Bond Basis] [30E/360] or [Eurobond Basis] [30E/360 (ISDA)] [1/1]
(ix)	Determination Date(s):	[[•] in each year][Not Applicable] *(Insert regular Interest Period End Dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.* *This will need to be amended where Interest Periods are not of equal duration. NB: Only relevant where Fixed Day Count Fraction is Actual/Actual (ICMA)*)
12.	**Floating Rate Notes**:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Interest Commencement Date:	[•]/[Issue Date]
(ii)	Interest Period End Dates:	[•] in each year, starting on [•], up to and including [the Maturity Date]/[•] (*NB: This will need to be amended in the case of long or short coupons*)
(iii)	Business Day Convention for Interest Period End Dates:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
(iv)	Interest Payment Dates:	[[•] in each year, starting on [•], up to and including [the Maturity Date] [•]][Interest Payment Dates will correspond to Interest Period End Dates]/ [Maturity Date]
(v)	Business Day Convention for	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]

	Interest Payment Dates:	
(vi)	Additional Business Centre(s):	[Not Applicable][*please specify other financial centres required for the Business Day definition*]
(vii)	Interest Variable Option:	[Screen Rate Determination [- IBOR]/[- CMS SOFR]] [Rates Variance] [Asian Option – Interest Rates] [Digital Option] *(Depending on the applicable Interest Variable Option selected, insert the relevant variables within the corresponding paragraph below)*
(viii)	Party responsible for calculating the Variable Rate(s) of Interest and Interest Amount(s):	[Calculation Agent/[•]]
(ix)	Interest Multiplier:	[[+/-][100]/[•] per cent.][As set out under Digital Option below] *(This may be a negative value.)*
(x)	Margin:	[[+/-] [•] per cent. per annum][As set out under Digital Option below]
(xi)	Screen Rate Determination:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	• Reference Rate:	[EURIBOR][NIBOR][CMS][CMS SOFR]
	• Interest Determination Date(s):	[•][Standard IDD][Arrears IDD]
	• Relevant Screen Page:	[•] [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*) *(in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)*
	• Designated Maturity:	[•] (*Insert in the case of CMS SOFR*)
	• Correction Cut-off Time:	[•]/[As per Condition 3(b)(ii)(B)(1)] (*Insert in the case of CMS SOFR*)

(xii) Rates Variance: [Applicable/Not Applicable]

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

- $Rate_1$: [[•] per cent. per annum]

  [As determined in accordance with the following elections:

- $Rate_1$ Variable Option: [Screen Rate Determination]/[CMS SOFR]

- Reference Rate: [EURIBOR][NIBOR][CMS][CMS SOFR]

- Interest Determination Date(s): [•][Standard IDD][Arrears IDD][*Insert in the case of CMS SOFR:* As per Condition 3(b)(ii)(B)]

- Relevant Screen Page: [•]

  [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*)

  (in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)]

- Designated Maturity: [Not Applicable]/[*Insert in the case of CMS SOFR:* [•]]

- Correction Cut-off Time: [Not Applicable]/[*Insert in the case of CMS SOFR:* [•]/[As per Condition 3(b)(ii)(B)(1)]]

- $Rate_2$: [[•] per cent. per annum]

  [As determined in accordance with the following elections:

- Rate2 Variable Option: [Screen Rate Determination]/[CMS SOFR]

- Reference Rate: [EURIBOR][NIBOR][CMS][CMS SOFR]

- Interest Determination Date(s): [•][Standard IDD][Arrears IDD][*Insert in the case of CMS SOFR:* As per Condition 3(b)(ii)(B)]

- Relevant Screen Page: [•]

  [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*)

  (in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)]

- Designated Maturity: [Not Applicable]/[*Insert in the case of CMS SOFR:* [•]]

- Correction Cut-off Time: [Not Applicable]/[*Insert in the case of CMS SOFR:* [•]/[As per Condition 3(b)(ii)(B)(1)]]

- Scaling Factor: [[100]/[•] per cent.]

[**Scaling Factor**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]]

(xiii) Asian Option – Interest Rates: [Applicable/Not Applicable]

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

- $Rate_t$: As determined in accordance with the following elections:
- $Rate_t$ Variable Option: Screen Rate Determination
- Reference Rate: [EURIBOR][NIBOR][CMS]
- Interest Determination Dates(s):

[Interest Determination Dates	**Interest Period**	
	From (and including)	**To (but excluding)**
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]]

(Insert the different Interest Determination Date(s) for the purpose of determining each $Rate_t$)

- Relevant Screen Page: [•]

[Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*)

(in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)

(xiv) Digital Option: [Applicable/Not Applicable]

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

- Digital Option Type: Interest Rates

- Reference Rate: [EURIBOR][NIBOR][CMS]
- Interest Determination Date(s): [•][Standard IDD][Arrears IDD]
- Relevant Screen Page: [•]

  [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*)

  (in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)
- Digital Option Payment Condition: [Greater Than]

  [Less Than]

  [Greater Than Or Equal To]

  [Less Than Or Equal To]
- Digital Option Strike: [•] per cent.

  [Screen Rate Determination]
- Reference Rate: [EURIBOR][NIBOR][CMS]
- Interest Determination Date(s): [•][Standard IDD][Arrears IDD]
- Relevant Screen Page: [•]

  [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*)

  (in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)
- Interest Multiplier: [+/-][100]/[•] per cent.

  (This may be a negative value.)
- Margin: [+/-] [•] per cent. per annum
- Scaling Factor: [[100]/[•] per cent.]

[**Scaling Factor**

	Interest Period	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]

[•] per cent. [•] [•]]

- Digital Option Exercised Rate: [[•] per cent. per annum]

  [As determined in accordance with the Digital Option Payment Determination Method]

- Digital Option Payment Determination Method: [Not Applicable]

  [Screen Rate Determination]

  [Collar Rate]

  (If Screen Rate Determination and/or Collar Rate applies, insert relevant information for determining Digital Option Exercised Rate)

- Reference Rate: [EURIBOR][NIBOR][CMS]

- Interest Determination Date(s): [•][Standard IDD][Arrears IDD]

- Relevant Screen Page: [•]

  [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*)

  (in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)

  (If Collar Rate applies, insert relevant information for determining Digital Option Exercised Rate)

- Interest Multiplier: [+/-][100]/[•] per cent.

  (This may be a negative value.)

- Margin: [+/-] [•] per cent. per annum

- Cap Rate: [•]/[Infinity]

- Floor Rate: [•]/[Zero]

- Collar Margin: [+/-] [•] per cent. per annum

- Digital Option Fallback Rate: [Zero]

  [[•] per cent. per annum]

  [Screen Rate Determination]

  [Collar Rate]

(If Screen Rate Determination and/or Collar Rate applies, insert relevant information for determining Digital Option Fallback Rate)

- Reference Rate: [EURIBOR][NIBOR][CMS]
- Interest Determination Date(s): [•][Standard IDD][Arrears IDD]
- Relevant Screen Page: [•]

  [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*)

  (in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)

  (If Collar Rate applies, insert relevant information for determining Digital Option Fallback Rate)
- Interest Multiplier: [+/-][100]/[•] per cent.

  (This may be a negative value.)
- Margin: [+/-] [•] per cent. per annum
- Cap Rate: [•]/[Infinity]
- Floor Rate: [•]/[Zero]
- Collar Margin: [+/-] [•] per cent. per annum

(xv) Memory Option: [Applicable/Not Applicable]

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

- Memory Option Type: Interest Rates
- Reference Rate: [EURIBOR][NIBOR][CMS]
- Interest Determination Date(s): [•][Standard IDD][Arrears IDD]
- Relevant Screen Page: [•]

  [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*)

  (in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)
- Memory Option Payment Condition: [Greater Than]

[Less Than]

[Greater Than Or Equal To]

[Less Than Or Equal To]

- Memory Option Level: [•] per cent.
- Memory Option Rate: [[•] per cent. per annum]

(xvi) Minimum Rate of Interest: [•] per cent. per annum

(xvii) Maximum Rate of Interest: [•] per cent. per annum

(Insert (i) Minimum Rate of Interest to floor the Rate of Interest; (ii) Maximum Rate of Interest to cap the Rate of Interest and (iii) Minimum Rate of Interest and Maximum Rate of Interest to collar the Rate of Interest)

(xviii) Day Count Fraction: (*Specify one of the options listed below*)

[Actual/Actual] or [Actual/Actual (ISDA)]

[Actual/365 (Fixed)]

[Actual/365 (Sterling)]

[Actual/360]

[30/360] or [360/360] or [Bond Basis]

[30E/360] or [Eurobond Basis]

[30E/360 (ISDA)]

[1/1]

13. Range Accrual Notes: [Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i) Interest Commencement Date: [•]/[Issue Date]

(ii) Interest Period End Dates: [[•] in each year, starting on [•], up to and including [the Maturity Date][•]

(iii) Business Day Convention for Interest Period End Dates: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]

(iv) Interest Payment Dates: [[•] in each year, starting on [•], up to and including [the Maturity Date][•]] [Interest Payment Dates will correspond to Interest Period End Dates]/ [Maturity Date]

(v)	Business Day Convention for Interest Payment Dates:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
(vi)	Additional Business Centre(s):	[•] (*please specify other financial centres required for the Business Day definition)*
(vii)	Minimum Range Accrual Rate of Interest:	[•] per cent. per annum
(viii)	Maximum Range Accrual Rate of Interest:	[•] per cent. per annum
(ix)	Day Count Fraction:	(*Specify one of the options listed below*) [Actual/Actual] or [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] or [360/360] or [Bond Basis] [30E/360] or [Eurobond Basis] 30E/360 (ISDA) [1/1]
(x)	RA Base Rate:	[•] per cent. per annum
(xi)	Variable 1:	Applicable
	• Reference Rate:	[EURIBOR][NIBOR][CMS]
	• Interest Determination Date(s):	[•][Standard IDD][Arrears IDD]
	• Relevant Screen Page:	[•] [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*) *(in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)*]
(xii)	Variable 2:	[Applicable] [Not Applicable] *(There need not be a Variable 2 - If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	• Reference Rate:	[EURIBOR][NIBOR][CMS]

		• Interest Determination Date(s):	[•][Standard IDD][Arrears IDD]
		• Relevant Screen Page:	[•] [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*) *(in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)*]
	(xiii)	Upper Threshold:	[•] per cent.
	(xiv)	Lower Threshold:	[•] per cent.
	(xv)	Range Accrual Condition:	[Between (Inclusive)] [Between (Exclusive)] [Greater Than Lower Threshold] [Greater Than Or Equal To Lower Threshold] [Less Than Lower Threshold] [Less Than Or Equal To Lower Threshold]]
14.	**Zero Coupon Notes**:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Amortisation Yield:	[•] per cent. per annum
	(ii)	Amortisation Yield Compounding Basis:	[Annually/Semi-annually]
15.	**Index Linked Interest Notes**:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Interest Commencement Date:	[•]/[Issue Date]
	(ii)	Interest Period End Dates:	[[•] in each year, starting on [•], up to and including [the Maturity Date][•]]
	(iii)	Business Day Convention for Interest Period End Dates:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
	(iv)	Interest Payment Dates:	[[•] in each year, starting on [•], up to and including [the Maturity Date][•]]/[Interest Payment Dates will correspond to Interest Period End Dates]/ [Maturity Date]

(v)	Business Day Convention for Interest Payment Dates:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]	
(vi)	Additional Business Centre(s):	[•] (*please specify other financial centres required for the Business Day definition)*	
(vii)	Interest Variable Option:	[Evolution of Index] [Asian Option – Index] [Digital Option] [Single Fixing - Index] [Asian Fixing – Index] *(Depending on the applicable Interest Variable Option selected, insert the relevant variables within the corresponding paragraph below)*	
(viii)	Day Count Fraction:	(*Specify one of the options listed below*) [Actual/Actual] or [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] or [360/360] or [Bond Basis] [30E/360] or [Eurobond Basis] [30E/360 (ISDA)] [1/1]	
(ix)	Index and details of the relevant Index Sponsor:	Index:	*[name and short description of type of index]*
		Index Sponsor:	*[specify]*
		Exchange:	*[specify]*
		Related Exchange:	[All Exchanges]*[specify]*
		Designated Multi-Exchange Index:	[Applicable][Not Applicable]
		Valuation Time:	*[specify]*
		(*Note that in the case of PD Notes, (i) proprietary indices of the Issuer or any legal entity belonging to the same group may not be referenced and (ii) indices provided by a legal*	

entity or natural person acting in association with, or on behalf of, the Issuer may not be referenced)

(x) Interest Multiplier: [[+/-][100]/[•] per cent.][As set out under Digital Option below]

(This may be a negative value.)

(xi) Margin: [[+/-] [•] per cent. per annum][As set out under Digital Option below]

(xii) Minimum Rate of Interest: [•] per cent. per annum

(xiii) Maximum Rate of Interest: [•] per cent. per annum

(With respect to any Interest Period, insert (i) Minimum Rate of Interest to floor the Rate of Interest; (ii) Maximum Rate of Interest to cap the Rate of Interest and (iii) Minimum Rate of Interest and Maximum Rate of Interest to collar the Rate of Interest)

(xiv) Valuation Time: [Condition 6(d) applies]/[•]

(xv) Correction of Index Levels: Correction of Index Levels [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].

(xvi) Correction Cut-Off Date: [[•] Business Days prior to each Interest Payment Date/Not Applicable.]

(xvii) Evolution of Index: [Applicable/Not Applicable]

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

- Valuation Dates:

Valuation Dates$_t$	**Interest Period**	
	From (and including)	**To (but excluding)**
[•], [•], [•]	[•]	[•]
[•], [•], [•]	[•]	[•]
[•], [•], [•]	[•]	[•]

(*Insert the different Valuation Dates for the purpose of determining each Index$_t$*)

- $\text{Index}_{\text{initial}}$ Valuation Date: [•],[•],[•]

- Scaling Factor: [[100]/[•] per cent.]

[**Scaling Factor**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]]

(xix) Asian Option – Index: [Applicable/Not Applicable]

- $Index_{initial}$ Valuation Date(s): [•],[•],[•]
- Valuation Dates:

[Valuation Dates$_t$	**Interest Period**	
	From (and including)	**To (but excluding)**
[•], [•], [•]	[•]	[•]
[•], [•], [•]	[•]	[•]
[•], [•], [•]	[•]	[•]]

(*Insert the different Valuation Dates for the purpose of determining each* $Index_t$)

- Scaling Factor: [[100]/[•] per cent.]

[**Scaling Factor**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]]

- Averaging Disruption Provisions: [Omission]/[Postponement]/[Modified Postponement]/[Not Applicable]

(xxi) Digital Option: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, insert the relevant variables within the corresponding paragraph below)

- Digital Option Type: Index

- Digital Option Payment Condition: [Greater Than]

  [Less Than]

  [Greater Than Or Equal To]

  [Less Than Or Equal To]

  - Valuation Dates: *(insert Valuation Dates for the Interest Periods in respect of Digital Option Variable)*

Valuation Dates	**Interest Period**	
	From (and including)	**To (but excluding)**
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]]

- Digital Option Strike: [[•]

  (Insert relevant level or specify Index Determination and insert the relevant Variables within the corresponding paragraph below)

  [Index Determination]

  - Valuation Dates: *(insert Valuation Dates for the Interest Periods in respect of Digital Option Strike)*

Valuation Date	**Interest Period**	
	From (and including)	**To (but excluding)**
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]

- Scaling Factor: [[100]/[•] per cent.]

[**Scaling Factor**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]]

- Digital Option Exercised Rate: [[•] per cent. per annum]

  [As determined in accordance with the Digital Option Payment Determination Method]

- Digital Option Payment Determination Method: [Not applicable]

  [Screen Rate Determination]

  [Collar Rate]

  (If Screen Rate Determination and/or Collar Rate applies, insert relevant information for determining Digital Option Exercised Rate)

- Reference Rate: [EURIBOR][NIBOR][CMS]

- Interest Determination Date(s): [•][Standard IDD][Arrears IDD]

- Relevant Screen Page: [•]

  [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*)

  (in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)

  (If Collar Rate applies, insert relevant information for determining Digital Option Exercised Rate)

- Interest Multiplier: [+/-][100]/[•] per cent.

  (This may be a negative value.)

- Margin: [+/-] [•] per cent. per annum

- Cap Rate: [•]/[Infinity]

- Floor Rate: [•]/[Zero]

- Collar Margin: [+/-] [•] per cent. per annum

- Digital Option Fallback Rate: [Zero]

  [[•] per cent. per annum]

  [Screen Rate Determination]

  [Collar Rate]

  (If Screen Rate Determination and/or Collar Rate applies, insert relevant information for determining Digital Option Fallback Rate)

  - Reference Rate: [EURIBOR][NIBOR][CMS]

  - Interest Determination Date(s): [•][Standard IDD][Arrears IDD]

  - Relevant Screen Page: [•]

    [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*)

(in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)

(If Collar Rate applies, insert relevant information for determining Digital Option Fallback Rate)

- Interest Multiplier: [+/-][100]/[•] per cent.

  (This may be a negative value.)
- Margin: [+/-] [•] per cent. per annum
- Cap Rate: [•]/[Infinity]
- Floor Rate: [•]/[Zero]
- Collar Margin: [+/-] [•] per cent. per annum]

(xxii) Single Fixing - Index: [Applicable]/[Not Applicable]

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

- Denominator: [•]
- Valuation Dates:

Valuation Date$_t$	**Interest Period**	
	From (and including)	**To (but excluding)**
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]

(xxiii) Asian Fixing - Index [Applicable]/[Not Applicable]

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

- Denominator: [•]
- Valuation Dates:

[Valuation Dates$_t$	**Interest Period**	
	From (and including)	**To (but excluding)**
[•], [•], [•]	[•]	[•]
[•], [•], [•]	[•]	[•]
[•], [•], [•]	[•]	[•]]

(*Insert the different Valuation Dates for the purpose of determining each Index$_t$*)]

- Averaging Disruption Provisions: [Omission]/[Postponement]/[Modified Postponement]/[Not Applicable]

(xxiv) Memory Option: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, insert the relevant variables within the corresponding paragraph below)

- Memory Option Type: Index

- Memory Option Payment Condition: [Greater Than]

  [Less Than]

  [Greater Than Or Equal To]

  [Less Than Or Equal To]

- Valuation Dates:

Valuation Dates	**Interest Period**	
	From (and including)	**To (but excluding)**
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]]

- Memory Option Level: [[•]

- Memory Option Rate: [[•] per cent. per annum]

16. Equity Linked Interest Notes: [Applicable/Not Applicable]

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

(i) Interest Commencement Date: [•]/[Issue Date]

(ii) Interest Period End Dates: [[•] in each year, starting on [•], up to and including [the Maturity Date][•]]

(iii) Business Day Convention for Interest Period End Dates: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]

(iv) Interest Payment Dates: [[•] in each year starting on [•], up to and including [the Maturity Date][•]]/[Interest Payment Dates will correspond to Interest Period End Dates]/ [Maturity Date]

(v)	Business Day Convention for Interest Payment Dates:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
(vi)	Additional Business Centre(s):	[*specify other financial centres required for the Business Day definition*][Not Applicable]
(vii)	Interest Variable Option:	[Evolution of Underlying Equity] [Evolution of Basket of Underlying Equities] [Asian Option – Underlying Equity] [Asian Option - Basket of Underlying Equities] [Digital Option] *(Depending on the applicable Interest Variable Option selected, insert the relevant variables within the corresponding paragraph below)*
(viii)	Day Count Fraction:	(*Specify one of the options listed below*) [Actual/Actual] or [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] or [360/360] or [Bond Basis] [30E/360] or [Eurobond Basis] [30E/360 (ISDA)] [1/1]
(ix)	The identity of the relevant Equity Issuer(s) of the equity security/equity securities in the basket:	[*Give or annex details of the relevant Underlying Equities/Underlying Equity, as applicable*]: ***[The following apply only to Notes which have a single equity component]:***

Underlying Equity:	*[name and short description of type of shares (which, if "ETF Share" is specified below as applicable, will be ETF Shares)]* issued by the Equity Issuer (ISIN:[•])
ETF Share:	[Applicable/Not Applicable]
Underlying Equity Currency:	*[specify]*

Equity Issuer: *[specify] (in the case of ETF Shares, specify the relevant ETF Issuer)*

Exchange: *[specify]*

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

[*(The following additional provisions apply only where the relevant equity component is an ETF Share):*

ETF Adviser: *[specify]*

ETF Administrator: *[specify]*

Reference Index: *[specify]*]

[The following apply only to Notes with an equity basket component]:

A basket composed of Underlying Equities in the relative proportions of Underlying Equities of each Equity Issuer specified below:

Underlying Equity: *[name and short description of type of shares] (which, if "ETF Share" is specified below as applicable, will be ETF Shares)]* issued by the Equity Issuer (ISIN: [•])

ETF Share: [Applicable/Not Applicable]

Underlying Equity Currency: *[specify]*

Equity Issuer: *[specify](in the case of ETF Shares, specify the relevant ETF Issuer)*

Multiplier (per cent.): *[specify]*

Exchange: *[specify]*

[(The following additional provisions apply only where the relevant equity component is an ETF Share):

ETF Adviser: *[specify]*

ETF Administrator: *[specify]*

Reference Index: *[specify]*]

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

[*Replicate the details in respect of each Equity in the Basket*]

(x) Interest Multiplier: [+/-][100]/[•] per cent.][As set out under Digital Option below]

(This may be a negative value.)

(xi)	Margin:	[[+/-] [•] per cent. per annum][As set out under Digital Option below]
(xii)	Minimum Rate of Interest:	[•]
(xiii)	Maximum Rate of Interest:	[•] *(Insert (i) Minimum Rate of Interest to floor the Rate of Interest; (ii) Maximum Rate of Interest to cap the Rate of Interest and (iii) Minimum Rate of Interest and Maximum Rate of Interest to collar the Rate of Interest)*
(xiv)	Potential Adjustment Events:	[Applicable/Not Applicable]
(xv)	De-listing, Merger Event, Nationalisation and Insolvency:	[Applicable/Not Applicable]
(xvi)	Tender Offer:	[Applicable/Not Applicable]
(xvii)	Valuation Time:	[Condition 7(d) applies]/[•]
(xviii)	Exchange Rate:	[Applicable/Not Applicable] [*Insert details*]
(xix)	Correction of Share Prices:	Correction of Share Prices [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].
(xx)	Correction Cut-Off Date:	[[•] Business Days prior to each Interest Payment Date/Not Applicable.]
(xxi)	Trade Date:	[•]
(xxii)	Evolution of Underlying Equity:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- Valuation Dates:

Valuation Dates	**Interest Period**	
	From (and including)	**To (but excluding)**
[•], [•], [•]	[•]	[•]
[•], [•], [•]	[•]	[•]
[•], [•], [•]	[•]	[•]

(*Insert the different Valuation Dates for the purpose of determining each Equity$_t$*)

- $\text{Equity}_{\text{initial}}$ Valuation Date: [•],[•],[•]

- Scaling Factor: [[100]/[•] per cent.]

[**Scaling Factor**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]]

(xxiii) Evolution of Basket of Underlying Equities: [Applicable/Not Applicable]

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

- Valuation Dates:

Valuation Dates$_t$	**Interest Period**	
	From (and including)	**To (but excluding)**
[•], [•], [•]	[•]	[•]
[•], [•], [•]	[•]	[•]
[•], [•], [•]	[•]	[•]

(Insert the different Valuation Dates for the purpose of determining each Equity Basket$_t$)

- Equity Basket$_{initial}$ Valuation Date: [•],[•],[•]

- Scaling Factor: [[100]/[•] per cent.]

[**Scaling Factor**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]]

(xxiv) Asian Option – Underlying Equity [Applicable/Not Applicable]

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

- Equity$_{initial}$ Valuation Date(s): [•],[•],[•]

- Valuation Dates:

Valuation Dates$_t$	**Interest Period**	
	From (and including)	**To (but excluding)**
[•], [•], [•]	[•]	[•]
[•], [•], [•]	[•]	[•]
[•], [•], [•]	[•]	[•]

(*Insert the different Valuation Dates for the purpose of determining each Equity$_t$*)

- Scaling Factor: [[100]/[•] per cent.]

[**Scaling Factor**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]]

- Averaging Disruption Provisions: [Omission]/[Postponement]/[Modified Postponement]/[Not Applicable]

(xxv) Asian Option – Basket of Underlying Equities: [Applicable/Not Applicable]

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

- Equity Basket$_{initial}$ Valuation Date(s): [•],[•],[•]

- Valuation Dates:

Valuation Dates$_t$	**Interest Period**	
	From (and including)	**To (but excluding)**
[•], [•], [•]	[•]	[•]
[•], [•], [•]	[•]	[•]
[•], [•], [•]	[•]	[•]

(Insert the different Valuation Dates for the purpose of determining each Equity Basket$_t$)

- Scaling Factor: [[100]/[•] per cent.]

	[**Scaling Factor**	**Interest Period**	
		From (and including)	**To (but excluding)**
	[•] per cent.	[•]	[•]
	[•] per cent.	[•]	[•]
	[•] per cent.	[•]	[•]]

- Averaging Disruption Provisions: [Omission]/[Postponement]/[Modified Postponement]/[Not Applicable]

(xxvi) Digital Option: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, insert the relevant variables within the corresponding paragraph below)

- Digital Option Type: [Basket of Underlying Equities][Underlying Equity]

- Digital Option Payment Condition: [Greater Than]

  [Less Than]

  [Greater Than Or Equal To]

  [Less Than Or Equal To]

  - Valuation Dates: *(insert Valuation Dates for the Interest Periods in respect of Digital Option Variable)*

[Valuation Dates	**Interest Period**	
	From (and including)	**To (but excluding)**
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]]

- Digital Option Strike: [[•]

  (*Insert relevant level or specify Equity Determination and insert the relevant Variables within the corresponding paragraph below*)

  [Equity Determination]

  - Valuation Dates: *(insert Valuation Dates for the Interest Periods in respect of Digital Option Strike)*

Valuation Date	**Interest Period**	
	From (and including)	**To (but excluding)**

[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]

- Scaling Factor: [[100]/[•] per cent.]

[**Scaling Factor**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]]

- Digital Option Exercised Rate: [[•] per cent. per annum]

  [As determined in accordance with the Digital Option Payment Determination Method]

  - Digital Option Payment Determination Method: [Not applicable]

    [Screen Rate Determination]

    [Collar Rate]

    (If Screen Rate Determination and/or Collar Rate applies, insert relevant information for determining Digital Option Exercised Rate)

  - Reference Rate: [EURIBOR][NIBOR][CMS]

  - Interest Determination Date(s): [•][Standard IDD][Arrears IDD]

  - Relevant Screen Page: [•]

    [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*)

    (in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)

    (If Collar Rate applies, insert relevant information for determining Digital Option Exercised Rate)

  - Interest Multiplier: [+/-][100]/[•] per cent.

    (This may be a negative value.)

  - Margin: [+/-] [•] per cent. per annum

  - Cap Rate: [•]/[Infinity]

- Floor Rate: [•][Zero]
- Collar Margin: [+/-] [•] per cent. per annum

- Digital Option Fallback Rate: [Zero]

  [[•] per cent. per annum]

  [Screen Date Determination]

  [Collar Rate]

  (If Screen Rate Determination and/or Collar Rate applies, insert relevant information for determining Digital Option Fallback Rate)

  - Reference Rate: [EURIBOR][NIBOR][CMS]
  - Interest Determination Date(s): [•][Standard IDD][Arrears IDD]
  - Relevant Screen Page: [•]

    [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*)

    (in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)

    (If Collar Rate applies, insert relevant information for determining Digital Option Fallback Rate)
  - Interest Multiplier: [+/-][100]/[•] per cent.

    (This may be a negative value.)
  - Margin: [+/-] [•] per cent. per annum
  - Cap Rate: [•]/[Infinity]
  - Floor Rate: [•]/[Zero]
  - Collar Margin: [+/-] [•] per cent. per annum]

(xxv) Memory Option: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, insert the relevant variables within the corresponding paragraph below)

- Memory Option Type: Equity
- Memory Option Payment Condition: [Greater Than]

  [Less Than]

  [Greater Than Or Equal To]

[Less Than Or Equal To]

- Valuation Dates:

Valuation Dates	**Interest Period**	
	From (and including)	**To (but excluding)**
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]]

- Memory Option Level: [[•]

- Memory Option Rate: [[•] per cent. per annum]

17. Inflation Linked Interest Notes: [Applicable/Not Applicable]

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

(i) Interest Commencement Date: [•]/[Issue Date]

(ii) Interest Period End Dates: [[•] in each year, starting on [•], up to and including [the Maturity Date][•]]/[Interest Payment Dates will correspond to Interest Period End Dates]

(iii) Business Day Convention for Interest Period End Dates: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]

(iv) Interest Payment Dates: [[•] in each year, starting on [•], up to and including [the Maturity Date][•]]/ [Maturity Date]

(v) Business Day Convention for Interest Payment Dates: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]

(vi) Additional Business Centre(s): [Not Applicable][*specify other financial centres required for the Business Day definition*]

(vii) Interest Variable Option: [Evolution of Inflation]

[Cumulative Inflation]

[Asian Option – Inflation]

[Digital Option]

(Depending on the applicable Interest Variable Option selected, insert the relevant variables within the corresponding paragraph below)

(viii)	Day Count Fraction:	(*Specify one of the options listed below*) [Actual/Actual] or [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] or [360/360] or [Bond Basis] [30E/360] or [Eurobond Basis] [30E/360 (ISDA)] [1/1]
(ix)	Inflation Index:	[•]Sponsor: [•] [*Give or annex details*]
(x)	Interest Multiplier:	[+/-][100]/[•] per cent.][As set out under Digital Option below] *(This may be a negative value.)*
(xi)	Margin:	[[+/-] [•] per cent. per annum][As set out under Digital Option below]
(xii)	Minimum Rate of Interest:	[•]
(xiii)	Maximum Rate of Interest:	[•] (*Insert (i) Minimum Rate of Interest to floor the Rate of Interest; (ii) Maximum Rate of Interest to cap the Rate of Interest and (iii) Minimum Rate of Interest and Maximum Rate of Interest to collar the Rate of Interest*)
(xiv)	Relevant Payment Date:	[[•] in each year starting on [•], up to and including [the Maturity Date][•]]/[Each Interest Payment Date [and][The][Maturity Date]
(xv)	Relevant Determination Date(s):	[*Specify*/[Five] Business Days prior to [each/the] Relevant Payment Date]
(xvi)	Related Bond(s):	[Applicable/Not Applicable] [*Specify for an Index*/Fallback Bond]
(xvii)	Issuer(s) of Related Bond(s):	[•]/[Not Applicable]
(xviii)	Fallback Bond(s):	[Applicable/Not Applicable] [*Specify for an Index*/The bond determined as provided in Condition 8]
(xix)	Period of Cessation of Publication:	[2 consecutive months]/[•]

(xx) Evolution of Inflation: [Applicable/Not Applicable]

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

- $Inflation_{initial}$ Reference Month: [•]

- Reference Month(s):

Reference Months	**Relevant Payment Dates**	**Interest Periods**	
		From (and including)	**To (but excluding)**
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

- Scaling Factor: [[100]/[•] per cent.]

[**Scaling Factor**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]]

(xxi) Cumulative Inflation: [Applicable/Not Applicable]

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

- $Inflation_{initial}$ Reference Month: [•]

- Reference Month(s):

Reference Months	**Relevant Payment Dates**	**Interest Periods**	
		From (and including)	**To (but excluding)**
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

- Scaling Factor [[100]/ [•] per cent.]

[**Scaling Factor**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]]

(xxii) Asian Option – Inflation: [Applicable/Not Applicable]

- $Inflation_{initial}$ Reference Month(s): [•],[•],[•]
- $Inflation_t$: As determined in accordance with the following elections:
- Reference Month(s):

Reference Months$_t$	**Relevant Payment Dates**	**Interest Periods**	
		From (and including)	**To (but excluding)**
[•], [•], [•]	[•]	[•]	[•]
[•], [•], [•]	[•]	[•]	[•]
[•], [•], [•]	[•]	[•]	[•]

(*Insert the different Reference Months for the purpose of determining each $Inflation_t$*)

- Scaling Factor: [[100]/[•] per cent.]

[**Scaling Factor**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]]

(xxiii) Digital Option: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, insert the relevant variables within the corresponding paragraph below)

- Digital Option Type: Inflation

- Digital Option Payment Condition: [Greater Than]

  [Less Than]

  [Greater Than Or Equal To]

  [Less Than Or Equal To]

  - Reference Months: *(insert Reference Months for the Interest Periods in respect of Digital Option Variable)*

Reference Months	**Relevant Payment Dates**	**Interest Periods**	
		From (and including)	**To (but excluding)**
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

- Digital Option Strike: [[•]

  (Insert relevant level)

  [Inflation Determination]

  - Reference Months: *(insert Reference Months for the Interest Periods in respect of Digital Option Strike)*

Reference Months	**Relevant Payment Dates**	**Interest Periods**	
		From (and including)	**To (but excluding)**
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

  - Scaling Factor: [[100]/[•] per cent.]

[**Scaling Factor**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]]

- Digital Option Exercised Rate: [[•] per cent. per annum]

  [As determined in accordance with the Digital Option Payment Determination Method]

- Digital Option Payment Determination Method: [Not Applicable]

  [Screen Rate Determination]

  [Collar Rate]

- Reference Rate: [EURIBOR][NIBOR][CMS]

- Interest Determination Date(s): [●][Standard IDD][Arrears IDD]

- Relevant Screen Page: [●]

  [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"](*if CMS*)

  (*in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate*)

  (*If Collar Rate applies, insert relevant information for determining Digital Option Exercised Rate*)

- Interest Multiplier: [+/-][100]/[●] per cent.

  (This may be a negative value.)

- Margin: [+/-] [●] per cent. per annum

- Cap Rate: [●]/[Infinity]

- Floor Rate: [●]/[Zero]

- Collar Margin: [+/-] [●] per cent. per annum]

- Digital Option Fallback Rate: [Zero]

  [[●] per cent. per annum]

  [Screen Rate Determination]

  [Collar Rate]

  (If Screen Rate Determination and/or Collar Rate applies, insert relevant information for determining Digital Option Fallback Rate)

  - Reference Rate: [EURIBOR][NIBOR][CMS]

  - Interest Determination Date(s): [●][Standard IDD][Arrears IDD]

  - Relevant Screen Page: [●]

    [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"](*if CMS*)

(*in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate*)

(If Collar Rate applies, insert relevant information for determining Digital Option Fallback Rate)

- Interest Multiplier: [+/-][100]/[•] per cent.

  (This may be a negative value.)
- Margin: [+/-] [•] per cent. per annum
- Cap Rate: [•]/[Infinity]
- Floor Rate: [•]/[Zero]
- Collar Margin: [+/-] [•] per cent. per annum]

(xxiv) Memory Option: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, insert the relevant variables within the corresponding paragraph below)

- Memory Option Type: Inflation
- Memory Option Payment Condition: [Greater Than]

  [Less Than]

  [Greater Than Or Equal To]

  [Less Than Or Equal To]
- Valuation Dates:

Valuation Dates	**Interest Period**	
	From (and including)	**To (but excluding)**
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]]

- Memory Option Level: [[•]
- Memory Option Rate: [[•] per cent. per annum]

18. Currency Linked Interest Notes: [Applicable/Not Applicable]

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

(i)	Interest Commencement Date:	[•]/[Issue Date]
(ii)	Interest Period End Dates:	[[•] in each year, starting on [•], up to and including [the Maturity Date][•]]
(iii)	Business Day Convention for Interest Period End Dates:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
(iv)	Interest Payment Dates:	[[•] in each year starting on [•], up to and including [the Maturity Date][•]]/[Interest Payment Dates will correspond to Interest Period End Dates]/ [Maturity Date]
(v)	Business Day Convention for Interest Payment Dates:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
(vi)	Additional Business Centre(s):	[Not Applicable][*specify other financial centres required for the Business Day definition*]
(vii)	Interest Variable Option:	[Evolution of Currency] [Asian Option – Currency] [Digital Option] *(Depending on the applicable Interest Variable Option selected, insert the relevant variables within the corresponding paragraph below)*
(viii)	Day Count Fraction:	(*Specify one of the options listed below*) [Actual/Actual] or [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] or [360/360] or [Bond Basis] [30E/360] or [Eurobond Basis] [30E/360 (ISDA)] [1/1]
(ix)	Interest Multiplier:	[+/-][100]/[•] per cent.][As set out under Digital Option below] *(This may be a negative value.)*
(x)	Margin:	[[+/-] [•] per cent. per annum][As set out under Digital Option below]
(xi)	Minimum Rate of Interest:	[•]

(xii) Maximum Rate of Interest: [•]

(Insert (i) Minimum Rate of Interest to floor the Rate of Interest; (ii) Maximum Rate of Interest to cap the Rate of Interest and (iii) Minimum Rate of Interest and Maximum Rate of Interest to collar the Rate of Interest)

(xiii) Currency Rate: [•]

(xiv) Currency Page: [•]

(xv) Event Currency: [•]/[Reference Currency]

(xvi) Base Currency: [•]/[Specified Currency]

(xvii) Reference Currency: [•]

(xviii) Valuation Time: [•]

(xix) Currency Disruption Events: [Not applicable]

[Benchmark Obligation Default]

[Benchmark Obligation description: [•]] (*if Benchmark obligation default applicable*)

[Dual Exchange Rate]

[General Inconvertibility]

[General Non-Transferability]

[Governmental Authority Default]

[Illiquidity]

[Minimum Amount: [•]];

[Illiquidity Valuation Date: [•]] (*if Illiquidity applicable*)

[Material Change in Circumstances]

[Nationalisation]

[Price Materiality]

[Secondary Rate: [•]]

[Price Materiality Percentage [•]](*if Price Materiality applicable*)

[Price Source Disruption]

[Specific Inconvertibility]

[Minimum Amount:[•]] (if Specific Inconvertibility applicable)

[Specific Non-Transferability]

(xx) Evolution of Currency: [Applicable]/[Not Applicable]

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

- $Currency_{initial}$ Valuation Date: [•]

- Valuation Dates:

[**Valuation Dates**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]]

- Scaling Factor: [[100]/[•] per cent.]

[**Scaling Factor**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]]

(xxi) Asian Option – Currency: [Applicable/Not Applicable]

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

- $Currency_{initial}$ Valuation Date(s): [•],[•],[•]

- $Currency_t$: As determined in accordance with the following elections:

- Valuation Dates:

[**Valuation Dates$_t$**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]]

(*Insert the different Valuation Dates for the purpose of determining each Currency$_t$*)

- Scaling Factor: [[100]/[•] per cent.]

[**Scaling Factor**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]]

(xxii) Digital Option: [Applicable/Not Applicable]

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

- Digital Option Type: Currency

- Digital Option Payment Condition: [Greater Than]

[Less Than]

[Greater Than Or Equal To]

[Less Than Or Equal To]

  - Valuation Dates: *(insert Valuation Dates for the Interest Periods in respect of Digital Option Variable)*

[**Valuation Dates**	**Interest Period**	
	From (and including)	**To (but excluding)**
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]]

- Digital Option Strike: [•]

(Insert relevant exchange rate)

[Currency Determination]

  - Valuation Dates: *(insert Valuation Dates for the Interest Periods in respect of Digital Option Strike)*

Valuation Date	**Interest Period**	
	From (and including)	**To (but excluding)**
[•]	[•]	[•]
[•]	[•]	[•]

[•]	[•]	[•]

- Scaling Factor: [[100]/[•] per cent.]

[Scaling Factor	**Interest Period**	
	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]]

- Digital Option Exercised Rate: [[•] per cent. per annum]

  [As determined in accordance with the Digital Option Determination Method]

  - Digital Option Payment Determination Method: [Not Applicable]

    [Screen Rate Determination]

    [Collar Rate]

  - Reference Rate: [EURIBOR][NIBOR][CMS]

  - Interest Determination Date(s): [•][Standard IDD][Arrears IDD]

  - Relevant Screen Page: [•]

    [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*)

    (in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)

    (If Collar Rate applies, insert relevant information for determining Digital Option Exercised Rate)

  - Interest Multiplier: [+/-][100]/[•] per cent.

    (This may be a negative value.)

  - Margin: [+/-] [•] per cent. per annum

  - Cap Rate: [•]/[Infinity]

  - Floor Rate: [•]/[Zero]

  - Collar Margin: [+/-] [•] per cent. per annum

- Digital Option Fallback Rate: [Zero]

  [[Screen Rate Determination][•] per cent. per annum]

[Collar Rate]

(If Screen Rate Determination and/or Collar Rate applies, insert relevant information for determining Digital Option Fallback Rate)

- Reference Rate: [EURIBOR][NIBOR][CMS]
- Interest Determination Date(s): [•][Standard IDD][Arrears IDD]
- Relevant Screen Page: [•]

  [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*)

  (in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate)

  (If Collar Rate applies, insert relevant information for determining Digital Option Fallback Rate)
- Interest Multiplier: [+/-][100]/[•] per cent.

  (This may be a negative value.)
- Margin: [+/-] [•] per cent. per annum
- Cap Rate: [•]/[Infinity]
- Floor Rate: [•]/[Zero]
- Collar Margin: [+/-] [•] per cent. per annum]

(xxiii) Memory Option: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, insert the relevant variables within the corresponding paragraph below)

- Memory Option Type: Currency
- Memory Option Payment Condition: [Greater Than]

  [Less Than]

  [Greater Than Or Equal To]

  [Less Than Or Equal To]
- Valuation Dates:

Valuation Dates	**Interest Period**	
	From (and including)	**To (but excluding)**
[•]	[•]	[•]

[•] [•] [•]

[•] [•] [•]]

- Memory Option Level: [[•]
- Memory Option Rate: [[•] per cent. per annum]

19. Additional Disruption Events: [Applicable/Not Applicable]

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

[[Change in Law]

[Hedging Disruption]

[Increased Cost of Hedging]

[Insolvency Filing]

(*NB: applicable in the case of Equity Linked Notes*)

[Loss of Stock Borrow] (*NB: applicable only for Equity Linked Notes and Index Linked Notes*)

[The Maximum Stock Loan Rate in respect of [*specify in relation to each Underlying Equity/security*] is [•]].

(*NB: Only applicable if Loss of Stock Borrow is applicable*)

[Increased Cost of Stock Borrow] (*NB: applicable only for Equity Linked Notes and Index Linked Notes*)

[The Initial Stock Loan rate in respect of [*specify in relation to each Underlying Equity/security*] is [•]]. (*NB: Only applicable if Increased Cost of Stock Borrow is applicable*)]

[Cross-contamination]

(*NB: applicable only for Equity Linked Notes with ETF Shares specified as an Underlying Equity*)

[ETF Insolvency Event]

(*NB: applicable only for Equity Linked Notes with ETF Shares specified as an Underlying Equity*)

[ETF Insolvency Entity: [*specify*][Not Applicable]

(NB: Only applicable if ETF Insolvency Event is applicable)]

[ETF Modification]

(*NB: applicable only for Equity Linked Notes with ETF Shares specified as an Underlying Equity*)

[ETF Regulatory Action]

(*NB: applicable only for Equity Linked Notes with ETF Shares specified as an Underlying Equity*)

[ETF Strategy Breach]

(*NB: applicable only for Equity Linked Notes with ETF Shares specified as an Underlying Equity*)

(i) Trade Date: [•]

20. Alternative Currency Provisions: [Applicable/Not Applicable]

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

(i) Alternative Currency: [USD][•]

(ii) Maximum Alternative Currency Number: [•]

(iii) AC Rate Calculation Date: [•] AC Rate Calculation Business Days before the due date for payment of the relevant amount under the Notes

(iv) AC Rate Calculation Jurisdiction(s): [•]

(v) AC USD Rate Calculation Date: [•] AC USD Rate Calculation Business Days before the due date for payment of the relevant amount under the Notes

(vi) AC USD Rate Calculation Jurisdiction(s): [•]

(vii) Trade Date: [•]

21. Coupon Payable on Maturity [Applicable/Not Applicable]

PROVISIONS RELATING TO REDEMPTION

22. Issuer Call: [Applicable/Not Applicable]

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

(i) Optional Redemption Date(s): [•]

(ii) Business Day convention for Optional Redemption Dates: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]

(*NB: This should be not applicable unless the Optional Redemption Date is not expected to fall on an Interest Payment Date*)

(iii) Additional Business Centre(s): [Not Applicable][*specify other financial centres required for the Business Day definition*]

(*NB: This should be not applicable unless the Optional Redemption Date is not expected to fall on an Interest Payment Date*)

(iv) Optional Redemption Amount: [[●] per Calculation Amount]/ [[●]% of Calculation Amount"]]

(v) Issuer Call Period (if other than as set out in Condition 5(c)): [●]]

[not] [less than [●]] [nor more than [●]]

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

23. Autocall Early Redemption: [Applicable/Not Applicable]

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

(i) Autocall Type: [Index]

[Underlying Equity]

[Basket of Underlying Equities]

[Currency]

[– Index and details of the relevant Index Sponsor: Index: *[name and short description of type of index]*

Index Sponsor: *[specify]*

Multiplier (per cent.): *[specify]*

Exchange: *[specify]*

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

Designated Multi-Exchange Index: [Applicable][Not Applicable]

Valuation Time: *[specify]*]

(*Note that in the case of PD Notes, (i) proprietary indices of the Issuer or any legal entity belonging to the same group may not be referenced and (ii) indices provided by a legal entity or natural person acting in association with, or on behalf of, the Issuer may not be referenced*)

[– Valuation Time: [Condition 6(d) applies]/[●]]

[– Correction of Index Levels: Correction of Index Levels [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].]

[– Correction Cut-Off Date:	[[•] Business Days prior to each Interest Payment Date/Not Applicable.]]
[– The identity of the relevant Equity Issuer(s) of the equity security/equity securities in the basket:	*[Give or annex details of the relevant Underlying Equities/Underlying Equity, as applicable]:*

[The following apply only to Notes which have a single equity component]:

Underlying Equity:	*[name and short description of type of shares (which, if "ETF Share" is specified below as applicable, will be ETF Shares)]* issued by the Equity Issuer (ISIN: [•])
ETF Share	[Applicable/Not Applicable]
Underlying Equity Currency:	*[specify]*
Equity Issuer:	*[specify](in the case of ETF Shares, specify the relevant ETF Issuer)*
Exchange:	*[specify]*
Related Exchange:	[All Exchanges]*[specify]*

[(*The following additional provisions apply only where the relevant equity component is an ETF Share):*

ETF Adviser:	*[specify]*
ETF Administrator:	*[specify]*
Reference Index:	*[specify]*]

[The following apply only to Notes with an equity basket component]:

A basket composed of Underlying Equities in the relative proportions of Underlying Equities of each Equity Issuer specified below:

Underlying Equity:	*[name and short description of type of shares (which, if "ETF Share" is specified below as applicable, will be ETF Shares)]* issued by the Equity Issuer (ISIN: [•])
ETF Share	[Applicable/Not Applicable]
Underlying Equity Currency:	*[specify]*

	Equity Issuer:	*[specify](in the case of ETF Shares, specify the relevant ETF Issuer)*
	Multiplier (per cent.):	*[specify]*
	Exchange:	*[specify]*
	Related Exchange:	[All Exchanges]*[specify]*
	[*(The following additional provisions apply only where the relevant equity component is an ETF Share):*	
	ETF Adviser:	*[specify]*
	ETF Administrator:	*[specify]*
	Reference Index:	*[specify]*]
	[Replicate the details in respect of each Equity in the Basket]]	
[– Potential Adjustment Events:	[Applicable/Not Applicable]]	
[– De-listing, Merger Event, Nationalisation and Insolvency:	[Applicable/Not Applicable]]	
[– Tender Offer:	[Applicable/Not Applicable]]	
[– Valuation Time:	[Condition 7(d) applies]/[•]	
[– Exchange Rate:	[Applicable/Not Applicable]	
	[*Insert details*]]	
[– Correction of Share Prices:	Correction of Share Prices [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].]	
[– Correction Cut-Off Date:	[•] Business Days prior to each Interest Payment Date/Not Applicable.]]	
[– Trade Date:	[•]]	
[– Currency Rate:	[•]]	
[– Currency Page:	[•]]	
[– Event Currency:	[•]/[Reference Currency]]	
[– Base Currency:	[•]/[Specified Currency]]	
[– Reference Currency:	[•]]	
[– Valuation Time:	[•]]	

[–	Currency Disruption Events:	[Not applicable]
		[Benchmark Obligation Default]
		[Benchmark Obligation description: [•]] (*if Benchmark obligation default applicable*)
		[Dual Exchange Rate]
		[General Inconvertibility]
		[General Non-Transferability]
		[Governmental Authority Default]
		[Illiquidity]
		[Minimum Amount: [•]];
		[Illiquidity Valuation Date: [•]] (*if Illiquidity applicable*)
		[Material Change in Circumstances]
		[Nationalisation]
		[Price Materiality]
		[Secondary Rate: [•]]
		[Price Materiality Percentage [•]](*if Price Materiality applicable*)
		[Price Source Disruption]
		[Specific Inconvertibility]
		[Minimum Amount: [•]] (*if Specific Inconvertibility applicable*)
		[Specific Non-Transferability]]
(ii)	Autocall Condition:	[Greater Than]
		[Less Than]
		[Greater Than Or Equal To]
		[Less Than Or Equal To]
(iii)	Autocall Observation Dates:	[•]
(iv)	Business Day Convention for Autocall Observation Dates:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]

(v) Autocall Variable:

- Autocall Variable Averaging: [Applicable/Not Applicable]

- Valuation Date(s):

Autocall Observation Dates	Valuation Date (where Autocall Variable Averaging is Not Applicable)	Valuation Dates$_t$ (where Autocall Variable Averaging is Applicable)
[•]	[N/A] [•]	[N/A] [•],[•],[•]
[•]	[N/A] [•]	[N/A] [•],[•],[•]
[•]	[N/A] [•]	[N/A] [•],[•],[•]

(Insert the different Valuation Dates for the purpose of determining each Autocall Variable)

[– Averaging Disruption Provisions: [Omission]/[Postponement]/[Modified Postponement]/[Not Applicable]]

(vi) Autocall Strike:

- Autocall Strike Amount: [Applicable/Not Applicable]

(If not applicable, delete table and populate Autocall Strike Determination or Autocall Strike Averaging)

Autocall Observation Dates	Autocall Strike
[•]	[•]
[•]	[•]
[•]	[•]

- Autocall Strike Determination: [Applicable/Not Applicable]

- Autocall Strike Averaging: [Applicable/Not Applicable]

[– Valuation Date(s):

Autocall Observation Dates	Valuation Date (where Autocall Strike Determination is Applicable)	Valuation Dates$_t$ (where Autocall Strike Averaging is Applicable)
[•]	[N/A] [•]	[N/A] [•],[•],[•]
[•]	[N/A] [•]	[N/A] [•],[•],[•]
[•]	[N/A] [•]	[N/A] [•],[•],[•]

(Insert the different Valuation Dates for the purpose of determining each Autocall Variable, unless Autocall Strike Amount applies in which case delete the above table)]

[– Averaging Disruption Provisions: [Omission]/[Postponement]/[Modified Postponement]/[Not Applicable]]

(vii) Average Autocall Reference Price:

- Autocall Variable Averaging: [Applicable][Not Applicable]
- Autocall Strike Averaging: [Applicable][Not Applicable]
- Autocall Reference Item$_{initial}$ Averaging: [Applicable][Not Applicable]
- Autocall Reference Item$_{final}$ Averaging: [Applicable][Not Applicable]

(viii) Scaling Factor: [[100]/[•] per cent.]

[**Scaling Factor** **Interest Period**

	From (and including)	**To (but excluding)**
[•] per cent.	[•]	[•]
[•] per cent.	[•]	[•]

		[•] per cent.	[•]	[•]]

(ix) Autocall Redemption Amount: [[•]

[**Autocall Redemption Amount**	**Autocall Notes redeeming**	
	From (and including)	**To (but excluding)**
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]]

(*If one or more specific amounts are specified, delete the remainder of this paragraph. If a specific amount is not specified, populate the provisions below)*

- Reference $Item_{initial}$: [[•]

(*Insert relevant level or amount, depending on Autocall Type, unless Reference $Item_{initial}$ Determination or Autocall Reference $Item_{final}$ Averaging applies*)]

[Reference $Item_{initial}$ Determination: [Applicable/Not Applicable]

[Autocall Reference $Item_{initial}$ Averaging: [Applicable/Not Applicable]

- Valuation Date(s):

Autocall Observation Dates	Valuation Date (where Reference $Item_{initial}$ Determination is Applicable)	Valuation $Dates_t$ (where Autocall Reference $Item_{initial}$ Averaging is Applicable)
[•]	[N/A] [•]	[N/A] [•],[•],[•]
[•]	[N/A] [•]	[N/A] [•],[•],[•]
[•]	[N/A] [•]	[N/A] [•],[•],[•]]

[– Averaging Disruption Provisions: [Omission]/[Postponement]/[Modified Postponement]/[Not Applicable]]

- Reference $Item_{final}$: [[•]

(Insert relevant level or amount, depending on Autocall Type, unless Reference $Item_{final}$ Determination or Autocall Reference $Item_{final}$ Averaging applies)]

[Reference Item$_{final}$ Determination: [Applicable/Not Applicable]]

[Autocall Reference Item$_{final}$ Averaging: [Applicable/Not Applicable]]

- Valuation Date(s):

Autocall Observation Dates	Valuation Date (where Reference Item$_{final}$ Determination is Applicable)	Valuation Dates$_t$ (where Autocall Reference Item$_{final}$ Averaging is Applicable)
[●]	[N/A] [●]	[N/A] [●],[●],[●]
[●]	[N/A] [●]	[N/A] [●],[●],[●]
[●]	[N/A] [●]	[N/A] [●],[●],[●]]

[– Averaging Disruption Provisions: [Omission]/[Postponement]/[Modified Postponement]/[Not Applicable]]

- Cap %: [●]/[Infinity]
- Floor %: [●]/[Zero]
- Scaling Factor: [[100]/[●] per cent.]

Autocall Observation Dates	Scaling Factor
[●]	[●] per cent.
[●]	[●] per cent.
[●]	[●] per cent.
[●]	[●] per cent.

- Autocall Multiplier: [●] [100] per cent.

24. Final Redemption Amount: [Redemption will be at par][●]

[In accordance with Conditions] (*applicable for Index Linked Redemption Notes, Equity Linked Redemption Notes and Currency Linked Redemption Notes only*)

[In accordance with Credit Linked Conditions] (*applicable for Credit Linked Notes only*)

25. **Instalment Dates and Instalment Amounts:** [Applicable/Not Applicable]

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

(i) Instalment Dates and Instalment Amounts Date(s):

Instalment Dates: **Interest Payment Date falling [on] [in [or nearest to] [*specify month and year below*]]**	**Instalment Amount (per Calculation Amount):**

(*N.B. Instalment Dates must fall on an Interest Payment Date*)

(ii) Interest on Instalment Only Notes: [Applicable/Not Applicable]

26. **Early Redemption Amount**:

Early Redemption Amount payable on redemption for taxation reasons or on an illegality (or, in the case of Floating Rate Notes, following a cessation of the Reference Rate or, in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Condition 6(b)(ii)(b) or, in the case of Equity Linked Notes, following a De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Tender Offer in accordance with Condition 7(b)(ii)(b) or, in the case of Inflation Linked Notes, following an Inflation Index Cancellation pursuant to a Cessation of Publication in accordance with Condition 8 or, in the case of Currency Linked Notes, following a Currency Disruption Event, in accordance with Condition 9(b)(i)(D)) or following an Additional Disruption Event (if applicable) or, following a

– Fixed Early Redemption Amount: [●][Not Applicable]

– Fixed Early Redemption Percentage: [●]%[Not Applicable]

– Including Interest: [Applicable][Not Applicable]] (i*f Condition 5(e)(i) applies*)

Scheduled Payment Currency Disruption Event:

27. **Index Linked Redemption Notes**: [Applicable/Not Applicable]

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

(i) Index and details of the relevant Sponsors:

Index: *[name and short description of type of index.]*

Index Sponsor: *[specify]*

Exchange: *[specify]*

Designated Multi-Exchange Index: [Applicable][Not Applicable]

[Further information about the Index can be obtained at [●].]

(*Note that in the case of PD Notes, (i) proprietary indices of the Issuer or any legal entity belonging to the same group may not be referenced and (ii) indices provided by a legal entity or natural person acting in association with, or on behalf of, the Issuer may not be referenced*)

(ii) Index Linked Redemption Amount: (*Populate the provisions below*)

[– Index Redemption Multiplier: [+/-][100]/[●] per cent.

(This may be a negative value.)

[– Reference $Item_{initial}$: [[●]

(Insert relevant amount, unless Reference $Item_{initial}$ Determination or Reference $Item_{final}$ Averaging applies)]

[Reference $Item_{initial}$ Determination: [Applicable/Not Applicable]

[Reference $Item_{initial}$ Averaging: [Applicable/Not Applicable]

[– Valuation Date(s):

Valuation Date (where Reference $Item_{initial}$ Determination Applicable)	Valuation $Dates_t$ (where Reference $Item_{initial}$ Averaging Applicable)
[N/A] [●]	[N/A] [●], [●], [●]

(*Insert the different Valuation Dates for the purpose of determining each Reference Item$_{initial}$, unless relevant amount specified in which case delete the above table*)]

[– Averaging Disruption Provisions: [Omission]/[Postponement]/[Modified Postponement]/[Not Applicable]]

[– Reference Item$_{final}$: [[•]

(Insert relevant amount, unless Reference Item$_{final}$ Determination or Reference Item$_{final}$ Averaging applies)]

[Reference Item$_{final}$ Determination: [Applicable/Not Applicable]

[Reference Item$_{final}$ Averaging: [Applicable/Not Applicable]

[– Valuation Date(s):

Valuation Date (where Reference Item$_{final}$ Determination Applicable)	Valuation Dates$_t$ (where Reference Item$_{final}$ Averaging Applicable)
[N/A] [•]	[N/A] [•], [•], [•]

(*Insert the different Valuation Dates for the purpose of determining each Reference Item$_{final}$, unless relevant amount specified in which case delete the above table*)]

[– Averaging Disruption Provisions: [Omission]/[Postponement]/[Modified Postponement]/[Not Applicable]]

[– Scaling Factor: [100]/[•] per cent.]

[– Cap %: [•]/[Infinity]]

[– Floor %: [•]/[Zero]]

(iii) Exchange(s): [•]

(iv) Related Exchange(s): [All Exchanges]

(v) Valuation Date: [•]

(vi) Valuation Time: [Condition 6(d) applies]/[•]

(vii) Multiplier: [+/-] [•] [100] per cent.

(viii) Correction of Index Levels: Correction of Index Levels [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].

(ix) Correction Cut-Off Date: [•] Business Days prior to the Maturity Date/Not Applicable

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

(i) Whether the Notes relate to a basket of [Basket of Underlying Equities/Single Underlying Equity]

equity securities or a single equity security, and the identity of the relevant Equity Issuer(s):

[(*Give or annex details of the relevant Underlying Equities/ Underlying Equity, as applicable*):

[The following apply only to Notes which have a single equity component]:

Underlying Equity:	[name and short description of type of shares *(which, if "ETF Share" is specified below as applicable, will be ETF Shares)*] issued by the Equity Issuer (ISIN: [•])
ETF Share	[Applicable/Not Applicable]
Underlying Equity Currency:	*[specify]*
Equity Issuer:	*[specify] (in the case of ETF Shares, specify the relevant ETF Issuer)*
Exchange	*[specify]*
Related Exchange:	[All Exchanges]*[specify]*

[*(The following additional provisions apply only where the relevant equity component is an ETF Share):*

ETF Adviser:	*[specify]*
ETF Administrator:	*[specify]*
Reference Index:	*[specify]*]

[The following apply only to Notes with an equity basket component]:

A basket composed of Underlying Equities in the relative proportions of Underlying Equities of each Equity Issuer specified below:

Underlying Equity	[name and short description of type of shares *(which, if "ETF Share" is specified below as applicable, will be ETF Shares)*] issued by the Equity Issuer (ISIN: [•])
ETF Share	[Applicable/Not Applicable]
Underlying Equity Currency	*[specify]*
Equity Issuer	*[specify](in the case of ETF Shares, specify the relevant ETF Issuer)*
Multiplier (per cent.)	*[specify]*
Exchange	*[specify]*

[*(The following additional provisions apply only where the relevant equity component is an ETF Share):*

ETF Adviser: *[specify]*

ETF Administrator: *[specify]*

Reference Index: *[specify]*]

[*Replicate the details in respect of each Equity in the Basket*]

(ii) Equity Linked Redemption Amount: [[•]]

(*Populate the provisions below*)

[– Equity Redemption Multiplier: [+/-][100]/[•] per cent.

(This may be a negative value.)

[– Reference $Item_{initial}$: [[•]

(Insert relevant amount, unless Reference $Item_{initial}$ Determination or Reference $Item_{initial}$ Averaging applies)]

[Reference $Item_{initial}$ Determination: [Applicable/Not Applicable]

[Reference $Item_{initial}$ Averaging: [Applicable/Not Applicable]

[– Valuation Date(s):

Valuation Date (where Reference $Item_{initial}$ Determination Applicable)	Valuation $Dates_t$ (where Reference $Item_{initial}$ Averaging Applicable)
[N/A] [•]	[N/A] [•], [•], [•]

(*Insert the different Valuation Dates for the purpose of determining each Reference $Item_{initial}$, unless relevant amount specified in which case delete the above table*)]

[– Averaging Disruption Provisions: [Omission]/[Postponement]/[Modified Postponement]/[Not Applicable]]

[– Reference $Item_{final}$: [[•]

(Insert relevant amount, unless Reference $Item_{final}$ Determination or Reference $Item_{final}$ Averaging applies)]

[Reference $Item_{final}$ Determination: [Applicable/Not Applicable]

[Reference $Item_{final}$ Averaging: [Applicable/Not Applicable]

[– Valuation Date(s):

Valuation Date (where Reference $Item_{final}$	Valuation $Dates_t$ (where Reference $Item_{final}$ Averaging Applicable)

Determination Applicable)	
[N/A] [•]	[N/A] [•], [•], [•]

(*Insert the different Valuation Dates for the purpose of determining each Reference Item$_{final}$, unless relevant amount specified in which case delete the above table*)]

[– Averaging Disruption Provisions: [Omission]/[Postponement]/[Modified Postponement]/[Not Applicable]]

[– Scaling Factor: [100]/[•] per cent.]]

[– Cap %: [•]/[Infinity]]

[– Floor %: [•]/[Zero]]

(iii) Related Exchange(s): [All Exchanges]

(iv) Potential Adjustment Events: [Applicable/Not Applicable]

(v) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]

(vi) Tender Offer: [Applicable/Not Applicable]

(vii) Reference Price: [•]

(viii) Valuation Date: [•]

(ix) Valuation Time: [Condition 7(d) applies]/[•]

(x) Multiplier: [+/-] [•] [100] per cent.

(xi) Exchange Rate: [Applicable/Not Applicable] [Insert details]

(xii) Correction of Share Prices: Correction of Share Prices [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].

(xiii) Correction Cut-Off Date: [[•] Business Days prior to the Maturity Date]/[Not Applicable.]

(xiv) Trade Date: [•]

29. Currency Linked Redemption Notes: [Applicable][Not Applicable]

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

(i) Currency Linked Redemption Amount: [[•]]

(*Populate the provisions below*)

[– Currency Redemption Multiplier: [+/-][100]/[•] per cent.

(This may be a negative value.)

[– Reference $Item_{initial}$: [[•]

(Insert relevant amount, unless Reference $Item_{initial}$ Determination or Reference $Item_{final}$ Averaging applies)]

[Reference $Item_{initial}$ Determination: [Applicable/Not Applicable]

[Reference $Item_{initial}$ Averaging: [Applicable/Not Applicable]

[– Valuation Date(s):

Valuation Date (where Reference $Item_{initial}$ Determination Applicable)	Valuation $Dates_t$ (where Reference $Item_{initial}$ Averaging Applicable)
[N/A] [•]	[N/A] [•], [•], [•]

(*Insert the different Valuation Dates for the purpose of determining each Reference $Item_{initial}$, unless relevant amount specified in which case delete the above table*)]

[– Reference $Item_{final}$: [[•]

(Insert relevant amount, unless Reference $Item_{final}$ Determination or Reference $Item_{final}$ Averaging applies)]

[Reference $Item_{final}$ Determination: [Applicable/Not Applicable]

[Reference $Item_{final}$ Averaging: [Applicable/Not Applicable]

[– Valuation Date(s):

Valuation Date (where Reference $Item_{final}$ Determination Applicable)	Valuation $Dates_t$ (where Reference $Item_{final}$ Averaging Applicable)
[N/A] [•]	[N/A] [•], [•], [•]

(*Insert the different Valuation Dates for the purpose of determining each Reference $Item_{final}$, unless relevant amount specified in which case delete the above table*)]

[– Scaling Factor: [100]/[•] per cent.]

[– Cap %: [•]/[Infinity]]

[– Floor %: [•]/[Zero]]

(ii) Currency Rate: [•]

(iii) Currency Page: [•]

(iv)	Event Currency:	[•]/[Reference Currency]
(v)	Base Currency:	[•]/[Specified Currency]
(vi)	Reference Currency:	[•]
(vii)	Valuation Date:	[•]
(viii)	Valuation Time:	[•]
(ix)	Multiplier:	[+/-] [•] [100] per cent.
(x)	Currency Disruption Events:	[Not applicable] [Benchmark Obligation Default] [Benchmark Obligation description: [•]] (*if Benchmark obligation default applicable*) [Dual Exchange Rate] [General Inconvertibility] [General Non-Transferability] [Governmental Authority Default] [Illiquidity] [Minimum Amount: [•]]; [Illiquidity Valuation Date: [•]] *(if Illiquidity applicable)* [Material Change in Circumstances] [Nationalisation] [Price Materiality] [Secondary Rate: [•]] [Price Materiality Percentage [•]]*(if Price Materiality applicable*) [Price Source Disruption] [Specific Inconvertibility] [Minimum Amount:[•]] *(if Specific Inconvertibility applicable*) [Specific Non-Transferability]]

30. Credit Linked Notes: [Applicable][Not Applicable]

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

(i)	Type of Notes:	[Single Name Credit Linked Notes][Basket Credit Linked Notes][Index Tranche Credit Linked Notes]
(ii)	Credit Event Redemption Method:	[Auction Redemption][Cash Redemption][Fixed Recovery Redemption]

	[– Fallback Redemption Method:	[Cash Redemption][Not Applicable]] (*Only applicable where 'Auction Redemption' is the Credit Event Redemption Method*)
(iii)	[Fixed Recovery Percentage:	[●] per cent.]] (*Delete this row if not applicable*)
(iv)	Credit Payment on Maturity:	[Applicable][Not Applicable]
(v)	Credit Event Accrued Interest:	[Applicable][Not Applicable]
(vi)	Credit Event Suspended Interest:	[Applicable][Not Applicable]
(vii)	Credit Event Deferred Interest on Loss Amount:	[Applicable][Not Applicable]
(viii)	Single Name Credit Linked Notes:	[Applicable][Not Applicable] (*If not applicable, delete remaining sub-paragraphs of this paragraph*)
	• Reference Entity:	[*Specify*] (*In accordance with Item 2.2.2 of Annex 17 of Commission Delegated Regulation (EU) 2019/980, as amended, the Reference Entity must have securities already admitted to trading on a regulated market, equivalent third country market or SME Growth Market). The following details are required by Item 2.2.2:* *If the Reference Entity comprises of a single entity, or in the case of a pool of underlying where a single reference entity represents 20% or more of the pool, so far as the Issuer is aware and/or able to ascertain from information published by the Reference Entity, please also add ISIN, address, country of incorporation, industry or industries in which the Reference Entity operates and the name of the market in which its securities are admitted.* *In the case of a pool of underlying where a single reference entity represents less than 20 % of the pool, please include names of the reference entities or issuers of the Reference Obligation and the ISIN.*
	- ISIN:	[*Specify*]
	- Address:	[*Specify*]
	- Country of incorporation:	[*Specify*]
	- Industry:	[*Specify*]
	- Market in which its securities are admitted:	[*Specify*]

- Seniority Level: [Senior Level][Subordinated Level]

- Standard Reference Obligation: [Applicable][Not Applicable]

  (*Where Applicable, specify Reference Obligation below if the fallback to a Non-Standard Reference Obligation under paragraph (c) of the definition of "Reference Obligation" is to apply*)

- Reference Obligation: [*Specify Reference Obligation*]

- Auction Redemption Amount: [*Specify if an alternative to that set out in the Credit Linked Conditions is to apply*][As per the Credit Linked Conditions] (*Only include if 'Auction Redemption' is applicable*)

- Cash Redemption Amount: [*Specify if an alternative to that set out in the Credit Linked Conditions is to apply*][As per the Credit Linked Conditions] (*Only include if 'Cash Redemption' is applicable, including where 'Cash Redemption' is the Fallback Redemption Method*)

- Cash Redemption Date: [[•] Business Days following the relevant date specified in the Credit Linked Conditions][As per the Credit Linked Conditions] (*Only include if Cash Redemption is the Credit Event Redemption Method or the Fallback Redemption Method*)

- Final Auction Redemption Amount: [*Specify if an alternative to that set out in the Credit Linked Conditions is to apply*][As per the Credit Linked Conditions](*Only include if 'Auction Redemption' and 'Credit Payment on Maturity' applies*)

- Final Cash Redemption Amount: [*Specify if an alternative to that set out in the Credit Linked Conditions is to apply*][As per the Credit Linked Conditions](*Only include if 'Cash Redemption' and 'Credit Payment on Maturity' applies*)

- Funding Interest Rate: [•]

(ix) Basket Credit Linked Notes: [Applicable][Not Applicable]

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

- Index: [*Specify*][Not Applicable]

- Reference Entities, Weighting, Reference Entity Notional Amount and Seniority Level: [As set out in Appendix 1 to the Final Terms](*Insert if 'Index' is applicable*)

  [(*Insert below table if 'Index' is not applicable*)

Reference Entity:	**Weighting:**	**Reference Entity Notional Amount:**	**Seniority Level:**

[*Specify*]	[*Specify*]	[*Specify*]	[Senior Level] [Subordinated Level]
[*Specify*]	[*Specify*]	[*Specify*]	[Senior Level] [Subordinated Level]

(*Repeat rows as necessary*)]

(*In accordance with Item 2.2.2 of Annex 17 of Commission Delegated Regulation (EU) 2019/980, as amended, the Reference Entity must have securities already admitted to trading on a regulated market, equivalent third country market or SME Growth Market)*

- Standard Reference Obligations: [Applicable][Not Applicable]

  (*Where applicable, specify Reference Obligation(s) below if the fallback to a Non-Standard Reference Obligation under paragraph (c) of the definition of "Reference Obligation" is to apply. Insert the Non-Standard Reference Obligation for each Reference Entity*)

- Reference Obligations: [*Specify Reference Obligation(s)*] (*If 'Index' is not applicable, insert the Reference Obligation for each Reference Entity*) [In respect of each Reference Entity, the obligation identified in respect of such Reference Entity in the Appendix hereto](*Insert if 'Index' is applicable*)

- Basket Auction Redemption Amount: [*Specify if an alternative to that set out in the Credit Linked Conditions is to apply*][As per the Credit Linked Conditions] (*Only include if 'Auction Redemption' is applicable*)

- Basket Auction Redemption Date: [[•] Business Days following the relevant date specified in the Credit Linked Conditions][As per the Credit Linked Conditions] (*Only include if Auction Redemption is the Credit Event Redemption Method*)

- Basket Cash Redemption Amount: [*Specify if an alternative to that set out in the Credit Linked Conditions is to apply*][As per the Credit Linked Conditions] (*Only include if 'Cash Redemption' is applicable, including where' Cash Redemption' is the Fallback Redemption Method*)

- Basket Cash Redemption Date: [[•] Business Days following the relevant date specified in the Credit Linked Conditions][As per the Credit Linked Conditions] (*Only include if Cash Redemption is the Credit Event Redemption Method or the Fallback Redemption Method*)

- Basket Final Auction Redemption Amount: [*Specify if an alternative to that set out in the Credit Linked Conditions is to apply*][As per the Credit Linked Conditions](*Only include if 'Auction Redemption' and 'Credit Payment on Maturity' applies*)

- Basket Final Cash [*Specify if an alternative to that set out in the Credit Linked Conditions is to apply*][As per the Credit Linked

	Redemption Amount:	Conditions](*Only include if 'Cash Redemption' and 'Credit Payment on Maturity' applies*)
	• Funding Interest Rate:	[•]
(x)	Index Tranche Credit Linked Notes:	[Applicable][Not Applicable] (*If not applicable, delete remaining sub-paragraphs of this paragraph*)
	• Index:	[*Specify*]
	• Reference Entities:	As set out in Appendix 1 to the Final Terms (*In accordance with Item 2.2.2 of Annex 17 of Commission Delegated Regulation (EU) 2019/980, as amended, the Reference Entity must have securities already admitted to trading on a regulated market, equivalent third country market or SME Growth Market)*
	• Standard Reference Obligations:	[Applicable][Not Applicable] (*Where Applicable, specify Reference Obligation(s) below if the fallback to a Non-Standard Reference Obligation under paragraph (c) of the definition of "Reference Obligation" is to apply. Insert the Non-Standard Reference Obligation for each Reference Entity*)
	• Reference Obligations:	[In respect of each Reference Entity, the obligation identified in respect of such Reference Entity in the Appendix hereto]
	• Attachment Point:	[•] per cent.
	• Detachment Point:	[•] per cent.
	• Leverage:	[•] per cent.
	• Tranche Size:	[•] [*This is the product of (a) the Original Aggregate Nominal Amount of the Notes and (b) the Detachment Point minus the Attachment Point*]
	• Loss Threshold Amount:	[•] [*This is the product of the Original Aggregate Nominal Amount and the Attachment Point*]
	• Recovery Threshold Amount:	[•] [*This is the product of (a) the Original Aggregate Nominal Amount and (b) 100% minus the Detachment Point*]
	• Index Tranche Incurred Loss Amount:	[*Specify*][As per the Credit Linked Conditions]
	• Index Tranche Incurred Recovery Amount:	[*Specify*][As per the Credit Linked Conditions]

- Index Tranche Cash Redemption Date: [[•] Business Days following the relevant date specified in the Credit Linked Conditions][As per the Credit Linked Conditions]

- Index Tranche Auction Redemption Date: [[•] Business Days following the relevant date specified in the Credit Linked Conditions][As per the Credit Linked Conditions]

- Funding Interest Rate: [•]

(xi) Obligations:

- Obligation Category: [Payment][Borrowed Money][Reference Obligation Only] [Bond][Loan][Bond or Loan] (*Select one only*)

- Obligation Characteristics: [Not Subordinated]

  [Specified Currency] (*Specify unless the fallback in the definition of "Specified Currency" applies*)

  [Not Sovereign Lender]

  [Not Domestic Currency]

  [Not Domestic Law]

  [Listed]

  [Not Domestic Issuance]

  [None]

  (*Select all that apply*)

- Excluded Obligation: [*Specify*][Not Applicable]

- All Guarantees: [Applicable][Not Applicable]

  Fixed Cap: [*Specify*] [Not Applicable]

(xii) Valuation Obligations:

- Valuation Obligation Category: [Payment][Borrowed Money][Reference Obligations Only] [Bond][Loan][Bond or Loan] (*Select one only*)

- Valuation Obligation Characteristics: [Not Subordinated]

  [Specified Currency] (*Specify unless the fallback in the definition of "Specified Currency" applies*)

  [Not Sovereign Lender]

  [Not Domestic Currency]

[Domestic Currency] (*Specify unless the fallback in the definition of "Domestic Currency" in the Credit Linked Conditions applies*)

[Not Domestic Law]

[Listed]

[Not Domestic Issuance]

[Assignable Loan]

[Consent Required Loan]

[Direct Loan Participation]

[Transferable]

[Maximum Maturity [of [•] years (*Specify if default is not to apply*)]]

[Accelerated or Matured]

[Not Bearer] (*Select all that apply*)

[Together with [*Specify other obligation applicable for each Reference Entity other than those determined by reference to Obligation Category and Obligation Characteristics*]]

- Excluded Valuation Obligation: [*Specify*][Not Applicable]

- All Guarantees: [Applicable][Not Applicable]

Fixed Cap: [*Specify*] [Not Applicable]

(xiii) Financial Reference Entity Terms: [Applicable][Not Applicable]

(xiv) Subordinated European Insurance Terms: [Applicable][Not Applicable]

(xv) Coco Supplementary Provisions: [Applicable][Not Applicable]

[– [Trigger Percentage: [•]]

(xvi) Credit Event[(s)]: [Bankruptcy]

[Failure to Pay

Payment Requirement: [• *or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant failure to pay*] [OR] [As per the Credit Linked Conditions]

Grace Period Extension: [Applicable][Not Applicable]

[Grace Period: [*Specify*][As per the Credit Linked Conditions]]

[Governmental Intervention]

[Obligation Acceleration]

[Obligation Default]

[Repudiation/Moratorium]

[Restructuring

Mod R: [Applicable][Not Applicable]

Mod Mod R: [Applicable][Not Applicable]

Multiple Holder Obligation: [Applicable][Not Applicable]]

[*Select all that apply*]

- Default Requirement: [*Specify*][As per the Credit Linked Conditions]

- All Guarantees: [Applicable][Not Applicable]

  Fixed Cap: [*Specify*] [Not Applicable]

- Notice of Publicly Available Information: [Not Applicable] [*Note that it is not necessary to specify "Applicable" as the default position under the Credit Linked Conditions is for a Notice of Publicly Available Information to apply*]

  Public Source(s): [*Specify*][As per the Credit Linked Conditions]

  Specified Number: [*Specify*][As per the Credit Linked Conditions]]

(xvii) Non-Standard Event Determination Date: [Applicable][Not Applicable]

(xviii) Event Determination Date Version B: [Applicable][Not Applicable] (*Specify Event Determination Date Version B as applicable where the hedging CDS has only one Notifying Party)* (*i.e. "Buyer" or "Seller" is specified as the Notifying Party*). *Otherwise specify "Not Applicable" and the Event Determination Date provisions which are equivalent to having two Notifying Parties under a CDS will apply]*

(xix) Movement Option: [Restructuring Maturity Limitation and Full Transferable Obligation Applicable][Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable]

(xx) Cash Redemption Terms: [Applicable [as Fallback Redemption Method]][Not Applicable]

- Valuation Date[(s)]: [Single Valuation Date:

		Number of Business Days: [*Specify*][As per the Credit Linked Conditions]] [Multiple Valuation Dates: [•] Business Days and each [•] Business Days thereafter. [Number of Valuation Dates: [•]]]
	• Valuation Time:	[*Specify*][As per the Credit Linked Conditions]
	• Valuation Method:	[Highest][Market][Average Highest][Average Market][Lowest]
	• Quotation Method:	[Bid][Offer][Mid-market]
	• Quotation Dealers:	[*Specify*][As per the Credit Linked Conditions]
	• Accrued Interest:	[Include Accrued Interest][Exclude Accrued Interest][As per Credit Linked Condition 12(b)(ii)III]
(xxi)	Physical Settlement Matrix Standard Terms:	[Applicable][Not Applicable] [Physical Settlement Matrix: [*Specify*][As per the Credit Linked Conditions] Transaction Type: [*Specify*]]
(xxii)	Redemption Following Merger:	[Applicable][Not Applicable]
(xxiii)	Settlement Currency:	[*Specify*][As per the Credit Linked Conditions]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

31.	**Form of Notes**:	[Bearer Notes.] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.] [Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian law of 14 December 2005.]
	New Global Note:	[Yes][No]
32.	**Calculation Agent responsible for calculating the [Variable] Rate(s) of Interest and Interest Amount(s) and for making calculations pursuant to [Condition 3(c)][Condition 5(d)] [Condition 6][Condition 7][Condition 8][Condition 9][Credit Linked Conditions]:**	[(*Give name and address*)]

	Additional Financial Centre(s) and/or other elections relating to Payment Days:	[Not Applicable/*give details*] (*Note that this item relates to the place of payment and not "Business Days" for the purposes of the Maturity Date, Interest Payment Dates and Optional Redemption Dates - please insert any additional financial centres required for the definition of Payment Day which applies to payments to be made to Noteholders and separate from the definition of "Additional Business Centre" and "Business Day"*) [TARGET Not Required] [Principal Financial Centre Not Required]
33.	**Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):**	[Yes/No (if yes, give details)]]

DISTRIBUTION

34.	Method of distribution:	[Syndicated/Non-syndicated]
	If syndicated:	
	Names and addresses of Managers:	[Not Applicable/*give names and addresses*] (*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the managers. Describe underwriting*)
	[Date of Subscription Agreement:	[•]]
	Stabilisation Manager(s), if any:	[Not Applicable/*give name*]
35.	**If non-syndicated, name of relevant Dealer:**	[Not Applicable/*give name*]
36.	[**Total commission and concession:**	[•] per cent. of the Aggregate Nominal Amount]
37.	**U.S. Selling Restrictions:**	Reg. S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable]
38.	**Prohibition of sales to EEA retail investors:**	[Applicable][Not Applicable]
39.	**Prohibition of sales to consumers in Belgium:**	[Applicable][Not Applicable]
40.	[**Public Offer Consent:**	[Not Applicable] [An offer of the Notes may be made by the [Dealers/Managers] [and] [*specify names, addresses and LEIs of any financial intermediaries receiving specific consent*] (the "**Initial Authorised Offerors**")] [[and by any additional financial intermediaries who have or obtain the Issuer's consent to use the Base Prospectus in connection with the Public Offer, and whose names and addresses are made available, on the website of the Issuer (at

		[www.kbc.com]) as an Authorised Offeror (together being persons to which the Issuer has given its consent, the "**Authorised Offerors**")] other than pursuant to Article 1(4) of the Prospectus Regulation in [Belgium] [and] [Luxembourg] (the "**Public Offer Jurisdictions**") during the period from (and including) [*specify date*] to (and including) [*specify date*] (the "**Offer Period**"). See further Paragraph 12 of Part B below.]]
41.	[**General consent:**	[Applicable][Not Applicable]]
42.	[**Other conditions to consent:**	[Not Applicable][•]]
43.	**Additional U.S. Tax Considerations:**	The Notes are [not] Specified Notes for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986. [Additional information regarding the application of Section 871(m) to the Notes will be available from [*give name(s) and address(es) of Issuer contact*].]] [As at the date of these Final Terms, the Issuer has not determined whether the Notes are Specified Notes for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986; however, indicatively it considers that they will [not] be Specified Notes for these purposes. This is indicative information only, subject to change, and if the Issuer's final determination is different then it will give notice of such determination. [Please contact [*give name(s) and address(es) of Issuer contact*] for further information regarding the application of Section 871(m) to the Notes.]] [Applicable][Not Applicable] *(If applicable, specify)* *(N.B., obtain U.S. tax advice in case of non-principal protected Notes, Notes that are traded as non-functional currency contingent payment debt instruments under Treasury Regulation 1.988-6, or Notes that provide for physical settlement.)*

THIRD PARTY INFORMATION

[[•] (the "**Reference Information**") has been extracted from [www.standardandpoors.com, www.moodys.com and www.fitchratings.com (the "**Relevant Websites**")]. 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 [each of the Relevant Websites], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By: _____ By: _____
Duly authorised *Duly authorised*

Signed on behalf of the Guarantor:

By: _____ By: _____
Duly authorised *Duly authorised*

PART B – OTHER INFORMATION

1. ADMISSION TO TRADING:

Admission to trading:	[Application [has been made]/[is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*]/[the [regulated market]/[Professional Segment] of the Luxembourg Stock Exchange] with effect from on or around [the Issue Date][●].] [Not Applicable.] (*Where documenting a fungible issue need to indicate that original notes are already admitted to trading*.)
[Estimate of total expenses related to admission to trading:	[●].]

2. [RATINGS[3]: [The Notes to be issued have not been rated.]

[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert credit rating agency name(s)*].] [*Need to include here a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

[[*Insert credit rating agency*] is established in the EEA and has applied for registration under Regulation (EC) No. 1060/2009, as amended, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[*Insert credit rating agency*] is established in the EEA and is registered under Regulation (EC) No. 1060/2009, as amended, and is included in the list of credit rating agencies published by ESMA in accordance with Article 18(3) of such Regulation]

[[*Insert credit rating agency*] is not established in the EEA and is not registered in accordance with Regulation (EC) No. 1060/2009, as amended.]

[[*Insert credit rating agency*] is not established in the EEA and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009, as amended, of [*insert the name of the relevant EU CRA affiliate that applied for registration*], which is established in the EEA, disclosed the intention to endorse credit ratings of [*insert credit rating agency*].]

[[*Insert credit rating agency*] is not established in the EEA and has not applied for registration under Regulation (EC) No. 1060/2009, as amended. The ratings [[have been]/[are expected to be]] endorsed by [*insert the name of the relevant EU-registered credit rating agency*] in accordance with Regulation (EC) No. 1060/2009, as amended. [*Insert the name of the relevant EU-registered credit rating agency*] is established in the EEA and registered under Regulation (EC)

[3] A list of credit rating agencies registered under Regulation (EC) No. 1060/2009, as amended, and included in the list of credit rating agencies is published on the ESMA website (https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation).

No. 1060/2009, as amended, and is included in the list of credit rating agencies as published by ESMA in accordance with Article 18(3) of such Regulation.]

[[*Insert credit rating agency*] is not established in the EEA and has not applied for registration under Regulation (EC) No. 1060/2009, as amended, but it is certified in accordance with such Regulation.]]

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

[Save for any fees payable to the [Dealers/Managers/Initial Authorised Offerors/Authorised Offerors], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers/Initial Authorised Offerors/Authorised Offerors] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business. - *Amend as appropriate if there are other interests*]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*)]

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

(i) [Reasons for the offer: [●]]

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

[(ii)] [Estimated net proceeds: [●]]

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

[(iii)] [Estimated total expenses: [●]]

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

5. YIELD: (*Include for Fixed Rate Notes only)* [Applicable][Not Applicable]

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

Indication of yield:

(i) Gross yield: [●]

[Not Applicable]

(ii) Net yield: [●]

[Not Applicable]

Maximum yield: [●][*Include for Floating Rate Notes only where a maximum rate of interest applies*]

[Not Applicable]

Minimum yield: [•][*Include for Floating Rate Notes only where a minimum rate of interest applies*]

[Not Applicable]

6. [HISTORIC INTEREST RATES:] (*Floating Rate Notes only*)

[Details of historic and projected performance of [EURIBOR/NIBOR/CMS] rates can be obtained from [Reuters]/[•].][Not Applicable]

7. [PERFORMANCE OF INDEX AND OTHER INFORMATION CONCERNING THE INDEX:] (*Index-Linked Notes only*)

[The details of past and future performance and volatility of the index/formula can be obtained on [*insert relevant Bloomberg page*].

[*Need to include details of where the information about [the/each] Index can be obtained.*]

[Not Applicable]

8. [PERFORMANCE OF [THE UNDERLYING EQUITY/BASKET OF UNDERLYING EQUITIES] [AND OTHER INFORMATION CONCERNING [THE UNDERLYING EQUITY/BASKET OF UNDERLYING EQUITIES]:] (*Equity Linked Notes only*)

[The details of past and future performance and volatility of the Underlying Equity/basket of Underlying Equities can be obtained on [*insert relevant Bloomberg page*].

[Not Applicable]

9. [PERFORMANCE OF INFLATION AND OTHER INFORMATION CONCERNING INFLATION INDEX:] (*Inflation Linked Notes only*)

[The details of past and future performance and volatility of the relevant rates/formula/currencies/inflation index can be obtained on [*insert relevant Bloomberg page*].

[Not Applicable]

10. INFORMATION IN RELATION TO THE REFERENCE ENTITY [AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY:] *(Credit Linked Notes only*)

[*Name, ISIN, address, country of incorporation, industry or industries in which the Reference Entity operates and the name of the market in which its securities are admitted*]

[The details of past and future performance and volatility of the Reference Entity can be obtained [*insert relevant Bloomberg page*].

[Not Applicable]

11. [INFORMATION IN RELATION TO THE CURRENCY RATE AND OTHER INFORMATION CONCERNING THE CURRENCY RATE:] *(Currency Linked Notes only*)

[The details of past and future performance and volatility of the Currency Rate can be obtained on [*insert relevant Bloomberg page*].

[Not Applicable]

12. [TERMS AND CONDITIONS OF THE OFFER:]

[Offer Price:] [*Specify*]

[Offer Period:]	[Not Applicable/*give details*]
[Conditions to which the offer is subject:]	[Not Applicable/*give details*]
[Description of the application process:]	[Not Applicable/*give details*]
[Details of the minimum and/or maximum amount of application:]	[Not Applicable/*give details*]
[Description of possibility to reduce: subscriptions and manner for refunding excess amount paid by applicants:]	[Not Applicable/*give details*]
[Details of the method and time limits for paying up and delivering the Notes:]	[Not Applicable/*give details - where Additional Settlement Date(s) is/are specified as being applicable, insert the following paragraph*: The date of delivery of the Notes to the investors' respective book-entry securities accounts will vary depending on the period during which the offer of the Notes is accepted by the relevant investor. The Issuer estimates that the Notes will be delivered on or around the date specified for the relevant period under the heading "Settlement Date" as specified in the table under "Offer Price" above.]
[Manner in and date on which results of the offer and the Additional Settlement Date(s) (if relevant) are to be made public:]	[Not Applicable/*give details*]
[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:]	[Not Applicable/*give details*]
[Whether tranche(s) have been reserved for certain countries:]	[Not Applicable/*give details*]
[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:]	[Not Applicable/*give details*]
[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]	[Not Applicable/*give details*]
[Name(s) and addresses, to the extent known to the Issuer, of the placers in the various countries where the offer takes place:]	[Not Applicable/the financial intermediaries identified in or in the manner specified in paragraph [•] (*Public Offer Consent)*/*give details*]

13. OPERATIONAL INFORMATION:

(i)	ISIN:	[•]
(ii)	Common Code:	[•]
(iii)	[CFI:	[Not Applicable/[•]]
(iv)	[FISN:	[Not Applicable/[•]]
(v)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(vi)	Delivery:	Delivery against payment
(vii)	Agent:	[Banque Internationale à Luxembourg S.A.] [•]
(viii)	Names and addresses of additional Paying Agent(s) (if any):	[•] [Not Applicable] (*Insert here any other relevant codes such as CUSIP and CINS codes*)
(ix)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
(x)	[Relevant Benchmark[s]:	[Not Applicable]/[The Euro Interbank Offered Rate ("**EURIBOR**") is provided by the European Money Markets Institute ("**EMMI**"). As at the date hereof, EMMI [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by [the European Securities and Markets Authority ("**ESMA**")/[ESMA] pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) 2016/1011, as amended (the "**Benchmarks Regulation**").] [The Norwegian Interbank Offered Rate ("**NIBOR**") is provided by the Norske Finansielle Referanser AS ("**NoRe**"). As at the date hereof, NoRe [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by [the European Securities and Markets

Authority ("**ESMA**")/[ESMA] pursuant to Article 36 (Register of administrators and benchmarks) of [Regulation (EU) 2016/1011, as amended (the "**Benchmarks Regulation**")]/[the Benchmarks Regulation].]/ [The SOFR Swap Rate is provided by ICE Benchmark Administration Limited ("**IBA**"). As at the date hereof, IBA appears in the register of administrators and benchmarks established and maintained by [the European Securities and Markets Authority ("**ESMA**")/[ESMA] pursuant to Article 36 (Register of administrators and benchmarks) of [Regulation (EU) 2016/1011, as amended (the "**Benchmarks Regulation**")]/[the Benchmarks Regulation].]/[[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*][appears]/[does not appear] in the register of administrators and benchmarks established and maintained by [the European Securities and Markets Authority ("**ESMA**")/[ESMA] pursuant to Article 36 (Register of administrators and benchmarks) of the [Regulation (EU) 2016/1011, as amended (the "**Benchmarks Regulation**")]/[Benchmarks Regulation].]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the Benchmarks Regulation by virtue of Article 2 of the Benchmarks Regulation.]

[ANNEX
SUMMARY OF THE NOTES]

[Insert completed summary for the Notes]

[APPENDIX 1]

[BASKET CREDIT LINKED NOTES]|[INDEX TRANCHE CREDIT LINKED NOTES] – REFERENCE ENTITIES AND WEIGHTING

(For Basket Credit Linked Notes where 'Index' is applicable or Index Tranche Credit Linked Notes insert the component Reference Entities of the Index, their Weightings and their respective Reference Obligation(s). Delete the Appendix if the Notes are not Basket Credit Linked Notes where 'Index' is applicable or Index Tranche Credit Linked Notes)

(*In accordance with Item 2.2.2 of Annex 17 of Commission Delegated Regulation (EU) 2019/980, as amended, the Reference Entity must have securities already admitted to trading on a regulated market, equivalent third country market or SME Growth Market)*

Reference Entity:	**Weighting:**	**Reference Entity Notional Amount:**	**Seniority Level:**
[*Specify*]	[*Specify*]	[*Specify*]	[Senior Level] [Subordinated Level]
[*Specify*]	[*Specify*]	[*Specify*]	[Senior Level] [Subordinated Level]

(*Repeat rows as necessary*)

TERMS AND CONDITIONS OF THE NOTES

This section sets out the contractual terms and conditions of the Notes. The subsections on Interest Amounts and redemption contain certain options for determining interest payments (if any), early redemption rights, instalment amount payments (if any) and final redemption payments. The Final Terms will indicate which of these options shall apply for each specific Notes issuance.

The following are the Terms and Conditions of the Notes which, as completed in accordance with the applicable Final Terms, will be incorporated by reference into each Global Note (as defined below) and each Definitive Note (as defined below), in the latter case only if permitted by the rules of the relevant stock exchange (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue but if not so permitted and agreed, such Definitive Note will have endorsed upon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Temporary Global Note, Permanent Global Note and Definitive Note. Reference should be made to "Form of Final Terms" above for a description of the content of Final Terms which will include the definitions of certain terms used in the following Terms and Conditions and/or will specify which of such terms are to apply in relation to the relevant Notes.

The Notes are one of a Series (as defined below) of Notes issued by KBC IFIMA S.A., a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, with registered office at 4 rue du Fort Wallis, L-2714 Luxembourg, Grand Duchy of Luxembourg and registered with the trade and companies register (RCS Luxembourg) under number B193577 (the "**Issuer**") pursuant to the Agency Agreement (as defined below).

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean (i) in relation to any Notes represented by a global note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency, (ii) any Definitive Notes issued in exchange for a Global Note (a "**Definitive Note**") and (iii) any Global Note.

The Notes and any Coupons (as defined below) are issued pursuant to and have the benefit of an Agency Agreement (the "**Agency Agreement**") dated on or about 15 July 2026, as amended and/or supplemented and/or restated from time to time in relation to the Issuer's EUR 10,000,000,000 Euro Medium Term Note Programme, and made among the Issuer, KBC Bank NV (the "**Guarantor**") as guarantor, Banque Internationale à Luxembourg S.A. as issuing and principal paying agent (the "**Agent**", which expression shall include any successor agent specified in the applicable Final Terms), and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

Interest bearing Definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Interest bearing Definitive Notes in the form of Instalment Notes also have receipts attached on issue ("**Receipts**"), in addition to Coupons and Talons. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons, Receipts or Talons attached on issue.

The final terms for a Series of Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms and are attached hereto or endorsed hereon and complete these Terms and Conditions (the "**Conditions**") for the purposes of such Series of Notes. References to the "applicable Final Terms" are to the Final Terms (or the relevant provisions thereof) attached hereto or endorsed hereon.

The payment and, where applicable, delivery of all amounts in respect of the Notes has been guaranteed by the Guarantor pursuant to a deed of guarantee dated 15 July 2026, as amended and/or supplemented and/or restated from time to time (the "**Guarantee**") executed by the Guarantor. The original of the Guarantee is held by the Agent on behalf of the Noteholders and the Couponholders at its specified office.

The Notes are issued on an unsubordinated basis by the Issuer and guaranteed on an unsubordinated basis by the Guarantor as described in Condition 2. Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean the holders of the Notes, and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Couponholders**" shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant executed by the Issuer (the "**Deed of Covenant**") dated 15 July 2026, as amended and/or supplemented and/or restated from time to time. The original of the Deed of Covenant is held by a common depositary on behalf of Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, the Guarantee and the Deed of Covenant (i) are available for inspection or collection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to the Agent, any Paying Agent or the Issuer and provision of proof of holding and identity (in a form satisfactory to the Agent, any Paying Agent or the Issuer). Copies of the applicable Final Terms are available for viewing at, and copies may be obtained from, the specified office of each of the Paying Agents, save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered to the public in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a Noteholder holding one or more Notes of that Series and such Noteholder must produce evidence satisfactory to the relevant Paying Agent as to its holding of such Notes and identity. Copies of the applicable Final Terms relating to Notes which are admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation are also available for viewing on the website of the Luxembourg Stock Exchange, www.luxse.com. The holders of Notes, Coupons, Talons and Receipts are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination and Title

The Notes are in bearer form and, in the case of Definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Range Accrual Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Inflation Linked Interest Notes, Currency Linked Interest Notes (each, an "**Interest Basis**") or a combination of any of the foregoing, depending upon the Interest Basis or Interest Bases shown in the applicable Final Terms. The Notes will be Fixed Redemption Notes (redeeming at par unless the Final Redemption Amount is otherwise specified in the applicable Final Terms), Instalment Notes, Index Linked Redemption Notes, Equity Linked Redemption Notes, or Currency Linked Redemption Notes, and may be Autocall Notes, depending upon the Redemption/Payment Basis shown in the applicable Final Terms. Definitive Notes are issued with Coupons, Talons (and in the case of Instalment Notes, Receipts) attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Notes, Coupons and Receipts will pass by delivery. The Issuer, the Guarantor and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note, Coupon or Receipt as the absolute owner thereof, whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof, for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), each

person (other than Euroclear or Clearstream, Luxembourg), who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or Interest Amounts on the Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Guarantor and the Paying Agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

2. Status of the Notes and the Guarantee

(a) *Ranking of Notes, Receipts and Coupons*

The Notes and the relevant Coupons and Receipts constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer and *pari passu* without any preference among themselves except for obligations given priority by law.

(b) *Notes Guaranteed*

The Notes are guaranteed as to payment of principal and Interest Amounts by the Guarantor upon the terms contained in the Guarantee.

(c) *Ranking of Claims on the Guarantee*

Claims in respect of the Guarantee constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor and rank and will rank *pari passu* with all present and future unsecured and unsubordinated obligations of the Guarantor, without any preference among themselves and *pari passu* without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, except for obligations given priority by law.

3. Interest

The applicable Final Terms may specify one or more Interest Basis as being applicable to the Notes. Where more than one Interest Basis is applicable, the Notes shall bear interest in accordance with each of the provisions of this Condition 3 that apply to each applicable Interest Basis. Where an Interest Basis specified in the applicable Final Terms is:

(i) Index Linked Interest Notes, then the provisions of this Condition 3 are subject to Condition 6;

(ii) Equity Linked Interest Notes, then the provisions of this Condition 3 are subject to Condition 7;

(iii) Inflation Linked Interest Notes, then the provisions of this Condition 3 are subject to Condition 8; and

(iv) Currency Linked Interest Notes, then the provisions of this Condition 3 are subject to Condition 9.

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) its Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Rate(s) of Interest specified in the applicable Final Terms. Interest will accrue in respect of each Interest Period (as defined in Condition 3(e)) and will be payable in arrear on the Interest Payment Date(s).

The Interest Amount (as defined in Condition 3(e)) payable on Fixed Rate Notes in respect of any Interest Period shall be calculated by applying the relevant Rate of Interest to:

(i) In the case of Fixed Rate Notes that are not Interest on Instalment Only Notes:

(A) where such Fixed Rate Notes are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or

(B) where such Fixed Rate Notes are in definitive form, the Calculation Amount; or

(ii) In the case of Fixed Rate Notes that are Interest on Instalment Only Notes:

(A) where such Fixed Rate Notes are represented by a Global Note, the aggregate of the Instalment Amounts payable on the Instalment Date falling on the Interest Payment Date for such Interest Period in respect of the Fixed Rate Notes represented by such Global Note; or

(B) where such Fixed Rate Notes are in definitive form, the Instalment Amount payable on the Instalment Date falling on the Interest Payment Date for such Interest Period in respect of each Calculation Amount

and, in each case, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the Specified Currency, 0.005 (or, in the case of Japanese Yen, half of one unit) being rounded upwards. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note in accordance with this Condition 3(a) shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

For the purposes of these Conditions:

"**Fixed Day Count Fraction**" means, in respect of the calculation of an Interest Amount in accordance with this Condition 3(a):

(iii) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Period End Date (or, if none, the applicable Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(iv) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(v) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(vi) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Period End Date falling in a leap year, 366;

(vii) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(viii) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Fixed Day Count Fraction =

$$\frac{[360x(Y2 - Y1)] + [30x(M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(ix) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Fixed Day Count Fraction =

$$\frac{[360x(Y2-Y1)]+[30x(M2-M1)]+(D2-D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

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

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

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

(x) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Fixed Day Count Fraction =

$$\frac{[360x(Y2-Y1)]+[30x(M2-M1)]+(D2-D1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30;

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30; and

(xi) if "**1/1**" is specified in the applicable Final Terms, 1,

where:

"**Determination Period**" means, for the purposes of Actual/Actual (ICMA) only, the period from (and including) a Determination Date to (but excluding) the next Determination Date (including where either the applicable Interest Commencement Date or final Interest Period End Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

(b) *Interest on Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Inflation Linked Interest Notes and Currency Linked Interest Notes*

(i) *Interest Period End Dates and Interest Payment Dates*

Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Inflation Linked Interest Notes and Currency Linked Interest Notes bear interest at the rate per annum (expressed as a percentage) equal to the rate of interest determined in accordance with Condition 3(b)(ii), from (and including) their Interest Commencement Date. Interest will accrue in respect of each Interest Period (as defined in Condition 3(e)) relating to an Interest Basis and will be payable in arrear on the applicable Interest Payment Date(s). The Interest Amount payable shall be calculated in accordance with Condition 3(b)(iv).

(ii) *Rate(s) of Interest*

The rate(s) of interest payable from time to time in respect of Notes that are Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Inflation Linked Interest Notes and/or Currency Linked Interest Notes will be equal to the rate(s) of interest determined in accordance with this Condition 3(b)(ii), depending on the Interest Variable Option specified for each such applicable Interest Basis in the applicable Final Terms (each, a "**Variable Rate of Interest**"), but subject always to any minimum and/or maximum limits imposed on such Variable Rate of Interest in accordance with Condition 3(b)(iii).

For the purposes of any calculations required to calculate a Variable Rate of Interest, unless otherwise specified, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded upwards).

(A) Screen Rate Determination

(1) For Floating Rate Notes in respect of which Screen Rate Determination - IBOR is specified in the applicable Final Terms as the Interest Variable Option, the Variable Rate of Interest for an Interest Period will, subject as provided in this Condition 3(b)(ii)(A)(2) and (3) and Condition 3(g), be the product of (a) either:

(I) the offered quotation; or

(II) 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 the Specified Time (as defined in Condition 3(b)(ii)(A)(4)) on the Interest Determination Date in question plus or minus the Margin (if any) (as indicated in the applicable Final Terms), all as determined by the Calculation

Agent and (b) the Interest Multiplier specified in the applicable Final Terms.

(2) If the Reference Rate is specified in the applicable Final Terms to be EURIBOR or NIBOR, where:

(a) 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 (rounded as provided above) of such offered quotations; or

(b) the Relevant Screen Page is not available or if in the case of Condition 3(b)(ii)(A)(1)(I), no such offered quotation appears or, in the case of Condition 3(b)(ii)(A)(1)(II), fewer than three such offered quotations appear, in each case as at the Specified Time (as defined in Condition 3(b)(ii)(A)(4)), the Calculation Agent shall request each of the Reference Banks (as defined in Condition 3(b)(ii)(A)(4)) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question and if on any Interest Determination Date:

(i) two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Variable Rate of Interest for such Interest Period shall be the product of (a) the arithmetic mean (rounded as provided above) of such offered quotations, plus or minus (as appropriate) the Margin (if any), and (b) the Interest Multiplier specified in the applicable Final Terms; or

(ii) fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Variable Rate of Interest for the relevant Interest Period shall be the product of (a) 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 (rounded as provided above) 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, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Euro-zone interbank market, or, if the Reference Rate is NIBOR, the Oslo interbank market, as the case may be, plus or minus (as

appropriate) the Margin (if any) and (b) the Interest Multiplier specified in the applicable Final Terms,

all as determined by the Calculation Agent; or

(c) the Variable Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Variable Rate of Interest shall be determined as at the last preceding Interest Determination Date.

(3) If the Reference Rate is CMS and no quotation appears on the Relevant Screen Page at the Specified Time on the relevant Interest Determination Date, then the Variable Rate of Interest will be determined on the basis of the mid-market annual swap rate quotations provided by five leading swap dealers in the European inter-bank market at approximately the Specified Time on the relevant Interest Determination Date. The Calculation Agent will select the five swap dealers in its sole discretion and will request each of those dealers to provide a quotation of its rate in accordance with market practice. If at least three quotations are provided, the Variable Rate of Interest for the relevant Interest Period will be the product of (a) the arithmetic mean (rounded as provided above) of the quotations, eliminating the highest and lowest quotations or, in the event, of equality, one of the highest and one of the lowest quotations plus or minus (as appropriate) the Margin (if any) and (b) the Interest Multiplier specified in the applicable Final Terms. If fewer than three quotations are provided or if the Variable Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Variable Rate of Interest shall be equal to the last Reference Rate available on the Relevant Screen Page, plus or minus (as appropriate) the Margin (if any), as determined by the Calculation Agent, except that if the Calculation Agent determines that the absence of the quotation is due to the discontinuation of the Screen Page Reference Rate or the occurrence of a Benchmark Event, then the Reference Rate will be determined in accordance with Condition 3(g).

(4) For the purposes of this Condition 3(b)(ii)(A):

"**Reference Banks**" means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, and in the case of a determination in NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market, in each case selected by the Calculation Agent in its sole discretion.

"**Specified Time**" means 11.00 a.m. (Brussels time) in the case of EURIBOR, 12.00 noon (Oslo time) in the case of NIBOR or 11.00 a.m. (Frankfurt time) in the case of CMS.

(B) CMS SOFR

For Floating Rate Notes in respect of which Screen Rate Determination - CMS SOFR is specified in the applicable Final Terms as the Interest Variable Option, the Variable Rate of Interest for an Interest Period will, subject as provided in this Condition 3(b)(ii)(B) and Condition 3(g) below, be the product of (a) the Reference Rate which appears on the Relevant Screen

Page as at the Specified Time on the Interest Determination Date plus or minus the Margin (if any) (as indicated in the applicable Final Terms), all as determined by the Calculation Agent and (b) the Interest Multiplier specified in the applicable Final Terms.

For the purpose of this Condition 3(b)(ii)(B):

"**Administrator**" means ICE Benchmark Administration Limited (or a successor administrator);

"**Designated Maturity**" means the period of time specified as such in the applicable Final Terms;

"**Interest Determination Date**" means the second Swap Rate Publication Day prior to the start of each Interest Period;

"**SOFR Swap Rate**" means the swap rate for a fixed-for-floating U.S. Dollar swap transaction in respect of the Designated Maturity where the floating leg references the compounded Secured Overnight Financing Rate (SOFR) administered by the Federal Reserve Bank of New York (or any successor administrator), as administered by the Administrator;

"**Specified Time**" means 11.00 a.m. (New York City time); and

"**Swap Rate Publication Day**" means, in respect of the SOFR Swap Rate, any day on which the Administrator is due to publish the rate for such SOFR Swap Rate pursuant to its publication calendar, as updated from time to time.

(1) Corrections

If the SOFR Swap Rate in respect of an Interest Determination Date is subsequently corrected and published by the Administrator on the Relevant Screen Page no later than the Correction Cut-off Time, then the SOFR Swap Rate in respect of such Interest Determination Date shall be the subsequently corrected and published rate appearing on the Relevant Screen Page.

For the purpose of this Condition 3(b)(ii)(B)(1):

"**Correction Cut-off Time**" means the time specified as such in the applicable Final Terms or, if later or if no such time is specified in the applicable Final Terms, one hour after the SOFR Swap Rate in respect of the relevant Interest Determination Date is published on the Relevant Screen Page.

(2) Fallbacks

If the SOFR Swap Rate in respect of an Interest Determination Date is not published by the Administrator and is not otherwise provided by the Administrator, then the SOFR Swap Rate in respect of such Interest Determination Date will be the SOFR Swap Rate determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, taking into account all available information that it considers relevant, including any rate implemented by central counterparties and/or futures exchanges (if any), in each case with trading volumes in derivatives or futures referencing the SOFR Swap Rate that the Calculation Agent determines is sufficient for such rate to be a representative alternative rate.

(C) Rates Variance

For Floating Rate Notes in respect of which Rates Variance is specified in the applicable Final Terms as the Interest Variable Option, the Calculation Agent will calculate the Variable Rate of Interest for each Interest Period as the product of:

(1) $[(Rate_1 - \{Rate_2\ x\ SF\}) \pm Margin]; and$

(2) the Interest Multiplier specified in the applicable Final Terms.

For the purpose of Condition 3(b)(ii)(C)(1), unless a fixed percentage is specified in the applicable Final Terms, the value of $Rate_1$ and/or $Rate_2$ for each Interest Period will be equal to:

(i) if Screen Rate Determination is specified as the $Rate_1$ Variable Option and/or the $Rate_2$ Variable Option in the applicable Final Terms, the Variable Rate of Interest determined in accordance with Condition 3(b)(ii)(A), for which purpose only (a) the Reference Rate, Interest Determination Date and Relevant Screen Page are as set out in the Rates Variance paragraph of the applicable Final Terms, (b) the Interest Multiplier is 100 per cent. and (c) there is no Margin; or

(ii) if CMS SOFR is specified as the $Rate_1$ Variable Option and/or the $Rate_2$ Variable Option in the applicable Final Terms, the Variable Rate of Interest determined in accordance with Condition 3(b)(ii)(B), for which purpose (a) the Designated Maturity and the Relevant Screen Page are as set out in the Rates Variance paragraph of the applicable Final Terms, (b) the Interest Multiplier is 100 per cent. and (c) there is no Margin.

"**SF**" means the Scaling Factor specified in the applicable Final Terms.

(D) Evolution of Underlying Equity

For Equity Linked Interest Notes in respect of which Evolution of Underlying Equity is specified in the applicable Final Terms as the Interest Variable Option, the Variable Rate of Interest for each Interest Period will be the product of:

(1) $\left[\left(\frac{\{\text{Equity}_t - [\text{Equity}_{t-1} \times \text{SF}]\}}{\text{Equity}_{t-1}}\right) \pm \text{Margin}\right]$; and

(2) the Interest Multiplier specified in the applicable Final Terms.

For the purpose of Condition 3(b)(ii)(D)(1), the value of Equity_t for each Interest Period will be equal to the arithmetic average of the relevant Reference Price(s) (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of each Valuation Date(s) relating to such Interest Period as specified in the applicable Final Terms, and the value of any Equity_{t-1} for each Interest Period will be equal to the arithmetic average of the relevant Reference Price(s) (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of the Valuation Date(s) relating to the immediately preceding Interest Period (or, with respect to the first Interest Period following the Interest Commencement Date, the $\text{Equity}_{\text{initial}}$ Valuation Date).

"**SF**" means the Scaling Factor specified in the applicable Final Terms.

(E) Evolution of Basket of Underlying Equities

For Equity Linked Interest Notes in respect of which Evolution of Basket of Underlying Equities is specified in the applicable Final Terms as the Interest Variable Option, the Variable Rate of Interest for each Interest Period will be the product of:

(1) $\left[\left(\frac{\{\text{Equity Basket}_t - [\text{Equity Basket}_{t-1} \times \text{SF}]\}}{\text{Equity Basket}_{t-1}}\right) \pm \text{Margin}\right]$; and

(2) the Interest Multiplier specified in the applicable Final Terms.

For the purpose of Condition 3(b)(ii)(E)(1), the value of EquityBasket_t for each Interest Period will be equal to the arithmetic average of the relevant Reference Price(s) (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of each Valuation Date(s) relating to such Interest Period as specified in the applicable Final Terms, and the value of any $\text{EquityBasket}_{t-1}$ for each Interest Period will be equal to the arithmetic average of the relevant Reference Price(s) (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of the Valuation Date(s) relating to the immediately preceding Interest Period (or, with respect to the first Interest Period following the Interest Commencement Date, the $\text{EquityBasket}_{\text{initial}}$ Valuation Date).

"**SF**" means the Scaling Factor specified in the applicable Final Terms.

(F) Evolution of Index

For Index Linked Interest Notes in respect of which Evolution of Index is specified in the applicable Final Terms as the Interest Variable Option, the Variable Rate of Interest for each Interest Period will be the product of:

(1) $\left[\left(\frac{\{\text{Index}_t - [\text{Index}_{t-1} \times \text{SF}]\}}{\text{Index}_{t-1}}\right) \pm \text{Margin}\right]$; and

(2) the Interest Multiplier specified in the applicable Final Terms.

For the purpose of Condition 3(b)(ii)(F)(1), the value of any Index_t for each Interest Period will be equal to the arithmetic average of the relevant Reference Price(s) (as defined in Condition 6(d)) determined (and subject to adjustment) in accordance with Condition 6 in respect of each Valuation Date(s) relating to such Interest Period as specified in the applicable Final Terms, and the value of any Index_{t-1} for each Interest Period will be equal to the arithmetic average of the relevant Reference Price(s) (as defined in Condition 6(d)) determined (and subject to adjustment) in accordance with Condition 6 in respect of the Valuation Date(s) relating to the immediately preceding Interest Period (or, with respect to the first Interest Period following the Interest Commencement Date, the $\text{Index}_{\text{initial}}$ Valuation Date).

"**SF**" means the Scaling Factor specified in the applicable Final Terms.

(G) Evolution of Inflation

For Inflation Linked Interest Notes in respect of which Evolution of Inflation is specified in the applicable Final Terms as the Interest Variable Option, the Variable Rate of Interest for each Interest Period will be the product of:

(1) $\left[\left(\frac{\{\text{Inflation}_t - [\text{Inflation}_{t-1} \times \text{SF}]\}}{\text{Inflation}_{t-1}}\right) \pm \text{Margin}\right]$; and

(2) the Interest Multiplier specified in the applicable Final Terms.

For the purpose of Condition 3(b)(ii)(G)(1), the value of any Inflation_t for each Interest Period will be equal to the Relevant Level (as defined in Condition 8(a)) determined (and subject to adjustment) in accordance with Condition 8 in respect of the Reference Month relating to such Interest Period, and the value of any Inflation_{t-1} for each Interest Period will be equal to the Relevant Level (as defined in Condition 8(a)) determined (and subject to adjustment) in accordance with Condition 8 in respect of the Reference Month relating to the immediately preceding Interest Period (or, with respect to the first Interest Period following the Interest Commencement Date, the $\text{Inflation}_{\text{initial}}$ Reference Month).

"**SF**" means the Scaling Factor specified in the applicable Final Terms.

(H) Cumulative Inflation

For Inflation Linked Interest Notes in respect of which Cumulative Inflation is specified in the applicable Final Terms as the Interest Variable Option, the Variable Rate of Interest for each Interest Period will be the product of:

(1) $\left[\left(\frac{\{\text{Inflation}_t - [\text{Inflation}_{\text{Initial}} \times \text{SF}]\}}{\text{Inflation}_{\text{Initial}}}\right) \pm \text{Margin}\right]$; and

(2) the Interest Multiplier specified in the applicable Final Terms.

For the purpose of Condition 3(b)(ii)(G)(1), the value of any Inflation_t for each Interest Period will be equal to the Relevant Level (as defined in Condition 8(a)) determined (and subject to adjustment) in accordance with Condition 8 in respect of the Reference Month relating to such Interest Period, and the value of any $\text{Inflation}_{\text{Initial}}$ for each Interest Period will be equal to the Relevant Level (as defined in Condition 8(a)) determined (and subject to adjustment) in accordance with Condition 8 in respect the $\text{Inflation}_{\text{initial}}$ Reference Month.

"**SF**" means the Scaling Factor specified in the applicable Final Terms.

(I) Evolution of Currency

For Currency Linked Interest Notes in respect of which Evolution of Currency is specified as the Interest Variable Option, in each case within the applicable Final Terms, the Variable Rate of Interest for each Interest Period will be the product of:

(1) $\left[\left(\frac{\{\text{Currency}_{t-1} - [\text{Currency}_t \times \text{SF}]\}}{\text{Currency}_t}\right) \pm \text{Margin}\right]$; and

(2) the Interest Multiplier specified in the applicable Final Terms.

For the purpose of Condition 3(b)(ii)(H)(1), the value of any Currency_t for each Interest Period will be equal to the Reference Price (as defined in Condition 9(c)) determined (and subject to adjustment) in accordance with Condition 9 in respect of the Valuation Date relating to such Interest Period, and the value of any Currency_{t-1} for each Interest Period will be equal to the Reference Price (as defined in Condition 9(c)) determined (and subject to adjustment) in accordance with Condition 9 in respect of the Valuation Date relating to the immediately preceding Interest Period (or, with respect to the first Interest Period following its Interest Commencement Date, the $\text{Currency}_{\text{initial}}$ Valuation Date).

"**SF**" means the Scaling Factor specified in the applicable Final Terms.

(J) Asian Option – Interest Rates

For Floating Rate Notes in respect of which Asian Option – Interest Rates is specified in the applicable Final Terms as the Interest Variable Option, the Variable Rate of Interest for each Interest Period will be the product of:

(1) $\left[\left(\frac{\text{Rate}_{t1} + \text{Rate}_{t2} + \cdots + \text{Rate}_{tn}}{n}\right) \pm \text{Margin}\right]$; and

(2) the Interest Multiplier specified in the applicable Final Terms.

For the purpose of Condition 3(b)(ii)(J)(1), the value of any Rate_t for each Interest Period will be equal to the Variable Rate of Interest determined in accordance with Condition 3(b)(ii)(A), for which purpose only (a) the Reference Rate, Interest Determination Date(s) and Relevant Screen Page relating to each Rate_{tn} are as set out in the Asian Option – Interest Rates paragraph of the applicable Final Terms, (b) the Interest Multiplier is 100 per cent. and (c) there is no Margin.

"**n**" means the actual number of valuations obtained for the determination of the Variable Rate of Interest, subject to any adjustments.

(K) Asian Option – Index

For Index Linked Interest Notes in respect of which Asian Option – Index is specified in the applicable Final Terms as the Interest Variable Option, the Variable Rate of Interest for each Interest Period will be the product of:

(1) $\left[\left(\frac{\left\{\frac{\text{Index}_{t1} + \text{Index}_{t2} + \cdots + \text{Index}_{tn}}{n}\right\} - [\text{Index}_{\text{initial}} \times \text{SF}]}{\text{Index}_{\text{initial}}}\right) \pm \text{Margin}\right]$; and

(2) the Interest Multiplier specified in the applicable Final Terms.

For the purpose of Condition 3(b)(ii)(K)(1), the value of (I) $\text{Index}_{\text{initial}}$ will be equal to the arithmetic average of the relevant Reference Price(s) (as defined in Condition 6(d)) determined (and subject to adjustment) in accordance with Condition 6 in respect of each $\text{Index}_{\text{initial}}$ Valuation Date specified in the applicable Final Terms and (II) any Index_t for each Interest Period will be equal to the Reference Price (as defined in Condition 6(d)) determined (and subject to adjustment) in accordance with Condition 6 in respect of the Valuation Date relating to such Index_t and the relevant Interest Period.

"**n**" means the actual number of valuations obtained for the determination of the Variable Rate of Interest, subject to any adjustments.

"**SF**" means the Scaling Factor specified in the applicable Final Terms.

(L) Asian Option – Inflation

For Inflation Linked Interest Notes in respect of which Asian Option – Inflation is specified in the applicable Final Terms as the Interest Variable Option, the Variable Rate of Interest for each Interest Period will be the product of:

(1) $\left[\left(\frac{\left\{\frac{\text{Inflation}_{t1} + \text{Inflation}_{t2} + \ldots + \text{Inflation}_{tn}}{n}\right\} - [\text{Inflation}_{\text{initial}} \times \text{SF}]}{\text{Inflation}_{\text{initial}}}\right) \pm \text{Margin}\right]$; and

(2) the Interest Multiplier specified in the applicable Final Terms.

For the purpose of Condition 3(b)(ii)(L)(1), the value of (I) $\text{Inflation}_{\text{initial}}$ will be equal to the arithmetic average of the Relevant Level(s) (as defined in Condition 8(a)) determined (and subject to adjustment) in accordance with Condition 8 in respect of each $\text{Inflation}_{\text{initial}}$ Reference Month specified in the applicable Final Terms and (II) any Inflation_t for each Interest Period will be equal to the Relevant Level (as defined in Condition 8(a)) determined (and subject to adjustment) in accordance with Condition 8 in respect of the Reference Month relating to such Inflation_t and the relevant Interest Period.

"**n**" means the actual number of valuations obtained for the determination of the Variable Rate of Interest, subject to any adjustments.

"**SF**" means the Scaling Factor specified in the applicable Final Terms.

(M) Asian Option – Underlying Equity/Basket of Underlying Equities

(i) For Equity Linked Interest Notes in respect of which Asian Option – Underlying Equity is specified in the applicable Final Terms as the Interest Variable Option, the Variable Rate of Interest for each Interest Period will be the product of:

$$(1)\left[\left(\frac{\frac{\{\text{Equity}_{t1} \pm \text{Equity}_{t2} \pm \ldots \pm \text{Equity}_{tn}\}}{n} - [\text{Equity}_{\text{initial}} \times \text{SF}]}{\text{Equity}_{\text{initial}}}\right) \pm \text{Margin}\right]; \text{ and}$$

(2) the Interest Multiplier specified in the applicable Final Terms.

For the purpose of Condition 3(b)(ii)(M)(i)(1), the value of (I) $\text{Equity}_{\text{initial}}$ will be equal to the arithmetic average of the relevant Reference Price(s) (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of each $\text{Equity}_{\text{initial}}$ Valuation Date specified in the applicable Final Terms and (II) any Equity_t for each Interest Period will be equal to the Reference Price (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of the Valuation Date relating to such Equity_t and the relevant Interest Period.

For the purposes of the above, "**SF**" means the Scaling Factor specified in the applicable Final Terms.

"**n**" means the actual number of valuations obtained for the determination of the Variable Rate of Interest, subject to any adjustments.

(ii) For Equity Linked Interest Notes in respect of which Asian Option – Basket of Underlying Equities is specified as the Interest Variable Option, in each case within the applicable Final Terms, the Variable Rate of Interest for each Interest Period will be the product of:

$$(1)\left[\left(\frac{\frac{\{\text{Equity Basket}_{t1} \pm \text{Equity Basket}_{t2} \pm \ldots \pm \text{Equity Basket}_{tn}\}}{n} - [\text{Equity Basket}_{\text{initial}} \times \text{SF}]}{\text{Equity Basket}_{\text{initial}}}\right) \pm \text{Margin}\right]; \text{ and}$$

(2) the Interest Multiplier specified in the applicable Final Terms.

For the purpose of Condition 3(b)(ii)(M)(ii)(1), the value of (I) $\text{EquityBasket}_{\text{initial}}$ will be equal to the arithmetic average of the relevant Reference Price(s) (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of each $\text{EquityBasket}_{\text{initial}}$ Valuation Date specified in the applicable Final Terms and (II) any EquityBasket_{t} for each Interest Period will be equal to the Reference Price (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of the Valuation Date relating to such Equity Basket_{t} and the relevant Interest Period.

For the purposes of the above, "**SF**" means the Scaling Factor specified in the applicable Final Terms.

"**n**" means the actual number of valuations obtained for the determination of the Variable Rate of Interest, subject to any adjustments.

(N) Asian Option – Currency

For Currency Linked Interest Notes in respect of which Asian Option – Currency is specified as the Interest Variable Option, in each case within the applicable Final Terms, the Variable Rate of Interest for each Interest Period will be the product of:

(1) $$\left[\left(\frac{\text{Currency}_{\text{initial}} - \left\{\left[\frac{\text{Currency}_{t1} \pm \text{Currency}_{t2} \pm \cdots \pm \text{Currency}_{tn}}{n}\right] \times \text{SF}\right\}}{\left[\frac{\text{Currency}_{t1} \pm \text{Currency}_{t2} \pm \cdots \pm \text{Currency}_{tn}}{n}\right]}\right) \pm \text{Margin}\right]$$; and

(2) the Interest Multiplier specified in the applicable Final Terms.

For the purpose of Condition 3(b)(ii)(N)(1), the value of (I) $\text{Currency}_{\text{initial}}$ will be equal to the arithmetic average of the relevant Reference Price(s) (as defined in Condition 9(c)) determined (and subject to adjustment) in accordance with Condition 9 in respect of each $\text{Currency}_{\text{initial}}$ Valuation Date specified in the applicable Final Terms and (II) any Currency_{t} for each Interest Period will be equal to the Reference Price (as defined in Condition 9(c)) determined (and subject to adjustment) in accordance with Condition 9 in respect of the Valuation Date relating to such Currency_{t}.

"**n**" means the actual number of valuations obtained for the determination of the Variable Rate of Interest, subject to any adjustments.

(O) Digital Option

For any of Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Inflation Linked Interest Notes or Currency Linked Interest Notes, in respect of which Digital Option is specified as the Interest Variable Option within the applicable Final Terms, the Variable Rate of Interest for each Interest Period and such Interest Basis will be:

(1) the Digital Option Exercised Rate, if the Digital Option Payment Condition is satisfied; or

(2) the Digital Option Fallback Rate, if the Digital Option Payment Condition is not satisfied,

in each case with respect to the relevant Interest Period.

For the purposes of this Condition 3(b)(ii)(O):

(I) the "**Digital Option Payment Condition**" shall be satisfied with respect to an Interest Period if:

(a) "**Greater Than**" is specified in the applicable Final Terms as the Digital Option Payment Condition and the Digital Option Variable is greater than the product of (i) the Digital Option Strike and (ii) the Scaling Factor specified in the applicable Final Terms;

(b) "**Less Than**" is specified in the applicable Final Terms as the Digital Option Payment Condition and the Digital Option Variable is less than the product of (i) the Digital Option Strike and (ii) the Scaling Factor specified in the applicable Final Terms;

(c) "**Greater Than Or Equal To**" is specified in the applicable Final Terms as the Digital Option Payment Condition and the Digital Option Variable is greater than or equal to the product of (i) the Digital Option Strike and (ii) the Scaling Factor specified in the applicable Final Terms; or

(d) "**Less Than Or Equal To**" is specified in the applicable Final Terms as the Digital Option Payment Condition and the Digital Option Variable is less than or equal to the product of (i) the Digital Option Strike and (ii) the Scaling Factor specified in the applicable Final Terms;

(II) the "**Digital Option Exercised Rate**" with respect to an Interest Period means:

(a) if an interest rate (expressed as a percentage per annum rate) is specified as such in the applicable Final Terms, such interest rate;

(b) if Screen Rate Determination is specified as the Digital Option Payment Determination Method, the Variable Rate of Interest determined in accordance with Condition 3(b)(ii)(A) for which purpose the Reference Rate, Interest Determination Date(s), Relevant Screen Page, Interest Multiplier and Margin are as set out in the applicable Final Terms; or

(c) if Collar Rate is specified as the Digital Option Payment Determination Method, the Variable Rate of Interest will be:

$$[\text{MAX}\ (\text{Floor Rate};\ \{\text{MIN}[\text{Cap Rate};\ \text{Screen Rate} \pm \text{Collar Margin}]\})]$$

For the purpose of Condition 3(b)(ii)(O)(II)(c), the value of the Floor Rate, Cap Rate and Collar Margin (if any) shall be specified in the applicable Final Terms and the Screen Rate shall be the Variable Rate of Interest determined in accordance with Condition 3(b)(ii)(A)

for which purpose the Reference Rate, Interest Determination Date(s), Relevant Screen Page, Interest Multiplier and Margin are as set out in the applicable Final Terms;

(III) the "**Digital Option Fallback Rate**" with respect to an Interest Period means:

(a) if Zero is specified as such in the applicable Final Terms, zero (and no Interest Amount shall be payable in respect of the relevant Interest Period);

(b) if an interest rate (expressed as a percentage per annum rate) is specified as such in the applicable Final Terms, such interest rate;

(c) if the Screen Rate Determination is specified as the Digital Option Fallback Rate, the Variable Rate of Interest determined in accordance with Condition 3(b)(ii)(A) for which purpose the Reference Rate, Interest Determination Date(s), Relevant Screen Page, Interest Multiplier and Margin are as set out in the applicable Final Terms; or

(d) if Collar Rate is specified as the Digital Option Fallback Rate, the Variable Rate of Interest will be:

$$[\text{MAX (Floor Rate; } \{\text{MIN}[\text{Cap Rate; Screen Rate} \pm \text{Collar Margin}]\})]$$

For the purpose of Condition 3(b)(ii)(O)(III)(d), the value of the Floor Rate, Cap Rate and Collar Margin (if any) shall be specified in the applicable Final Terms, and the Screen Rate shall be the Variable Rate of Interest determined in accordance with Condition 3(b)(ii)(A) for which purpose the Reference Rate, Interest Determination Date(s), Relevant Screen Page, Interest Multiplier and Margin are as set out in the applicable Final Terms;

(IV) the "**Digital Option Variable**" with respect to an Interest Period means:

(a) if the Digital Option Type is specified as Interest Rates, the Variable Rate of Interest determined in accordance with Condition 3(b)(ii)(A) for which purpose the Reference Rate, Interest Determination Date(s), Relevant Screen Page, Interest Multiplier and Margin are as set out in the applicable Final Terms;

(b) if the Digital Option Type is specified as Index, the Reference Price (as defined in Condition 6(d)) determined (and subject to adjustment) in accordance with Condition 6 in respect of the Valuation Date relating to such Interest Period;

(c) if the Digital Option Type is specified as Underlying Equity, the Reference Price (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of the Valuation Date relating to such Interest Period;

(d) if the Digital Option Type is specified as Basket of Underlying Equities, the Reference Price (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of the Valuation Date relating to such Interest Period;

(e) if the Digital Option Type is specified as Inflation, the Relevant Level (as defined in Condition 8(a)) determined (and subject to adjustment) in accordance with Condition 8 in respect of the Reference Month relating to such Interest Period; or

(f) if the Digital Option Type is specified as Currency, the Reference Price (as defined in Condition 9(c)) determined (and subject to adjustment) in accordance with Condition 9 in respect of the Valuation Date relating to such Interest Period;

(V) the "**Digital Option Strike**" with respect to an Interest Period means:

(a) if the Digital Option Type is specified as Interest Rates, (x) the percentage rate specified as such in the applicable Final Terms or (y) if Screen Rate Determination is specified as the Digital Option Strike, the Variable Rate of Interest determined in accordance with Condition 3(b)(ii)(A) for which purpose the Reference Rate, Interest Determination Date(s), Relevant Screen Page, Interest Multiplier and Margin are as set out in the applicable Final Terms;

(b) if the Digital Option Type is specified as Index, (x) the index level specified as such in the applicable Final Terms or (y) if Index Determination is specified as the Digital Option Strike, the Reference Price (as defined in Condition 6(d)) determined (and subject to adjustment) in accordance with Condition 6 in respect of the relevant Valuation Date specified for that purpose;

(c) if the Digital Option Type is specified as Underlying Equity, (x) the amount specified as such in the applicable Final Terms or (y) if Equity Determination is specified as the Digital Option Strike, the Reference Price (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of the relevant Valuation Date specified for that purpose;

(d) if the Digital Option Type is specified as an Basket of Underlying Equities, (x) the amount specified as such in the applicable Final Terms or (y) if Equity Determination is specified as the Digital Option Strike, the Reference Price (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of the relevant Valuation Date specified for that purpose;

(e) if the Digital Option Type is specified as Inflation, (x) the amount specified as such in the applicable Final Terms or (y) if Inflation Determination is specified as the Digital Option Strike, the Reference Level (as

defined in Condition 8(a)) determined (and subject to adjustment) in accordance with Condition 8 in respect of the relevant Reference Month specified for that purpose; or

(f) if the Digital Option Type is specified as Currency, (x) the amount specified as such in the applicable Final Terms or (y) if Currency Determination is specified as the Digital Option Strike, the Reference Price (as defined in Condition 9(c)) determined (and subject to adjustment) in accordance with Condition 9 in respect of the relevant Valuation Date specified for that purpose.

(P) Single Fixing – Index

For Index Linked Interest Notes in respect of which Single Fixing - Index is specified in the applicable Final Terms as the Interest Variable Option, the Variable Rate of Interest for an Interest Period will be the product of:

(1) $\left[\left(\frac{\text{Index}_t}{\text{Denominator}}\right)\% \pm \text{Margin}\right]$; and

(2) the Interest Multiplier specified in the applicable Final Terms.

For the purpose of Condition 3(b)(ii)(P)(1), the value of (I) the Denominator shall be specified in the applicable Final Terms and (II) Index_t for the relevant Interest Period will be equal to the Reference Price (as defined in Condition 6(d)) determined (and subject to adjustment) in accordance with Condition 6 in respect of Valuation Date_t.

(Q) Asian Fixing – Index

For Index Linked Interest Notes in respect of which Asian Fixing - Index is specified in the applicable Final Terms as the Interest Variable Option, the Variable Rate of Interest for an Interest Period will be the product of:

(1) $\left[\left\{\frac{\frac{\text{Index}_{t1} + \text{Index}_{t2} + \cdots + \text{Index}_{tn}}{n}}{\text{Denominator}}\right\}\% \pm \text{Margin}\right]$; and

(2) the Interest Multiplier.

For the purpose of Condition 3(b)(ii)(Q)(1), the value of (I) the Denominator shall be specified in the applicable Final Terms and (II) any Index_t for each Interest Period will be equal to the Reference Price (as defined in Condition 6(d)), determined (and subject to adjustment) in accordance with Condition 6 in respect of the Valuation Date_t.

"**n**" means the actual number of valuations obtained for the determination of the Variable Rate of Interest, subject to any adjustments.

(R) Memory Option

For any of Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Inflation Linked Interest Notes or Currency Linked Interest Notes, in respect of which Memory Option is specified as the Interest Variable Option within the applicable Final Terms, the Variable Rate of Interest for such Interest Basis will be:

(1) with respect to the first Interest Period:

(i) the Memory Option Rate, if the Memory Option Payment Condition is satisfied; or

(ii) zero (and no Interest Amount shall be payable in respect of the first Interest Period), if the Memory Option Payment Condition is not satisfied,

(2) with respect to each subsequent Interest Period:

(i) (the Memory Option Rate x $_t$) – $\sum_{i=1}^{t-1} Memory\ Option\ Rate(i)$, if the Memory Option Payment Condition is satisfied; or

(ii) zero (and no Interest Amount shall be payable in respect of the relevant Interest Period), if the Memory Option Payment Condition is not satisfied.

For the purposes of this Condition 3(b)(ii)(R):

(I) the "**Memory Option Payment Condition**" shall be satisfied with respect to an Interest Period if:

(a) "**Greater Than**" is specified in the applicable Final Terms as the Memory Option Payment Condition and the Memory Option Variable is greater than the Memory Option Level;

(b) "**Less Than**" is specified in the applicable Final Terms as the Memory Option Payment Condition and the Memory Option Variable is less than the Memory Option Level;

(c) "**Greater Than Or Equal To**" is specified in the applicable Final Terms as the Memory Option Payment Condition and the Memory Option Variable is greater than or equal to the Memory Option Level; or

(d) "**Less Than Or Equal To**" is specified in the applicable Final Terms as the Memory Option Payment Condition and the Memory Option Variable is less than or equal to the Memory Option Level.

(II) the "**Memory Option Rate**" means with respect to each Interest Period the interest rate (expressed as a percentage) specified as such in the Final Terms.

(III) the "**Memory Option Variable**" with respect to an Interest Period means:

(a) if the Memory Option Type is specified as Interest Rates, the Variable Rate of Interest determined in accordance with Condition 3(b)(ii)(A) for which purpose the Reference Rate, Interest Determination Date(s), Relevant Screen Page, Interest Multiplier and Margin are as set out in the applicable Final Terms;

(b) if the Memory Option Type is specified as Index, the Reference Price (as defined in Condition 6(d)) determined (and subject to adjustment) in accordance with Condition 6 in respect of the Valuation Date relating to such Interest Period;

(c) if the Memory Option Type is specified as Underlying Equity, the Reference Price (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of the Valuation Date relating to such Interest Period;

(d) if the Memory Option Type is specified as Basket of Underlying Equities, the Reference Price (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of the Valuation Date relating to such Interest Period;

(e) if the Memory Option Type is specified as Inflation, the Relevant Level (as defined in Condition 8(a)) determined (and subject to adjustment) in accordance with Condition 8 in respect of the Reference Month relating to such Interest Period; or

(f) if the Memory Option Type is specified as Currency, the Reference Price (as defined in Condition 9(c)) determined (and subject to adjustment) in accordance with Condition 9 in respect of the Valuation Date relating to such Interest Period.

(IV) the "**Memory Option Level**" with respect to an Interest Period means:

(a) if the Memory Option Type is specified as Interest Rates, the percentage rate specified as such in the applicable Final Terms;

(b) if the Memory Option Type is specified as Index, the index level specified as such in the applicable Final Terms;

(c) if the Memory Option Type is specified as Underlying Equity, the amount specified as such in the applicable Final Terms;

(d) if the Memory Option Type is specified as an Basket of Underlying Equities, the amount specified as such in the applicable Final Terms;

(e) if the Memory Option Type is specified as Inflation, the amount specified as such in the applicable Final Terms; or

(f) if the Memory Option Type is specified as Currency, the amount specified as such in the applicable Final Terms.

(V) "***t***" means the total number of Interest Periods from and including the first Interest Period up to and including the relevant Interest Period.

(VI) "$t-1$" means the total number of Interest Periods from and including the first Interest Period up to but excluding the relevant Interest Period.

(VII) "**Memory Option Rate*(i)***" means the Rate of Interest in respect of each preceding Interest Period, where *(i)* is an ascending series of positive integers starting from and including 1 up to and including t-1, each denoting one Interest Period in chronological order.

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

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period and applicable Interest Basis, then, in the event that the Variable Rate of Interest in respect of such Interest Period and applicable Interest Basis determined in accordance with the provisions of Condition 3(b)(ii) is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period and applicable Interest Basis shall be such Minimum Rate of Interest. If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period and applicable Interest Basis, then, in the event that the Variable Rate of Interest in respect of such Interest Period and applicable Interest Basis determined in accordance with the provisions of Condition 3(b)(ii) is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

Where the Variable Rate of Interest for any Interest Period is negative (whether by operation of a negative Margin, negative Interest Multiplier or otherwise), then such Variable Rate of Interest shall be deemed to be zero.

(iv) *Determination of Variable Rate of Interest and calculation of Interest Amounts*

The Calculation Agent will, at or as soon as practicable after each time at which any Rate of Interest is to be determined in respect of an Interest Basis, determine the Variable Rate of Interest for the relevant Interest Period. The Calculation Agent will notify the Issuer, the Guarantor and the Agent of each applicable Variable Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Calculation Agent will calculate the Interest Amount in respect of an Interest Basis for the relevant Interest Period by applying the relevant Rate of Interest to:

(A) in the case of Floating Rate Notes and Inflation Linked Interest Notes that in either case are not Interest on Instalment Only Notes, and in the case of Index Linked Interest Notes, Equity Linked Interest Notes and Currency Linked Interest Notes:

(1) where such Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Inflation Linked Interest Notes or Currency Linked Interest Notes are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or

(2) where such Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Inflation Linked Interest Notes or Currency Linked Interest Notes are in definitive form, the Calculation Amount; or

(B) in the case of Floating Rate Notes or Inflation Linked Interest Notes that are Interest on Instalment Only Notes:

(1) where such Floating Rate Notes or Inflation Linked Interest Notes are represented by a Global Note, the aggregate Instalment Amounts payable on the Instalment Date falling on the Interest Payment Date for such Interest Period in respect of the Notes represented by such Global Note; or

(2) where such Floating Rate Notes or Inflation Linked Interest Notes are in definitive form, the Instalment Amount payable on the Instalment Date falling on the Interest Payment Date for such Interest Period in respect of each Calculation Amount

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the Specified Currency, 0.005 (or, in the case of Japanese Yen, half of one unit) being rounded upwards. Where the Specified Denomination of a Floating Rate Note, an Index Linked Interest Note, an Equity Linked Interest Note, an Inflation Linked Interest Note or a Currency Linked Interest Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

For Notes in respect of which more than one Interest Basis applies, a separate Interest Amount may be payable in accordance with each such Interest Basis.

"**Day Count Fraction**" means, in respect of the calculation of an Interest Amount for any Interest Period in accordance with this Condition 3(b) or Condition 3(c):

(i) if "Actual/Actual" or "Actual/Actual (ISDA)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Period End Date falling in a leap year, 366;

(iv) If "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Fixed Day Count Fraction =

$$\frac{[360x(Y2-Y1)]+[30x(M2-M1)]+(D2-D1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360x(Y2 - Y1)] + [30x(M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360x(Y2 - Y1)] + [30x(M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless

(x) that day is the last day of February or (y) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (x) that day is the last day of February but not the Maturity Date or (y) such number would be 31, in which case D_2 will be 30; and

(viii) if "1/1" is specified in the applicable Final Terms, 1.

(v) *Notification of Variable Rate of Interest and Interest Amounts*

The Calculation Agent will promptly notify the Agent of each Interest Amount and the Agent will cause each Variable Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantor, the other Paying Agents and any stock exchange on which the relevant Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Inflation Linked Interest Notes or Currency Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 18 (*Notices*) as soon as possible after their determinations. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Noteholders in accordance with Condition 18 (*Notices*) and to each stock exchange on which the relevant Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Inflation Linked Interest Notes or Currency Linked Interest Notes are for the time being listed.

In case the relevant Notes are listed on the Luxembourg Stock Exchange, any notification to be made to the Luxembourg Stock Exchange pursuant to this paragraph (v) shall be made no later than the first day of the relevant Interest Period.

(vi) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(b) by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Range Accrual Notes*

If the Notes are Range Accrual Notes then the provisions of this Condition 3(c) shall apply.

(i) *Interest Period End Dates and Interest Payment Dates*

Each Range Accrual Note bears interest from (and including) its Interest Commencement Date. Interest will accrue in respect of each Interest Period (as defined in Condition 3(e)) and will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Range Accrual Notes will be determined in the manner specified below.

The Rate of Interest for each Interest Period will, subject as provided below (in particular, under Condition 3(c)(iv)), be the rate determined in accordance with the following (the "**Range Accrual Rate of Interest**"):

$$\text{RA Base Rate} \times \left[\frac{N}{A}\right]$$

(iii) *Definitions*

For the purposes of this Condition 3(c):

"**A**" means the actual number of calendar days in the relevant Interest Period;

"**Lower Threshold**" means the percentage specified as such in the applicable Final Terms;

"**N**" means the actual number of days in the relevant Interest Period on which the Range Accrual Condition is satisfied, which will occur on any day if:

(a) "Between (Inclusive)" is specified in the applicable Final Terms as the Range Accrual Condition and the daily fixing of the Reference Spread is greater than or equal to the Lower Threshold but less than or equal to the Upper Threshold;

(b) "Between (Exclusive)" is specified in the applicable Final Terms as the Range Accrual Condition and the daily fixing of the Reference Spread is greater than the Lower Threshold but less than the Upper Threshold;

(c) "Greater Than Lower Threshold" is specified in the applicable Final Terms as the Range Accrual Condition and the daily fixing of the Reference Spread is greater than the Lower Threshold;

(d) "Greater Than Or Equal To Lower Threshold" is specified in the applicable Final Terms as the Range Accrual Condition and the daily fixing of the Reference Spread is greater than or equal to the Lower Threshold;

(e) "Less Than Lower Threshold" is specified in the applicable Final Terms as the Range Accrual Condition and the daily fixing of the Reference Spread is less than the Lower Threshold; or

(f) "Less Than Or Equal To Lower Threshold" is specified in the applicable Final Terms as the Range Accrual Condition and the daily fixing of the Reference Spread is less than or equal to the Lower Threshold;

"**RA Base Rate**" means the rate (expressed as a percentage) specified as such in the applicable Final Terms;

"**Reference Spread**" means, the spread of Variable 1 minus Variable 2, to be fixed by the Calculation Agent on each day by reference to information published on the Relevant Screen Page(s) specified in the applicable Final Terms, except that (i) if any day is not a Business Day, the fixing for the immediately preceding Business Day shall be used and (ii) the last fixing of Variable 1 and Variable 2 in each Interest Period will be the fifth Business Day prior to the Interest Payment Date falling at the end of that Interest Period and this fixing will be used for the remaining days of the Interest Period (whether or not they are Business Days);

"**Upper Threshold**" means the percentage specified as such in the applicable Final Terms;

"**Variable 1**" means the Variable Rate of Interest determined in accordance with Condition 3(b)(ii)(A), for which purpose only (x) the Reference Rate, Interest Determination Date(s) and Relevant Screen Page are as specified in the applicable Final Terms, (y) the Interest Multiplier is 100 per cent. and (z) there is no Margin; and

"**Variable 2**" means, (a) if applicable, the Variable Rate of Interest determined in accordance with Condition 3(b)(ii)(A), for which purpose only (x) the Reference Rate, Interest Determination Date(s) and Relevant Screen Page are as specified in the applicable Final Terms, (y) the Interest Multiplier is 100 per cent. and (z) there is no Margin and (b) if not applicable, zero.

(iv) *Minimum Range Accrual Rate of Interest and/or Maximum Range Accrual Rate of Interest*

If the applicable Final Terms specifies a Minimum Range Accrual Rate of Interest for any Interest Period, then, in the event that the Range Accrual Rate of Interest in respect of such Interest Period determined in accordance with Condition 3(c)(ii) is less than such Minimum Range Accrual Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Range Accrual Rate of Interest. If the applicable Final Terms specifies a Maximum Range Accrual Rate of Interest for any Interest Period, then, in the event that the Range Accrual Rate of Interest in respect of such Interest Period determined in accordance with Condition 3(c)(ii) is greater than such Maximum Range Accrual Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Range Accrual Rate of Interest.

(v) *Determination of Range Accrual Rate of Interest and calculation of Interest Amounts*

The Calculation Agent, will, at or as soon as practicable after each time at which the Range Accrual Rate of Interest is to be determined, determine the Range Accrual Rate of Interest for the relevant Interest Period. The Calculation Agent will notify the Issuer, the Guarantor and the Agent of the Range Accrual Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Calculation Agent will calculate the Interest Amount for the Range Accrual Notes and relevant Interest Period (which may, for the avoidance of doubt, be in addition to any other Interest Amount determined pursuant to this Condition 3) by applying the Range Accrual Rate of Interest to:

(A) in the case of Range Accrual Notes that are not Interest on Instalment Only Notes:

(1) where such Range Accrual Notes are represented by a Global Note, the aggregate outstanding nominal amount of the Range Accrual Notes represented by such Global Note; or

(2) where such Range Accrual Notes are in definitive form, the Calculation Amount, or

(B) in the case of Range Accrual Notes that are Interest on Instalment Only Notes:

(1) where such Range Accrual Notes are represented by a Global Note, the aggregate Instalment Amounts payable on the Instalment Date falling on the Interest Payment Date for such Interest Period in respect of the Notes represented by such Global Note; or

(2) where such Range Accrual Notes are in definitive form, the Instalment Amount payable on the Instalment Date falling on the Interest Payment Date for such Interest Period in respect of each Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the Specified Currency, 0.005 (or, in the case of Japanese Yen, half of one unit) being rounded upwards. Where the Specified Denomination of a Range Accrual Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

The Calculation Agent will notify the Agent of the Interest Amount payable on the Range Accrual Notes in respect of each Calculation Amount for the relevant Interest Period as soon as practicable after calculating the same.

"**Day Count Fraction**" shall have the meaning given to such term in Condition 3(b)(iv).

(vi) *Notification of Range Accrual Rate of Interest and Interest Amounts*

The Calculation Agent will promptly notify the Agent of each Interest Amount and the Agent will cause the Range Accrual Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantor, the other Paying Agents, the Noteholders and any stock exchange on which the relevant Range Accrual Notes are for the time being listed and notice thereof to be published in accordance with Condition 18 (*Notices*) as soon as possible after their determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Range Accrual Notes are for the time being listed and to the Noteholders in accordance with Condition 18 (*Notices*).

(vii) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(c) by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(d) *Accrual of Interest*

Each Note will cease to bear interest (if any) from the date for its redemption unless either, upon due presentation thereof (if applicable), payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of: (1) the date on which all amounts due in respect of such Note have been paid; and (2) five days after the date on which the full amount of the moneys payable on the Notes has been received by the Agent and/or all assets in respect of such Note have been received by any agent appointed by the Issuer to deliver such assets to Noteholders and notice to that effect has been given to the Noteholders in accordance with Condition 18 (*Notices*).

In the case of Instalment Notes, each Instalment Amount will cease to bear interest (if any) from the relevant Instalment Date unless either, upon due presentation thereof (if applicable), payment of all or part of the relevant Instalment Amount is improperly withheld or refused. In such event, interest will continue to accrue on the unpaid balance of the Instalment Amount until whichever is the earlier of: (1) the date on which all amounts due in respect of such Instalment Amount have been paid; and (2) five days after the date on which the full amount of the moneys payable in respect of such Instalment Amount has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 18 (*Notices*) (the "**Instalment Relevant Date**").

For the avoidance of doubt, where any Autocall Redemption Amount and/or Interest Amount and/or Redemption Amount in respect of Index Linked Notes, Equity Linked Notes, Currency Linked Notes or Autocall Notes is postponed as a result of the occurrence of a Disrupted Day (in each case in accordance with, and as defined in, Conditions 5(d), 6, 7 and 9, respectively), no Interest Amount or other sum shall be payable in respect of the postponement of the payment thereof.

(e) *General definitions applicable to interest-bearing Notes*

For the purposes of these Conditions:

"**Interest Amount**" means, with respect to each applicable Interest Basis (other than Zero Coupon Notes), the amount of interest payable in respect of an Interest Period and such Interest Basis;

"**Interest Commencement Date**" means, with respect to each applicable Interest Basis (other than Zero Coupon Notes), the Interest Commencement Date specified in the applicable Final Terms with respect to such Interest Basis;

"**Interest Determination Date**" means (i) each date specified as such in the applicable Final Terms; (ii) where "Standard IDD" is specified in the applicable Final Terms (a) if the specified Relevant Screen Page is a EURIBOR rate, the second day on which the T2 is open prior to the start of each Interest Period; (b) if the specified Relevant Screen Page is a NIBOR rate, the second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Oslo prior to the start of each Interest Period; and (c) if the specified Relevant Screen Page is a CMS rate, the second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Frankfurt prior to the start of each Interest Period; (iii) where "Arrears IDD" is specified in the applicable Final Terms, the first day of the next following Interest Period or, in the case of the final Interest Period, the Scheduled Maturity Date or (iv) where "CMS SOFR" is specified in the applicable Final Terms, the Interest Determination Date as defined in Condition 3(b)(ii)(B);

"Instalment Notes" means Notes specified as such in the applicable Final Terms;

"Interest on Instalment Only Notes" means Instalment Notes specified as such in the applicable Final Terms;

"**Interest Payment Date**" means, with respect to each applicable Interest Basis (other than Zero Coupon Notes), the Interest Payment Date(s) in each year specified in the applicable Final Terms with respect to such Interest Basis;

"**Interest Period**" means, with respect to each applicable Interest Basis (other than Zero Coupon Notes), the period from (and including) an Interest Period End Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date;

"**Interest Period End Date**" means, with respect to each applicable Interest Basis (other than Zero Coupon Notes), the Interest Period End Date(s) in each year specified in the applicable Final Terms with respect to such Interest Basis;

"**Reference Rate**" means (i) the relevant reference rate specified as such in the applicable Final Terms or (ii) where "CMS SOFR" is specified in the applicable Final Terms, the SOFR Swap Rate, provided in each case that, if such reference rate ceases to be calculated and/or published, "Reference Rate" shall mean any successor or replacement rate determined in accordance with Condition 3(g);

"**Relevant Screen Page**" means the relevant page specified as such in the applicable Final Terms or any successor display page, other published source, information vendor or provider that has been officially designated by the official sponsor of the original page or source (or, failing which, the relevant information vendor or provider); and

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

(f) *Business Day Conventions and Business Days*

(i) If a Business Day Convention is specified in the applicable Final Terms in relation to any date (including, for the avoidance of doubt, any Maturity Date) and (x) if there is no numerically corresponding day in the calendar month in which such date should occur or (y) if such date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is: in the case of Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Inflation Linked Interest Notes or Currency Linked Interest Notes only, the Floating Rate Convention, the relevant Interest Period End Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day, unless it would thereby fall into the next calendar month, in which event (A) such Interest Period End Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Period End Date shall be the last Business Day in the month;

(ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day;

(iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

(iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

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

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign

exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and

(B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Wellington, respectively), or (2) in relation to any sum payable in euro, a day on which the real time gross settlement system operated by the Eurosystem, or any successor system (the "**T2**") is open.

(g) *Benchmark Reference Rate replacement*

Without prejudice to the other provisions in this Condition 3, if the Issuer determines that a Benchmark Event has occurred in relation to the relevant Reference Rate specified in the applicable Final Terms when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply to the relevant Notes:

(i) unless the Reference Rate is CMS:

(A) the Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint and consult with an Independent Adviser with a view to the Issuer determining (without any requirement for the consent or approval of the Noteholders) (A) a Successor Rate or, failing which, an Alternative Reference Rate, for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes and (B) in either case, an Adjustment Spread;

(B) if the Issuer is unable to appoint an Independent Adviser prior to the IA Determination Cut-Off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may still determine (A) a Successor Rate or, failing which, an Alternative Reference Rate and (B) in either case, an Adjustment Spread in accordance with this Condition 3(g);

(C) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with paragraphs (i)(A) or (B) above, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 3(g));

(D) if the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Issuer is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;

(E) if the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Issuer may (without any requirement for the consent or approval of the Noteholders) also specify such changes to the

Conditions, the applicable Final Terms and/or the Agency Agreement as it may determine appropriate in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate or any Adjustment Spread (as applicable), including, but not limited to, (A) the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes and (B) the method for determining the fallback rate in relation to the Notes. The Agent and any other agents party to the Agency Agreement shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to the application of this Condition 3(g). No consent shall be required from the Noteholders in connection with determining or giving effect to the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps to be taken by the Agent and any other agents party to the Agency Agreement (if required or useful); and

(F) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable), give notice thereof to the Agent, the Calculation Agent and, in accordance with Condition 18 (*Notices*), the Noteholders. Such notice shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the Conditions, the applicable Final Terms and the Agency Agreement; or

(ii) if the Reference Rate is CMS or CMS SOFR, the Calculation Agent will determine the Reference Rate as the floating rate it would determine if it were acting as the Calculation Agent (as defined in the ISDA Definitions (as defined below)) under an interest rate swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") (such rate, the "**Alternative CMS Rate**"). The Calculation Agent may (without any requirement for the consent or approval of the Noteholders) also specify such changes to the Conditions, the applicable Final Terms and/or the Agency Agreement as it may determine appropriate in order to ensure the proper operation of such Alternative CMS Rate including, but not limited to, (A) the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes and (B) the method for determining the fallback rate in relation to the Notes. The Agent and any other agents party to the Agency Agreement shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to the application of this Condition 3(g). No consent shall be required from the Noteholders in connection with determining or giving effect to the Alternative CMS Rate or such other changes, including for the execution of any documents or other steps to be taken by the Agent and any other agents party to the Agency Agreement (if required or useful). The Calculation Agent shall promptly, following the determination of any Alternative CMS Rate, give notice thereof to the Issuer and the Agent and the Issuer shall as soon as practicable give notice thereof to the Noteholders in accordance with Condition 18 (*Notices*). Such notice shall specify the effective date(s) for such Alternative CMS Rate (as applicable) and any consequential changes made to the Conditions, the applicable Final Terms and the Agency Agreement.

An Independent Adviser appointed pursuant to this Condition 3(g) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Agent, the Calculation Agent or the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 3(g).

Without prejudice to the obligations of the Issuer under this Condition 3(g), the Reference Rate and the other provisions in this Condition 3 will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the Agency Agreement and the Conditions (if any).

For the purposes of this Condition 3(g):

"**Adjustment Spread**" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the relevant circumstances, any economic prejudice or benefit (as applicable) to the Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iii) if no such customary market usage is recognised or acknowledged, the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iv) if no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser (if any) and acting in good faith, determines to be appropriate.

"**Alternative Reference Rate**" means the rate that the Issuer determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of bonds denominated in the Specified Currency of the Notes and of a comparable duration to the relevant Interest Period, or, if the Issuer determines that there is no such rate, such other rate as the Issuer determines in its discretion is most comparable to the relevant Reference Rate.

"**Benchmark Event**" means:

(i) the relevant Reference Rate ceasing to be published or ceasing to exist or be published on a permanent or indefinite basis as a result of the relevant Reference Rate ceasing to be calculated or administered; or

(ii) a public statement by the administrator of the relevant Reference Rate stating that it has ceased or that it will, by a specified date within the following six months, cease to publish the relevant Reference Rate, permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate); or

(iii) a public statement made by the supervisor of the administrator of the relevant Reference Rate stating that the relevant Reference Rate is or will be (or is or will

be deemed by such supervisor to be) no longer representative of its relevant underlying market, in circumstances where the same shall be applicable to the Notes; or

(iv) a public statement by the supervisor or the administrator of the relevant Reference Rate that means that the relevant Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or

(v) it has become unlawful for the Issuer, the Agent, the Calculation Agent or any other agents party to the Agency Agreement to calculate any payments due to be made to any Noteholders using the relevant Reference Rate.

"**IA Determination Cut-Off Date**" means no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period.

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case selected and appointed by the Issuer at its own expense.

"**Relevant Nominating Body**" means, in respect of a Reference Rate:

(i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Reference Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof.

"**Successor Rate**" means the rate that the Issuer determines is a successor to, or replacement of, the Reference Rate which is formally recommended by any Relevant Nominating Body.

(h) *Coupon Payable on Maturity*

If the applicable Final Terms specify that "Coupon Payable on Maturity" is applicable then, notwithstanding any other provision in these Conditions, the Interest Amount determined in respect of each Interest Period shall only be payable on, and the applicable "Interest Payment Date" for each Interest Period shall be deemed to be, the Maturity Date (or any earlier date on which the Notes are to be redeemed in whole). No further interest (or other amounts) shall be payable to Noteholders or Couponholders by way of compensation for the delay between the end of an Interest Period and the due date for payment of the relevant Interest Amount.

4. Payments

(a) *Method of Payment*

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Wellington, respectively); and

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

All payments will be subject in all cases to (i) any fiscal or other laws, regulations or directives applicable thereto in the place of payment or other laws and regulations to which the Issuer, the Guarantor or their Paying Agents are subject and neither the Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or directives or agreements, but without prejudice to the provisions of Condition 12(a) (as applicable), (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12(a) (as applicable)) any law implementing an intergovernmental approach thereto and (iii) any withholding or deduction required pursuant to section 871(m) of the Code.

Any references in these Conditions to payment of any sums in respect of the Notes shall be deemed to include, as applicable, delivery of assets if so provided in the applicable Final Terms and references to paid and payable shall be construed accordingly. The method of delivery of any assets and the liability for the costs and charges arising from such delivery will be as specified in the applicable Final Terms.

(b) *Presentation of Definitive Notes and Coupons*

Payments of principal in respect of Definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Notes or of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relevant note), and payments of Interest Amounts in respect of Definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons) or all unmatured Receipts (in the case of Instalment Notes) appertaining thereto, failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 12(a)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 13) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the due date for redemption or final settlement of any Instalment Note, all Receipts relating to such Instalment Note having an Instalment Date falling on or after such date (whether or not attached) shall become void and no payment shall be made in respect of them.

Upon the date on which any Floating Rate Note, Range Accrual Note, Index Linked Note, Equity Linked Note, Inflation Linked Note, Currency Linked Note or Long Maturity Note

in definitive form becomes due and repayable prior to its Maturity Date (other than in respect of Instalment Notes, any Instalment Amounts which are not the final Instalment Amounts), unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount at issue is less than the aggregate Interest Amount payable thereon (provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate Interest Amount remaining to be paid after that date is less than the nominal amount of the relevant Definitive Note).

If the due date for redemption of any Definitive Note is not an Interest Payment Date in respect of an applicable Interest Basis, interest (if any) accrued in respect of such Note on such Interest Basis from (and including) the preceding Interest Payment Date or, as the case may be, the applicable Interest Commencement Date shall be payable only against surrender of the relevant Definitive Note.

(c) *Payments in respect of Global Notes*

Payments of principal and Interest Amounts (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream Luxembourg, as applicable.

(d) *General provisions applicable to payments*

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for their share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or Interest Amounts in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or Interest Amounts in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and Interest Amounts on the Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and Interest Amounts at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and Interest Amounts in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

(e) *Payment Day*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further Interest Amounts or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 13 (*Prescription*)) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in:

(A) in the case of Definitive Notes only, the relevant place of presentation; and

(B) each Additional Financial Centre (other than T2) specified in the applicable Final Terms; and

(ii) a day on which the T2 is open, unless the applicable Final Terms specify "TARGET Not Required"; and

(iii) either (1) where a sum is payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of such Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Wellington, respectively) unless the applicable Final Terms specify "Principal Financial Centre Not Required" or (2) in relation to any sum payable in euro, a day on which the T2 is open.

(f) *Interpretation of Principal and Interest (Amount(s))*

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable under Condition 12(a) as a result of a withholding or deduction having been made in respect of a principal payment under the Notes;

(ii) any Instalment Amount:

(iii) the Final Redemption Amount;

(iv) the Early Redemption Amount;

(v) the Optional Redemption Amount(s) (if any);

(vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5(e)(ii)); and

(vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest or Interest Amount(s) in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to the Interest Amounts under Condition 12(a).

5. Redemption and Purchase

(a) *Redemption by Instalments and at Maturity*

(i) Unless previously redeemed or purchased and cancelled as specified below, each Note that provides for Instalment Dates and Instalment Amounts (such Notes

being **"Instalment Notes"**) will be partially redeemed on each Instalment Date by payment of the related Instalment Amount (payable in respect of each Calculation Amount) specified in the applicable Final Terms. On each Instalment Date the Calculation Amount in respect of each Note shall be reduced by the related Instalment Amount payable on that date (and the outstanding notional amount of each Note shall be reduced by the relevant Instalment Amount or where the Specified Denomination of a Note comprises more than one Calculation Amount, by the aggregate of the Instalment Amounts for each Calculation Amount comprised in the Specified Denomination) and the par value of the Note shall be correspondingly reduced and thereafter all calculations and determinations in respect of the Notes shall be made (save in the case of calculations of Interest made in respect of Interest on Instalment Only Notes) on the basis of the Calculation Amount as so reduced (or in the case of calculations and determinations made in respect of all of the Notes, the aggregate of the Calculation Amount as so reduced), unless payment of the relevant Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Instalment Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer on the Maturity Date at an amount in the relevant Specified Currency equal to:

(A) in the case of Fixed Redemption Notes, par or such other Final Redemption Amount as may be specified in the applicable Final Terms (or in the case of Instalment Notes, the final Instalment Amount(s) payable on the Maturity Date); or

(B) in the case of Index Linked Redemption Notes, Equity Linked Redemption Notes or Currency Linked Redemption Notes, the applicable Redemption Amount determined in accordance with the provisions of Conditions 6, 7 and 9, respectively,

(b) *Redemption for Tax Reasons*

If the Prohibition of sales to consumers in Belgium is specified as applicable in the applicable Final Terms, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Notes are not Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Inflation Linked Interest Notes, Currency Linked Interest Notes and/or Range Accrual Notes) or on any Interest Payment Date (if the Notes are Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Inflation Linked Interest Notes, Currency Linked Interest Notes and/or Range Accrual Notes), on giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 18 (*Notices*), the Noteholders (which notice shall be irrevocable), if:

(i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12(a) or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in either case as a result of any change in, or amendment to, the laws or regulations of any Tax Jurisdiction (as defined below) 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, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent a certificate signed by two Directors of the Issuer or, as the case may be, two Directors of the Guarantor, 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 an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 5(b) will be redeemed at the Early Redemption Amount referred to in Condition 5(e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

If the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms, this Condition 5(b) shall not apply to the Notes.

(c) *Redemption at the Option of the Issuer (Issuer Call)*

If Issuer Call is specified as applicable in the applicable Final Terms, giving the Issuer an option to redeem, the Issuer may, having given:

(i) not less than 15 nor more than 30 days' notice (or such other Issuer Call Period of days' notice as is specified in the applicable Final Terms) to the Noteholders in accordance with Condition 18 (*Notices*); and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes then outstanding on any Optional Redemption Date (which, if the Notes are due to bear interest, will be an Interest Payment Date) and at their Optional Redemption Amount specified in the applicable Final Terms together with accrued interest (if any). Where the Optional Redemption Date does not fall on an Interest Payment Date, and must fall on a Business Day, such Business Day shall be subject to the Business Day Convention and Additional Business Day Centre(s) specified in the applicable Final Terms.

If the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms, the Issuer Call shall only be made applicable if this call option is one of the main characteristics of the Notes (so-called "callable notes").

(d) *Autocall Early Redemption*

Where the Autocall Early Redemption provisions are specified to be applicable in the applicable Final Terms ("**Autocall Notes**"), if the Autocall Condition is satisfied in respect of any Autocall Observation Date:

(i) the Issuer shall provide notice of such event to the Noteholders in accordance with Condition 18 (*Notices*) as soon as reasonably practicable following the date on which the Autocall Condition is determined to have been satisfied (an "**Autocall Early Redemption Notice**");

(ii) such Autocall Early Redemption Notice shall specify the date on which all of the Notes outstanding shall be redeemed early (which will be the next following Interest Payment Date that falls not less than five Business Days following the date on which the Autocall Early Redemption Notice is provided or, if no such date exists, the Maturity Date) at their Autocall Redemption Amount (together with accrued interest(if any)); and

(iii) for the avoidance of doubt, if the determination of the Autocall Variable or Autocall Strike is postponed as a result of the occurrence of a Disrupted Day (as defined in Conditions 6(d), 7(d) or 9(c), depending on the relevant Autocall Type specified in the applicable Final Terms), then the Autocall Redemption Amount shall be paid without any Interest Amount or other sum in respect of the postponement thereof.

For the purposes of this Condition 5(d):

(I) the "**Autocall Condition**" shall be satisfied with respect to an Autocall Observation Date if:

(a) "Greater Than" is specified in the applicable Final Terms as the Autocall Condition and the Autocall Variable is greater than the product of (i) the Autocall Strike and (ii) the Scaling Factor specified in the applicable Final Terms;

(b) "Less Than" is specified in the applicable Final Terms as the Autocall Condition and the Autocall Variable is less than the product of (i) the Autocall Strike and (ii) the Scaling Factor specified in the applicable Final Terms;

(c) "Greater Than Or Equal To" is specified in the applicable Final Terms as the Autocall Condition and the Autocall Variable is greater than or equal to the product of (i) the Autocall Strike and (ii) the Scaling Factor specified in the applicable Final Terms; and

(d) "Less Than Or Equal To" is specified in the applicable Final Terms as the Autocall Condition and the Autocall Variable is less than or equal to the product of (i) the Autocall Strike and (ii) the Scaling Factor specified in the applicable Final Terms.

(II) the "**Autocall Redemption Amount**" means an amount equal to:

(a) the amount per Calculation Amount specified as such in the applicable Final Terms for a redemption occurring within a specified period of time; or

(b) if no amount is specified in the applicable Final Terms and the Autocall Type is specified as Index, Underlying Equity or Basket of Underlying Equities an amount determined by the Calculation Agent equal to:

$$\text{MAX}\left[\text{Floor \%};\left\{\text{MIN}\left(\text{Cap \%};\frac{\text{Reference Item}_{\text{final}}}{\text{SF x Reference Item}_{\text{initial}}}\text{ x AM}\right)\right\}\right]\text{ x Calculation Amount}$$

; or

(c) if no amount is specified in the applicable Final Terms and the Autocall Type is specified as Currency an amount determined by the Calculation Agent equal to:

$$\text{MAX}\left[\text{Floor \%};\left\{\text{MIN}\left(\text{Cap \%};\frac{\text{Reference Item}_{\text{initial}}}{\text{SF x Reference Item}_{\text{final}}}\text{ x AM}\right)\right\}\right]\text{ x Calculation Amount}$$

where the value of:

(v) "**Reference Item$_{\text{initial}}$**" shall be:

(i) the index level or amount specified as such for such Autocall Observation Date in the applicable Final Terms; or

(ii) if Reference $Item_{initial}$ Determination is specified as being applicable in the applicable Final Terms, the Autocall Reference Price in respect of the Valuation Date specified for such Autocall Observation Date; or

(iii) if Autocall Reference $Item_{initial}$ Averaging is specified as being applicable in the applicable Final Terms, the Average Autocall Reference Price in respect of the Valuation $Dates_t$ specified for such Autocall Observation Date;

(w) "**Reference $Item_{final}$**" shall be:

(i) the index level or amount specified as such in the applicable Final Terms; or

(ii) if Reference $Item_{final}$ Determination is specified as being applicable in the applicable Final Terms, the Autocall Reference Price in respect of the Valuation Date specified for such Autocall Observation Date; or

(iii) if Autocall Reference $Item_{final}$ Averaging is specified as being applicable in the applicable Final Terms, the Average Autocall Reference Price in respect of the Valuation $Dates_t$ specified for such Autocall Observation Date;

(x) "**AM**" means the Autocall Multiplier specified in the applicable Final Terms;

(y) "**Cap %**" shall be as specified in the applicable Final Terms; and

(z) "**Floor %**" shall be as specified in the applicable Final Terms,

and the Autocall Redemption Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the Specified Currency, 0.005 (or, in the case of Japanese Yen, half of one unit) being rounded upwards, *provided* that where Condition 5(d)(iii)(II)(b) or (c) applies in the case of Autocall Notes which are represented by a Global Note, the references to "Calculation Amount" shall be deemed to refer to the aggregate outstanding nominal amount of the Autocall Notes represented by such Global Note.

(III) the "**Autocall Reference Price**" with respect to any specified Valuation Date means:

(a) if the Autocall Type is specified as Index, the Reference Price (as defined in Condition 6(d)) determined (and subject to adjustment) in accordance with Condition 6 in respect of such Valuation Date;

(b) if the Autocall Type is specified as Underlying Equity, the Reference Price (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of such Valuation Date;

(c) if the Autocall Type is specified as Basket of Underlying Equities, the Reference Price (as defined in Condition 7(d)) determined (and subject to adjustment) in accordance with Condition 7 in respect of the Valuation Date; or

(d) if the Autocall Type is specified as Currency, the Reference Price (as defined in Condition 9(c)) determined (and subject to adjustment) in accordance with Condition 9 in respect of the Valuation Date.

(IV) the "**Autocall Variable**" with respect to an Autocall Observation Date means:

(a) the Autocall Reference Price in respect of the Valuation Date specified in the Autocall Variable paragraph of the applicable Final Terms for such Autocall Observation Date; or

(b) where Autocall Variable Averaging is specified as being applicable in the applicable Final Terms, the Average Autocall Reference Price in respect of the Valuation $Dates_t$ specified in the Autocall Variable paragraph of the applicable Final Terms for such Autocall Observation Date.

(V) the "**Autocall Strike**" with respect to an Autocall Observation Date means:

(a) if Autocall Strike Amount is specified as being applicable in the applicable Final Terms, the index level or amount specified as such in the applicable Final Terms; or

(b) if Autocall Strike Determination is specified as being applicable in the applicable Final Terms, the Autocall Reference Price in respect of the Valuation Date specified for such Autocall Observation Date; or

(c) if Autocall Strike Averaging is specified as being applicable in the applicable Final Terms, the Average Autocall Reference Price in respect of the Valuation $Dates_t$ specified for such Autocall Observation Date.

(VI) the "**Average Autocall Reference Price**" with respect to an Autocall Observation Date and:

(a) an Autocall Variable where Autocall Variable Averaging is specified as being applicable; and/or

(b) an Autocall Strike where Autocall Strike Averaging is specified as being applicable; and/or

(c) a Reference $Item_{initial}$ where Autocall Reference $Item_{initial}$ Averaging is specified as being applicable; and/or

(d) a Reference $Item_{final}$ where Autocall Reference $Item_{final}$ Averaging is specified as being applicable,

in each case within the applicable Final Terms, shall be equal to the arithmetic average of the relevant Autocall Reference Prices determined in respect of each Valuation $Date_t$ specified for such Autocall Observation Date as follows:

$$\left[\frac{(\text{Autocall Reference Price}_{t1} + \text{Autocall Reference Price}_{t2} + \ldots + \text{Autocall Reference Price}_{tn})}{n}\right]$$

(VII) "**SF**" means the Scaling Factor specified in the applicable Final Terms.

(e) *Early Redemption Amounts*

(i) If the Prohibition of sales to consumers in Belgium is specified as applicable in the applicable Final Terms, for the purpose of these Conditions, the Early Redemption Amount in respect of any Note (other than a Note redeeming early in accordance with Condition 5(c) or Condition 5(d)) shall be, in respect of each nominal amount of such Notes equal to the Calculation Amount, such amount(s) calculated by the Calculation Agent in its sole discretion, acting reasonably, by determining:

(A) in respect of a Note other than a Zero Coupon Note, if:

(a) a Fixed Early Redemption Amount or Fixed Early Redemption Percentage is specified in the applicable Final Terms, such amount or an amount equal to the product of the Calculation Amount and such Fixed Early Redemption Percentage, as the case may be, together with accrued and unpaid interest if "Including Interest" is specified in the applicable Final Terms; or

(b) no Fixed Early Redemption Amount or Fixed Early Redemption Percentage is specified in the applicable Final Terms, the fair market value of such Notes on the date of redemption, including accrued interest (if any), adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its Affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Calculation Agent. For the purposes hereof: (I) the references to "together (if appropriate) with interest accrued to (but excluding) the date of redemption" shall be deemed to be deleted from Condition 5(b); and (II) the references to "together with accrued interest thereon to the date of repayment", shall be deemed to be deleted from Condition 14 (*Events of Default*); or

(B) in respect of a Zero Coupon Note, subject to Condition 5(j) below, the Amortised Face Amount which on the relevant date of early redemption 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 applied on the Amortisation Yield Compounding Basis specified in the applicable Final Terms.

(ii) If the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms, for the purpose of these Conditions, the Early Redemption Amount in respect of any Note (other than a Note redeeming early in accordance with Condition 5(c) or Condition 5(d)) shall be, in respect of each nominal amount of such Notes equal to the Calculation Amount, such amount(s) calculated by the Calculation Agent in its sole discretion, acting reasonably, by determining:

(A) in the case of a unilateral termination by the Issuer in the case of a force majeure, the fair market value; and

(B) in the case of a unilateral termination by the Issuer other than in the case of a force majeure:

(a) in respect of structured Notes with total or partial capital protection, at the choice of the Noteholder, either (a) the fair

market value or (b) the amount obtained using the formula stipulated below:

$$(S + D) * (1 + r)^n$$

where:

S = the market value of the savings component on the day of the activating event,

D = the market value of the derivative component on the day of the decision to proceed to early repayment,

where account is taken of the accrued and unpaid interest,

r = the annual interest rate that the entity on which the Noteholder is exposed to the principal (more than 50%) credit risk (depending on the circumstances, the Issuer, Guarantor or any other party involved in the construction) offers on the date of the activating event on a debt instrument with the same maturity as the remaining maturity of the terminated structured Note ("funding rate", which also matches the discount rate used when determining S), from that date until maturity,

n = the remaining maturity expressed in years, and

in case the Noteholder has not communicated their choice to the Calculation Agent within seven Business Days following the date on which notice has been given to the Noteholder of the event giving rise to the early redemption, the fair market value;

(b) in the case of structured Notes with no capital protection, the fair market value; and

(c) in the case of unstructured Notes which give a right to the payment of the nominal amount at maturity, the higher of (a) the fair market value or (b) the nominal amount.

If the Early Redemption Amount payable to the Noteholder is determined pursuant to Condition 5(e)(ii)(A), the Noteholder will not be charged any costs for the unilateral termination upon the Issuer's initiative.

If the Early Redemption Amount payable to the Noteholder is determined pursuant to Condition 5(e)(ii)(B):

(A) the Noteholder will not be charged any costs for the unilateral termination upon the Issuer's initiative; and

(B) at the time of the unilateral termination, the Noteholder will be refunded the costs initially paid by it to the Issuer *pro rata* in the following proportion:

$$\frac{Total\ term\ of\ the\ Notes\ initially\ set - expired\ term\ of\ the\ Notes\ at\ the\ time\ of\ early\ repayment}{Total\ term\ of\ the\ Notes\ initially\ set}.$$

(iii) For the purpose of these Conditions, the Early Redemption Amount in respect of any Note redeeming early on its Optional Redemption Date in accordance with Condition 5(c) shall be, in respect of each nominal amount of such Notes equal to the Calculation Amount, such amount(s) calculated by the Calculation Agent in its sole discretion, acting reasonably, by determining the relevant Optional Redemption Amount determined pursuant to Condition 5(c).

(iv) For the purpose of these Conditions, the Early Redemption Amount in respect of any Note redeeming early as a result of the Autocall Condition being satisfied, shall be, in respect of each nominal amount of such Notes equal to the Calculation Amount, such amount(s) calculated by the Calculation Agent in its sole discretion, acting reasonably, by determining the relevant Autocall Redemption Amount determined pursuant to Condition 5(d).

(f) *Illegality*

In the event that the Calculation Agent determines that:

a. the performance of the Issuer's obligations under the Notes or, as the case may be, the Guarantor's obligations under the Guarantee, or

b. any arrangements made to hedge the Issuer's obligations under the Notes,

has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than 10 nor more than 30 days' notice to Noteholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Paragraph (f)b. shall not apply if the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms.

(g) *Cessation of Reference Rate*

In the event that the relevant benchmark Reference Rate that is required to make any calculations on the Notes has ceased to be calculated and/or published and no successor or replacement rate has been determined by the Issuer in accordance with Condition 3(g) for any reason whatsoever, the Issuer having given not less than 10 nor more than 30 days' notice to Noteholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(h) *Purchases*

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmatured Coupons, Receipts and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, surrendered to the Agent for cancellation.

(i) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons, Receipts and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 5(h) (together with all unmatured Coupons, Receipts and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(j) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 5(a), (b) or (c) or upon its becoming due and repayable as provided in Condition 14 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 5(e)(ii) as though the references therein to the date

fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid to the Noteholder; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 18 (*Notices*).

6. Index Linked Notes

If the Notes are Index Linked Interest Notes and/or Index Linked Redemption Notes then the provisions of this Condition 6 apply, as applicable, as completed by the applicable Final Terms.

Unless Index Linked Notes are previously redeemed or purchased and cancelled, if the determination of (I) an Interest Amount (in the case of Index Linked Interest Notes); or (II) the Redemption Amount (in the case of Index Linked Redemption Notes) is postponed as a result of the occurrence of a Disrupted Day (as defined in Condition 6(d) below) which prevents a Valuation Date falling on its corresponding Scheduled Valuation Date, then payment of any such amount (the "**Index Linked Affected Amount**") shall be postponed to the date which is the Index Linked Interest Payment Extension Number (as specified in the applicable Final Terms) of Business Days following the latest Valuation Date that is necessary to determine such Index Linked Affected Amount, and such Index Linked Affected Amount shall be paid without any Interest Amount or other sum payable in respect of the postponement of the payment thereof.

(a) *Redemption of Index Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each nominal amount of Index Linked Redemption Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer at its Redemption Amount (as defined below) on the Maturity Date.

(b) *Adjustments to an Index*

(i) *Successor Index Sponsor Calculates and Reports of an Index*

If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (a "**Successor Index Sponsor**") acceptable to the Calculation Agent or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then, in each case, that index (the "**Successor Index**") will be deemed to be the Index for the purposes of the Notes.

(ii) *Modification and Cessation of Calculation of an Index*

If (A) on or prior to a Valuation Date the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation or contracts and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**"), or (B) on a Valuation Date the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then the Issuer may take the action described in (a) or (b) below:

(a) require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Index Linked Notes and, if so, to either (I) in relation to any Valuation Date, calculate the Reference Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event or (II) substitute that Index with a replacement index using, in the determination of the Calculation Agent, the same or a substantially similar method of calculation as used in the calculation of that Index and the Calculation Agent shall determine the adjustments, if any, to be made to these Conditions and/or the applicable Final Terms to account for such substitution; or

(b) give notice to the Noteholders in accordance with Condition 18 (*Notices*) and redeem all, but not some only, of the Index Linked Redemption Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.

(iii) *Correction of an Index Level*

If Correction of Index Levels is specified to be applicable in the applicable Final Terms, with the exception of any correction published after the Correction Cut-Off Date specified in the applicable Final Terms, if the official closing level of an Index published on a Valuation Date is subsequently corrected and the correction (the "**Corrected Index Level**") is published by the Index Sponsor or (if applicable) the Successor Index Sponsor within one Settlement Cycle after the original publication, (A) the Issuer shall give notice as soon as practicable of that correction to the Noteholders in accordance with Condition 18 (*Notices*), (B) such Corrected Index Level shall be deemed to be the closing level for such Index for that Valuation Date and (C) the Calculation Agent shall use such Corrected Index Level in determining the relevant Interest Amount and/or Redemption Amount. Corrections published after the Correction Cut-Off Date will be disregarded by the Calculation Agent for the purposes of determining the relevant Interest Amount and/or Redemption Amount.

(iv) *Notice*

Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 18 (*Notices*) giving details of the action proposed to be taken in relation thereto.

(v) *Offer of a Series of Notes to consumers within the meaning of the Belgian Code of Economic Law*

If the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms, adjustments and modifications pursuant to this Condition 6(b) cannot relate to an essential feature of the Notes and the Notes cannot be early redeemed by the Issuer, other than, in each case, if a force majeure or an event occurs which substantially alters the economics of the contract as initially agreed between the parties and for which the Issuer is not accountable. In addition, any such adjustment or modification may not create a significant imbalance between the rights and obligations of the parties to the detriment of the Noteholder and the Issuer may not charge costs to the Noteholder for any such adjustment or modification.

(c) *Consequences of Disrupted Days: Averaging Payments*

(i) *Disruption Fallback Provisions*

If the Calculation Agent determines that any Valuation Date in respect of an Averaging Payment is a Disrupted Day, then:

(a) if "Omission" is specified to be applicable in the applicable Final Terms, such date shall be deemed not to be a relevant Valuation Date for the purposes of determining the relevant Averaging Payment in respect of such Valuation Date, provided that if through the operation of this provision there would not be any Valuation Date in respect of such Averaging Payment, then the sole Valuation Date shall be the earlier of (A) the first Scheduled Trading Day following the Scheduled Valuation Date that is not a Disrupted Day and (B) the Valuation Cut-Off Date;

(b) if "Postponement" is specified to be applicable in the applicable Final Terms, the Valuation Date shall be the earlier of (A) the first Scheduled Trading Day following the Scheduled Valuation Date that is not a Disrupted Day and (B) the Valuation Cut-Off Date. Any day (including, for the avoidance of doubt, the Valuation Cut-Off Date) determined to be a Valuation Date as a result of the operation of this Condition 6(c) shall be a Valuation Date, irrespective of whether it falls on a day that already is or is deemed to be a Valuation Date; or

(c) if "Modified Postponement" is specified to be applicable in the applicable Final Terms, the Valuation Date shall be the earlier of (A) the first Valid Date following the Scheduled Valuation Date and (B) the Valuation Cut-Off Date, irrespective of whether the Valuation Cut-Off Date falls on a day that already is or is deemed to be a Valuation Date.

(ii) *Determination of Index Levels*

If, in respect of any Index, a Valuation Date falls on the relevant Valuation Cut-Off Date pursuant to Condition 6(c)(i):

(a) if such Valuation Cut-Off Date is not a Disrupted Day for such Index, the Calculation Agent shall determine the Index Level of such Index as at the Reference Time on such Valuation Reference Cut-Off Date; and/or

(b) if such Valuation Cut-Off Date is a Disrupted Day for such Index, the Calculation Agent shall determine the Index Level for such Index as at the Reference Time on the Valuation Date in accordance with the formula for and method of calculating the Index Level of such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Reference Time on the Valuation Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in Condition 7 (*Equity Linked Notes*) in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Reference Time on the Valuation Cut-Off Date).

(iii) *Notice of Disrupted Day*

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 18 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date. Without limiting the obligation of the Calculation Agent to give notice to the Noteholders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Noteholders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

(d) *Definitions applicable to Index Linked Notes*

For the purposes of this Condition 6:

"**Averaging Payment**" means any payment relating to:

(a) Index Linked Interest Notes in respect of which the Variable Rate of Interest is determined in accordance with Condition 3(b)(ii)(K), the Asian Option – Index Interest Variable Option;

(b) Index Linked Interest Notes in respect of which the Variable Rate of Interest is determined in accordance with Condition 3(b)(ii)(Q), the Asian Fixing – Index Interest Variable Option;

(c) Index Linked Redemption Notes where sub-paragraph (d)(iii) or sub-paragraph (e)(iii) of the definition of "Redemption Amount" below is applicable;

(d) Index Linked Autocall Notes where averaging is applicable to the calculation of the Autocall Redemption Amount under Condition 5(d)(iii)(IV)(b), 5(d)(iii)(V)(c) or 5(d)(iii)(VI); and

(e) any other amounts payable on Index Linked Notes to which averaging relates.

"**Clearance System**" means, in respect of a security underlying an Index, the principal domestic clearance system customarily used for settling trades in such security.

"**Clearance System Business Day**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in such Clearance System being unable to clear the transfer of a relevant security, would have been) open for the acceptance and execution of settlement instructions.

"**Disrupted Day**" means:

(a) where the Index is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; or

(b) where the Index is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred.

"**Exchange**" means:

(a) where the Index is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); or

(b) where the Index is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, in relation to each component security of that Index (each a "**Component Security**"), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

"**Exchange Business Day**" means:

(a) where the Index is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or

(b) where the Index is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index and (ii) each Related Exchange is open for trading during its regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

"**Index**" means, subject to adjustment in accordance with Condition 6(b), the index specified in the applicable Final Terms and related expressions shall be construed accordingly. For the avoidance of doubt, the index may not be an index composed by the Issuer nor by any legal entity belonging to the group.

"**Index Linked Notes**" means Index linked Interest Notes and Index Linked Redemption Notes.

"**Index Sponsor**" means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms.

"**Market Disruption Event**" means:

(a) in respect of an Index other than a Designated Multi-Exchange Index:

(i) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:

(A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:

(x) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or

(y) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or

(B) any event (other than an event described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions in, or obtain market values for, on any relevant Exchange(s) securities that comprise 20 per cent. or more of the level of the relevant Index, or (y) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

(ii) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the

relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or

(b) in respect of a Designated Multi-Exchange Index either:

(i) the occurrence or existence, in respect of any Component Security, of:

(A) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security;

(B) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security; or

(C) an Early Closure in respect of such Component Security, which the Calculation Agent determines is material; and

the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, comprises 20 per cent. or more of the level of the Index; OR

(ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange, (B) an Exchange Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange or (C) an Early Closure, in each case in respect of such futures or options contracts and which the Calculation Agent determines is material.

As used above:

"**Early Closure**" means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (a) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day; and (b) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

"**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (a) any Component Security on the Exchange in respect of such Component Security; or (b) futures or options contracts relating to the Index on any Related Exchange.

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the

relevant Exchange or Related Exchange or otherwise: (a) relating to any Component Security on the Exchange in respect of such Component Security; or (b) in futures or options contracts relating to the Index on any Related Exchange.

For the purposes of determining whether a Market Disruption Event in respect of an Index or a Component Security exists at any time, if a Market Disruption Event occurs in respect of a security included in the Index or such Component Security at that time, then the relevant percentage contribution of that security or Component Security, as the case may be, to the level of the Index shall be based on a comparison of (a) the portion of the level of the Index attributable to that security or Component Security, as the case may be, and (b) the overall level of the Index, in each case either (i) except where the Index is a Designated Multi-Exchange Index, immediately before the occurrence of such Market Disruption Event or (ii) where the Index is a Designated Multi-Exchange Index, using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

"**Redemption Amount**" means, in relation to an Index Linked Redemption Note, an amount calculated by the Calculation Agent equal to:

$$\text{Calculation Amount} \times \text{MAX}\left[\text{Floor \%}; \left\{\text{MIN}\left(\text{Cap \%}; 1 + \left[\text{IRM} \times \frac{\text{Reference Item}_{\text{final}} - (\text{SF} \times \text{Reference Item}_{\text{Initial}})}{\text{Reference Item}_{\text{initial}}}\right]\right)\right\}\right]$$

where the value of:

(a) Floor % shall be specified in the applicable Final Terms;

(b) Cap % shall be specified in the applicable Final Terms;

(c) "**IRM**" means the Index Redemption Multiplier specified in the applicable Final Terms;

(d) Reference $\text{Item}_{\text{initial}}$ shall be:

(i) the amount specified as such in the applicable Final Terms; or

(ii) if Reference $\text{Item}_{\text{initial}}$ Determination is specified as being applicable in the applicable Final Terms, the Reference Price (as defined in this Condition 6(d)) determined (and subject to adjustment) in accordance with this Condition 6 in respect of the Valuation Date_t specified for this purpose in the applicable Final Terms; or

(iii) if Reference $\text{Item}_{\text{initial}}$ Averaging is specified as being applicable in the applicable Final Terms, the arithmetic average of the relevant Reference Prices (as defined in this Condition 6(d)) determined (and subject to adjustment) in accordance with this Condition 6 in respect of each Valuation Date_t specified for this purpose in the applicable Final Terms;

(e) Reference $\text{Item}_{\text{final}}$ shall be:

(i) the amount specified as such in the applicable Final Terms; or

(ii) if Reference $\text{Item}_{\text{final}}$ Determination is specified as being applicable in the applicable Final Terms, the Reference Price (as defined in this Condition 6(d)) determined (and subject to adjustment) in accordance with this Condition 6 in respect of the Valuation Date specified for this purpose in the applicable Final Terms; or

(iii) if Reference Item$_{final}$ Averaging is specified as being applicable in the applicable Final Terms, the arithmetic average of the relevant Reference Prices (as defined in this Condition 6(d)) determined (and subject to adjustment) in accordance with this Condition 6 in respect of each Valuation Date specified for this purpose in the applicable Final Terms; and

(f) SF means the Scaling Factor specified in the applicable Final Terms,

provided always that the Redemption Amount shall in no event be less than zero and in the case of Index Linked Redemption Notes which are represented by a Global Note, the reference to "Calculation Amount" shall be deemed to refer to the aggregate outstanding nominal amount of the Index Linked Redemption Notes represented by such Global Note. The Redemption Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the Specified Currency, 0.005 (or, in the case of Japanese Yen, half of one unit) being rounded upwards.

"**Reference Price**" means, in relation to a Valuation Date an amount (which shall be deemed to be an amount of the Specified Currency) equal to the official closing level of the Index as determined by the Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent at such Valuation Time) on that Valuation Date (as defined below), without regard to any subsequently published correction.

"**Related Exchange**" means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), PROVIDED THAT where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.

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

"**Scheduled Trading Day**" means:

(a) where the Index is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions; or

(b) where the Index is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, (i) any day on which the Index Sponsor is scheduled to publish the level of that Index and (ii) each Related Exchange is scheduled to be open for trading for its regular trading session.

"**Scheduled Valuation Date**" means, in relation to a Valuation Date, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been that Valuation Date.

"**Settlement Cycle**" means, in respect of an Index, the period of Clearance System Business Days following a trade in the securities underlying such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period).

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Valuation Date does not or is not deemed to occur.

"**Valuation Cut-Off Date**" means the eighth Scheduled Trading Day following the Scheduled Valuation Date.

"**Valuation Date**" means each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

(a) which does not relate to an Averaging Payment, then the Valuation Date shall be the earlier of (i) the first succeeding Scheduled Trading Day that is not a Disrupted Day; and (ii) the Valuation Cut-Off Date. If the earlier of such dates is the Valuation Cut-Off Date, (A) the Valuation Cut-Off Date shall be deemed to be that Valuation Date notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall determine the Reference Price by determining the level of the Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in the Index (or if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date); and

(b) which relates to an Averaging Payment, then the Valuation Date shall be such date as is determined in accordance with Condition 6(c).

"**Valuation Time**" means:

(b) where the Index is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or

(b) where the Index is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, (i) for the purposes of determining whether a Market Disruption Event has occurred: (A) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange and (B) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (i) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

7. Equity Linked Notes

If the Notes are Equity Linked Interest Notes and/or Equity Linked Redemption Notes then the provisions of this Condition 7 apply, as applicable, as completed by the applicable Final Terms.

Unless Equity Linked Notes are previously redeemed or purchased and cancelled, if the determination of (I) an Interest Amount (in the case of Equity Linked Interest Notes); or (II) the Redemption Amount (in the case of Equity Linked Redemption Notes) is postponed as a result of the occurrence of a Disrupted Day (as defined in Condition 7(d) below) which prevents a Valuation Date falling on its corresponding Scheduled Valuation Date, then payment of any such amount (the "**Equity Linked Affected Amount**") shall be postponed to the date which is the Equity Linked Interest Payment Extension Number (as specified in the applicable Final Terms) of Business Days following the latest Valuation Date that is necessary to determine such Equity Linked Affected Amount, and such Equity Linked Affected Amount shall be paid without any Interest Amount or other sum payable in respect of the postponement of the payment thereof.

(a) *Redemption of Equity Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled as specified below, each nominal amount of Equity Linked Redemption Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer at its Redemption Amount (as defined below) on the Maturity Date.

(b) *Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Correction of Share Prices, Adjustments for Equity Linked Notes*

(i) If Potential Adjustment Events are specified to be applicable in the applicable Final Terms, then following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Underlying Equity or Equities and, if so, will (a) either (A) make the corresponding adjustment, if any, to any one or more of the relevant Interest Amount and/or the Redemption Amount and/or the Reference $\text{Item}_{\text{initial}}$ and/or the Reference $\text{Item}_{\text{final}}$ and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent determines appropriate to account for that diluting, concentrative or other effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Underlying Equity) or (B) substitute the Underlying Equity the subject of the Potential Adjustment Event with a replacement equity security selected by the Calculation Agent and the Calculation Agent shall determine the adjustments, if any, to be made to these Conditions and/or the applicable Final Terms to account for such substitution and (b) determine the effective date of that adjustment or substitution, as the case may be. With respect to an adjustment pursuant to (A) above, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Underlying Equity or Equities traded on that options exchange.

Upon making any such adjustment, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 18 (*Notices*), stating the adjustment to the relevant Interest Amount and/or Redemption Amount and/or, the Reference $\text{Item}_{\text{initial}}$ and/or the Reference $\text{Item}_{\text{final}}$ and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

For the purposes of this Condition 7:

"**Potential Adjustment Event**" means any of the following:

(a) a subdivision, consolidation or reclassification of a relevant Underlying Equity (unless resulting in a Merger Event), or a free distribution or

dividend of any such Underlying Equity to existing holders by way of bonus, capitalisation or similar issue;

(b) a distribution, issue or dividend to existing holders of a relevant Underlying Equity of (1) an additional amount of such Underlying Equity or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Equity Issuer equally or proportionately with such payments to holders of such Underlying Equity or (3) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the relevant Equity Issuer as a result of a spin-off or other similar transaction or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(c) the declaration or payment of any dividend (or portion thereof) that the Calculation Agent determines to be an extraordinary dividend;

(d) a call by an Equity Issuer (other than an ETF Issuer) in respect of a relevant Underlying Equity that is not fully paid;

(e) a repurchase by an Equity Issuer or any of its subsidiaries of a relevant Underlying Equity whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise (excluding any redemption of ETF Shares initiated by an investor on terms consistent with the relevant ETF Documents);

(f) in respect of an Equity Issuer (other than an ETF Issuer), an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(g) any other event that has or may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Underlying Equity.

(ii) If (x) De-listing, Merger Event, Nationalisation and Insolvency and/or (y) Tender Offer is specified to be applicable in the applicable Final Terms and (in the case of (x)), a De-listing, Merger Event, Nationalisation or (other than in respect of an ETF Share) Insolvency occurs or (in the case of (y)) a Tender Offer occurs, in each case, in relation to an Underlying Equity, the Issuer in its sole and absolute discretion may:

(a) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the relevant Interest Amount and/or the Redemption Amount and/or the Reference $\text{Item}_{\text{initial}}$ and/or the Reference $\text{Item}_{\text{final}}$ and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may (i) include, without limitation, the substitution of the Underlying Equity the subject of the De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer by a replacement equity security selected by the Calculation Agent and the Calculation Agent shall determine the adjustments, if any, to be made to these Conditions

and/or the applicable Final Terms to account for such substitution or (ii) in the case of adjustments following a Merger Event or Tender Offer include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Underlying Equities; or

(b) give notice to the Noteholders in accordance with Condition 18 (*Notices*) and redeem all, but not some only, of the Equity Linked Redemption Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.

If the provisions of Condition 7(b)(ii)(a) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, made by an options exchange to options on the Underlying Equity or Equities traded on that options exchange.

Upon the occurrence (if applicable) of a De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 18 (*Notices*) stating the occurrence of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

For the purposes of these Conditions:

"**De-listing**" means, in respect of any relevant Underlying Equities, the relevant Exchange announces that pursuant to the rules of such Exchange, such Underlying Equities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union);

"**Insolvency**" means, other than in respect of an ETF Share, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting an Equity Issuer (A) all the Underlying Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Underlying Equities of that Equity Issuer become legally prohibited from transferring them;

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

"**Merger Event**" means, in respect of any relevant Underlying Equities, any (a) reclassification or change of such Underlying Equities that results in a transfer of, or an irrevocable commitment to transfer, all such Underlying Equities outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of the relevant Equity Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in any such reclassification or change of all such Underlying Equities outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Equities of the relevant Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Underlying Equities (other than such Underlying Equities owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the relevant Equity Issuer or its subsidiaries (if any) with or into another entity in which such Equity Issuer is the continuing entity

and which does not result in a reclassification or change of all such Underlying Equities outstanding but results in the outstanding Underlying Equities (other than those Underlying Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Equities immediately following such event, in each case if the Merger Date is on or before the relevant Valuation Date;

"**Nationalisation**" means that all the Underlying Equities or all or substantially all the assets of an Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof; and

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

(iii) If Correction of Share Prices is specified to be applicable in the applicable Final Terms, with the exception of any corrections published after the Correction Cut-Off Date specified in the applicable Final Terms, if the price of an Underlying Equity published on a Valuation Date is subsequently corrected and the correction (the "**Corrected Share Price**") is published on the relevant Exchange within one Settlement Cycle after the original publication, (A) the Issuer shall give notice as soon as practicable of that correction to the Noteholders in accordance with Condition 18 (*Notices*), (B) such Corrected Share Price shall be deemed to be the closing price for such Underlying Equity for that Valuation Date (C) and the Calculation Agent shall use such Corrected Share Price in determining the relevant Interest Amount and/or Redemption Amount. Corrections published after the Correction Cut-Off Date will be disregarded by the Calculation Agent for the purposes of determining the relevant Interest Amount and/or Redemption Amount.

(iv) In respect of Equity Linked Notes relating to Underlying Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty establishing the European Community, as amended, if such Underlying Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, then the Calculation Agent will adjust any one or more of the relevant Interest Amount and/or the Reference $\text{Item}_{\text{initial}}$ and/or the Reference $\text{Item}_{\text{final}}$ and/or the Multiplier and/or any of the other terms of these Conditions and/or the Redemption Amount and/or the applicable Final Terms as the Calculation Agent determines to be appropriate to preserve the economic terms of such Equity Linked Notes. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Condition 7(b)(iv) will affect the currency denomination of any payments in respect of the Equity Linked Notes.

(v) *Offer of a Series of Notes to consumers within the meaning of the Belgian Code of Economic Law*

If the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms, adjustments and modifications pursuant to this Condition 7(b) cannot relate to an essential feature of the Notes and the Notes cannot be early redeemed by the Issuer, other than, in each case, if a force majeure or an event occurs which substantially alters the economics of the contract as

initially agreed between the parties and for which the Issuer is not accountable. In addition, any such adjustment or modification may not create a significant imbalance between the rights and obligations of the parties to the detriment of the Noteholder and the Issuer may not charge costs to the Noteholder for any such adjustment or modification.

(c) *Consequences of Disrupted Days: Averaging Payments*

(i) *Disruption Fallback Provisions*

(a) Where the Notes are specified in the applicable Final Terms to relate to a single Underlying Equity, if the Calculation Agent determines that any Valuation Date in respect of an Averaging Payment is a Disrupted Day, then:

(i) if "Omission" is specified to be applicable in the applicable Final Terms, such date shall be deemed not to be a relevant Valuation Date for the purposes of determining the relevant Averaging Payment in respect of such Valuation Date, provided that if through the operation of this provision there would not be any Valuation Date in respect of such Averaging Payment, then the sole Valuation Date shall be the earlier of (A) the first Scheduled Trading Day following the Scheduled Valuation Date that is not a Disrupted Day and (B) the Valuation Cut-Off Date;

(ii) if "Postponement" is specified to be applicable in the applicable Final Terms, the Valuation Date shall be the earlier of (A) the first Scheduled Trading Day following the Scheduled Valuation Date that is not a Disrupted Day and (B) the Valuation Cut-Off Date. Any day (including, for the avoidance of doubt, the Valuation Cut-Off Date) determined to be a Valuation Date as a result of the operation of this Condition 7(c) shall be a Valuation Date, irrespective of whether it falls on a day that already is or is deemed to be a Valuation Date; or

(iii) if "Modified Postponement" is specified to be applicable in the applicable Final Terms, the Valuation Date shall be the earlier of (A) the first Valid Date following the Scheduled Valuation Date and (B) the Valuation Cut-Off Date, irrespective of whether the Valuation Cut-Off Date falls on a day that already is or is deemed to be a Valuation Date.

(b) Where the Notes are specified in the applicable Final Terms to relate to a Basket of Underlying Equities, if the Calculation Agent determines that any Valuation Date in respect of a Valuation Date for an Averaging Payment is a Disrupted Day in respect of any Underlying Equity, then:

(i) if "Omission" is specified to be applicable in the applicable Final Terms, such date shall be deemed not to be a Valuation Date in respect of any Underlying Equity in respect of such Reference Date, provided that, if through the operation of this provision there would not be any Valuation Date in respect of such Valuation Date, then:

(A) the sole Valuation Date for each Underlying Equity in respect of which the final Valuation Date is not a Disrupted Day shall be the final Valuation Date; and

(B) the sole Valuation Date for each Underlying Equity in respect of which the final Valuation Date is a Disrupted Day (each such Underlying Equity, an "**Affected Equity**") shall be the earlier of (I) the first Scheduled

Trading Day following the final Valuation Date that is not a Disrupted Day in respect of such Affected Equity and (II) the Valuation Date for such Affected Equity;

(ii) if "Postponement" is specified to be applicable in the applicable Final Terms, then:

(A) the Valuation Date for each Underlying Equity in respect of which the Scheduled Valuation Date is not a Disrupted Day shall be the Valuation Date; and

(B) the Valuation Date for each Underlying Equity in respect of which the Valuation Date is a Disrupted Day (each such Underlying Equity, an "**Affected Equity**") shall be the earlier of (I) the first Scheduled Trading Day following the Valuation Date that is not a Disrupted Day in respect of such Affected Equity and (II) the Valuation Date for such Affected Equity. Any day (including, for the avoidance of doubt, the Valuation Date) determined to be a Valuation Date as a result of the operation of this Condition 7(c)(ii) shall be a Valuation Date, irrespective of whether it falls on a day that already is or is deemed to be a Valuation Date; or

(iii) if "Modified Postponement" is specified to be applicable in the applicable Final Terms then:

(A) the Valuation Date for each Underlying Equity in respect of which the Scheduled Valuation Date is not a Disrupted Day shall be the Valuation Date; and

(B) the Valuation Date for each Underlying Equity in respect of which the Valuation Date is a Disrupted Day (each such Underlying Equity, an "**Affected Equity**") shall be the earlier of (I) the first Valid Date following the Valuation Date in respect of such Affected Equity and (II) the Valuation Date for such Affected Equity, irrespective of whether the Valuation Date falls on a day that already is or is deemed to be a Valuation Date.

(ii) *Determination of Reference Price*

If, in respect of any Underlying Equity, a Valuation Date is determined pursuant to Condition 7(c)(i):

(i) if such Valuation Date is not a Disrupted Day for such Underlying Equity, the Calculation Agent shall determine the Reference Price of such Underlying Equity as at the Reference Time on such Valuation Date; and/or

(ii) if such Valuation Date is a Disrupted Day for such Underlying Equity, the Calculation Agent shall determine the Reference Price for such Underlying Equity as at the Reference Time on the Valuation Date as its good faith estimate of the Reference Price of such Underlying Equity as of the Reference Time on the Valuation Date.

(iii) *Notice of Disruption Date*

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 18 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date. Without limiting the obligation of the Calculation Agent to give

notice to the Noteholders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Noteholders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

(d) *Definitions applicable to Equity Linked Notes*

For the purposes of this Condition 7:

"**Additional ETF Documents**" means, in respect of an ETF, any documents of such ETF which are determined to be Additional ETF Documents by the Calculation Agent.

"**Averaging Payment**" means any payment relating to:

(a) Equity Linked Interest Notes in respect of which the Variable Rate of Interest is determined in accordance with Condition 3(b)(ii)(M), the Asian Option – Underlying Equity/Basket of Underlying Equities Interest Variable Option;

(b) Equity Linked Redemption Notes where sub-paragraph (d)(iii) or sub-paragraph (e)(iii) of the definition of "Redemption Amount" below is applicable;

(c) Equity Linked Autocall Notes where averaging is applicable to the calculation of the Autocall Redemption Amount under Condition 5(d)(iii)(IV)(b), 5(d)(iii)(V)(c) or 5(d)(iii)(VI); and

(d) any other amounts payable on Equity Linked Notes to which averaging relates.

"**Clearance System**" means, in respect of an Underlying Equity, the principal domestic clearance system customarily used for settling trades in such Underlying Equity.

"**Clearance System Business Day**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in such Clearance System being unable to clear the transfer of the relevant Underlying Equity, would have been) open for the acceptance and execution of settlement instructions.

"**Disrupted Day**" means, in respect of an Underlying Equity, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"**Equity Issuer**" means, in respect of an Underlying Equity, the issuer of such Underlying Equity (which, in the case of Underlying Equity that is specified as an ETF Share in the applicable Final Terms, will be an ETF Issuer) specified as such in the applicable Final Terms.

"**Equity Linked Notes**" means Equity Linked Interest Notes and Equity Linked Redemption Notes.

"**ETF**" means an exchange traded fund.

"**ETF Administrator**" means, in respect of an ETF Share and the related ETF, any person so specified in the applicable Final Terms or, if no person is so specified, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for such ETF according to the ETF Documents.

"**ETF Adviser**" means, in respect of an ETF Share and the related ETF, any person so specified in the applicable Final Terms or, if no person is so specified, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such ETF.

"**ETF Documents**" means, in respect of an ETF Share and the related ETF, the constitutive and governing documents, subscription agreements and other agreements of the ETF

specifying the terms and conditions relating to such ETF Share and any Additional ETF Documents, in each case, as amended from time to time.

"**ETF Issuer**" means, in respect of an ETF Share, the issuer of such ETF Share specified as the Equity Issuer in the applicable Final Terms.

"**ETF Share**" means each ETF share specified as an Underlying Equity in the applicable Final Terms.

"**Exchange**" means, in respect of an Underlying Equity, each exchange or quotation system specified as such for such Underlying Equity in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means, in respect of an Underlying Equity, any Scheduled Trading Day on which each Exchange and each Related Exchange for such Underlying Equity is open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"**Index Sponsor**" means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Reference Index, and (b) announces (directly or through an agent) the level of the relevant Reference Index on a regular basis during each Scheduled Trading Day.

"**Market Disruption Event**" means, in respect of an Underlying Equity:

(a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:

(i) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:

(A) relating to the Underlying Equity on the Exchange; or

(B) in futures or options contracts relating to the Underlying Equity on any relevant Related Exchange; or

(ii) any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Underlying Equities on the Exchange, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Underlying Equity on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

(b) the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"**Redemption Amount**" means, in relation to an Equity Linked Redemption Note, an amount calculated by the Calculation Agent equal to:

$$\text{Calculation Amount} \times \text{MAX}\left[\text{Floor \%}; \left\{\text{MIN}\left(\text{Cap \%}; 1 + \left[\text{ERM} \times \frac{\text{Reference Item}_{\text{final}} - (\text{SF} \times \text{Reference Item}_{\text{Initial}})}{\text{Reference Item}_{\text{initial}}}\right]\right)\right\}\right]$$

(a) Floor % shall be specified in the applicable Final Terms;

(b) Cap % shall be specified in the applicable Final Terms;

(c) "**ERM**" means the Equity Redemption Multiplier specified in the applicable Final Terms;

(d) Reference $\text{Item}_{\text{initial}}$ shall be:

(i) the amount specified as such in the applicable Final Terms; or

(ii) if Reference $\text{Item}_{\text{initial}}$ Determination is specified as being applicable in the applicable Final Terms, the Reference Price (as defined in this Condition 7(d)) determined (and subject to adjustment) in accordance with this Condition 7 in respect of the Valuation Date specified for this purpose in the applicable Final Terms; or

(iii) if Reference $\text{Item}_{\text{initial}}$ Averaging is specified as being applicable in the applicable Final Terms, the arithmetic average of the relevant Reference Prices (as defined in this Condition 7(d)) determined (and subject to adjustment) in accordance with this Condition 7 in respect of each Valuation Date specified for this purpose in the applicable Final Terms;

(e) Reference $\text{Item}_{\text{final}}$ shall be:

(i) the amount specified as such in the applicable Final Terms; or

(ii) if Reference $\text{Item}_{\text{final}}$ Determination is specified as being applicable in the applicable Final Terms, the Reference Price (as defined in this Condition 7(d)) determined (and subject to adjustment) in accordance with this Condition 7 in respect of the Valuation Date specified for this purpose in the applicable Final Terms; or

(iii) if Reference $\text{Item}_{\text{final}}$ Averaging is specified as being applicable in the applicable Final Terms, the arithmetic average of the relevant Reference Prices (as defined in this Condition 7(d)) determined (and subject to adjustment) in accordance with this Condition 7 in respect of each Valuation Date specified for this purpose in the applicable Final Terms; and

(f) SF means the Scaling Factor specified in the applicable Final Terms,

provided always that the Redemption Amount shall in no event be less than zero and in the case of Equity Linked Redemption Notes which are represented by a Global Note, the reference to "Calculation Amount" shall be deemed to refer to the aggregate outstanding nominal amount of the Equity Linked Redemption Notes represented by such Global Note. The Redemption Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the Specified Currency, 0.005 (or, in the case of Japanese Yen, half of one unit) being rounded upwards.

"**Reference Index**" means, in respect of an ETF Share and the related ETF, the index tracked by such ETF as of the Trade Date, as specified in the applicable Final Terms.

"**Reference Price**" means, in relation to a Valuation Date and subject to adjustment in accordance with the other provisions of this Condition 7:

(a) where the Equity Linked Notes are specified in the applicable Final Terms to relate to a single Underlying Equity, an amount equal to the official closing price on that Valuation Date (or, if a Valuation Time is specified in the applicable Final Terms, the price at such Valuation Time on that Valuation Date) of the Underlying Equity quoted on the Exchange without regard to any subsequently published correction as determined by the Calculation Agent (or if, in the opinion of the Calculation Agent, no such price (or, as the case may be, no such official closing price) can be determined at such time and, if either Disrupted Day is specified to be applicable in the applicable Final Terms and that Valuation Date is not a Disrupted Day or if Disrupted Day is specified as not applicable in the applicable Final Terms, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the fair market buying price at the Valuation Time on that Valuation Date and the fair market selling price at the Valuation Time on that Valuation Date for the Underlying Equity based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Equity or on such other factors as the Calculation Agent shall decide). The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified to be applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and

(b) where the Equity Linked Notes are specified in the applicable Final Terms to relate to a Basket of Underlying Equities, an amount equal to the sum of the products calculated for each Underlying Equity of (I) the percentage Multiplier specified in the applicable Final Terms for the relevant Undertaking Equity and (II) the official closing price on that Valuation Date (or, if a Valuation Time is specified in the applicable Final Terms, the price at such Valuation Time on that Valuation Date) of the relevant Underlying Equity quoted on the relevant Exchange without regard to any subsequently published correction as determined by the Calculation Agent (or if, in the opinion of the Calculation Agent, no such price (or, as the case may be, any such official closing price) can be determined at such time and, if Disrupted Day is specified to be applicable in the applicable Final Terms, and that Valuation Date is not a Disrupted Day or if Disrupted Day is specified as not applicable in the applicable Final Terms, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the fair market buying price at the Valuation Time (or, as the case may be, of the closing fair market buying price) on that Valuation Date and the fair market selling price at the Valuation Time (or, as the case may be, of the closing fair market selling price) on that Valuation Date for the Underlying Equity based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Equity or on such other factors as the Calculation Agent shall decide). Each value determined pursuant to the foregoing shall be converted, if Exchange Rate is specified to be applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

"**Related Exchange**" means, in relation to an Underlying Equity, each exchange or quotation system specified as such in relation to such Underlying Equity in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Related Exchange), PROVIDED THAT where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as

determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Underlying Equity.

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

"**Scheduled Trading Day**" means any day on which each Exchange and each Related Exchange is scheduled to be open for trading for its respective regular trading session.

"**Scheduled Valuation Date**" means, in relation to a Valuation Date, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been that Valuation Date.

"**Settlement Cycle**" means, in respect of an Underlying Equity, the period of Clearance System Business Days following a trade in such Underlying Equity on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

"**Underlying Equities**" and "**Underlying Equity**" mean the equity securities or units or equity security or unit specified as such in the applicable Final Terms, which may comprise one or more ETF Shares, and related expressions shall be construed accordingly.

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Valuation Date does not or is not deemed to occur.

"**Valuation Cut-Off Date**" means the eighth Scheduled Trading Day following the Scheduled Valuation Date.

"**Valuation Date**" means each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day.

(a) If such day is a Disrupted Day which does not relate to an Averaging Payment:

(i) where the Notes are specified in the applicable Final Terms to relate to a single Underlying Equity, the Valuation Date shall be the earlier of (i) first succeeding Scheduled Trading Day that is not a Disrupted Day; and (ii) the Valuation Cut-Off Date. If the earlier of such dates is the Valuation Cut-Off Date (i) the Valuation Cut-Off Date shall be deemed to be that Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, where practicable, determine the Reference Price using its good faith estimate of the Reference Price as of the Valuation Time on that Valuation Cut-Off Date; or

(ii) where the Notes are specified in the applicable Final Terms to relate to a Basket of Underlying Equities, the Valuation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Underlying Equity affected (each an "**Affected Equity**") by the occurrence of a Disrupted Day shall be the earlier of (i) first succeeding Scheduled Trading Day that is not a Disrupted Day; and (ii) the Valuation Cut-Off Date relating to the Affected Equity. If the earlier of such dates is the Valuation Cut-Off Date (i) the Valuation Cut-Off Date shall be deemed to be that Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, determine the Reference Price using, in relation to the Affected Equity, a price determined using its good faith estimate of the value for the Affected Equity as of the Valuation Time on that Valuation Cut-Off Date and otherwise in accordance with the above provisions.

(b) If such day is a Disrupted Day and relates to an Averaging Payment, such date as is determined in accordance with Condition 7(c).

"**Valuation Time**" means, unless an alternative Valuation Time is specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date in relation to the Underlying Equity to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

8. Inflation Linked Interest Notes

If the Notes are Inflation Linked Interest Notes then the provisions of this Condition 8 apply, as completed by the applicable Final Terms.

(a) *Adjustments: Delay in Publication, Cessation of Publication, Manifest Error in Publication, Rebasing of the Inflation Index and Material Modification Prior to Relevant Payment Date*

(i) *Delay in Publication*

If the level of the Inflation Index for a Reference Month which is relevant to the calculation of a payment under the Inflation Linked Notes (a "**Relevant Level**") has not been published or announced by the Relevant Determination Date for such Relevant Payment Date, the Calculation Agent shall determine the level of such Inflation Index for such Reference Month (a "**Substitute Inflation Index Level**") in place of such Relevant Level by using the following methodology:

(A) if applicable, the Calculation Agent will take the same action to determine the Substitute Inflation Index Level for such Relevant Payment Date as that taken by the calculation agent pursuant to the terms and conditions of any relevant Related Bond; or

(B) if (A) above does not result in a Substitute Inflation Index Level for such Relevant Payment Date for any reason, then the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:

$$\left[\left(\text{Substitute Inflation Index Level} = \text{Base Level} \times \left(\frac{\text{Latest Level}}{\text{Reference Level}}\right)\right)\right].$$

Following the determination of a Substitute Inflation Index Level by the Calculation Agent in accordance with this Condition 8(a)(i), the Issuer shall promptly give notice to the Noteholders in accordance with Condition 18 (*Notices*) of such Substitute Inflation Index Level.

If a Relevant Level in respect of a Relevant Payment Date is published or announced at any time after the Relevant Determination Date for such Relevant Payment Date, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level determined pursuant to this Condition 8(a)(i) will be the definitive level for that Reference Month.

For the purposes of this Condition 8(a)(i):

"**Base Level**" means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Inflation Index Level is being determined.

"**Latest Level**" means, in respect of an Inflation Index, the latest level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor prior to the month in respect of which the Substitute Inflation Index Level is being determined.

"**Reference Level**" means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in the definition of "Latest Level" above.

(ii) *Cessation of Publication*

If the level of an Inflation Index has not been published or announced for two consecutive months or such other period as is specified in the applicable Final Terms (the "**Period of Cessation of Publication**") and/or the relevant Inflation Index Sponsor announces that it will no longer continue to publish or announce such Inflation Index then the Calculation Agent shall determine a successor index (a "**Successor Inflation Index**") (in lieu of the relevant previously applicable Inflation Index) for the purposes of the Inflation Linked Interest Notes by using the following methodology:

(A) if at any time (other than after an Inflation Index Cancellation (as defined below)) a successor index has been designated in respect of an Inflation Index by the calculation agent pursuant to the terms and conditions of any relevant Related Bond, such successor index shall be designated the "Successor Inflation Index" for such Inflation Index for the purposes of all subsequent Relevant Payment Dates, notwithstanding that any other Successor Inflation Index may previously have been determined pursuant to paragraphs (B) or (C) below;

(B) if a Successor Inflation Index is not determined pursuant to paragraph (A) above and no Inflation Index Cancellation (as defined below) has occurred and a notice has been given or an announcement has been made by the relevant Inflation Index Sponsor specifying that such Inflation Index will be superseded by a replacement index specified by the relevant Inflation Index Sponsor and the Calculation Agent determines that such replacement Inflation Index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, such replacement index shall be the "Successor Inflation Index" for such Inflation Index for the purposes of the Inflation Linked Interest Notes from the date that such Successor Inflation Index comes into effect; or

(C) if a Successor Inflation Index has not been determined under paragraphs (A) or (B) above and no Inflation Index Cancellation (as defined below) has occurred, the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be. If between four and five responses are received and of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index". If three responses are received, and two or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index". If fewer than three responses are received, the Calculation Agent will proceed to paragraph (D) hereof; or

(D) if a Successor Inflation Index is not determined pursuant to paragraphs (A), (B) or (C) above by the Relevant Determination Date in respect of the next succeeding Relevant Payment Date, the Calculation Agent will determine an appropriate alternative index for such Relevant Payment Date and such index will be deemed to be the "Successor Inflation Index" for such Inflation Index.

If a Successor Inflation Index is determined in accordance with the above, the Calculation Agent may make such adjustment(s) to these Conditions and/or the applicable Final Terms as the Calculation Agent determines necessary or

appropriate to account for such replacement and determine the effective date(s) of the adjustment(s) to the Inflation Linked Interest Notes.

If the Calculation Agent determines that there is no appropriate alternative index, there will be deemed to be no Successor Inflation Index for such Inflation Index (an "**Inflation Index Cancellation**") and, on giving notice to Noteholders in accordance with Condition 18 (*Notices*), the Issuer shall redeem all, but not some only, of the Inflation Linked Interest Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.

Notice of the determination of a Successor Inflation Index and the date from which such index becomes the Successor Inflation Index and any relevant adjustment(s) to these Conditions and/or the applicable Final Terms or any Inflation Index Cancellation will be given to Noteholders by the Issuer in accordance with Condition 18 (*Notices*).

(iii) *Manifest Error in Publication*

If, in respect of a Relevant Payment Date and a Relevant Level in respect of such Relevant Payment Date, the Calculation Agent determines that the relevant Inflation Index Sponsor has corrected such Relevant Level to remedy a manifest error in its original publication, prior to thirty days following publication of such Relevant Level for such Relevant Payment Date the Calculation Agent may use such corrected Relevant Level to calculate any payments under the Inflation Linked Interest Notes in respect of such Relevant Payment Date. Corrections published on or after thirty days following publication of such Relevant Level for such Relevant Payment Date will be disregarded by the Calculation Agent for the purposes of determining any payments under the Inflation Linked Interest Notes.

Notice of any such correction pursuant to this Condition 8(a)(iii) shall be given to Noteholders in accordance with Condition 18 (*Notices*).

(iv) *Rebasing of the Inflation Index*

If the Calculation Agent determines that an Inflation Index has been or will be rebased at any time, such Inflation Index as so rebased (the "**Rebased Index**") will be used for purposes of determining any Relevant Level in respect of such Inflation Index from the date of such rebasing; provided, however, that the Calculation Agent shall make (A) such adjustments as are made by the calculation agent pursuant to the terms and conditions of any relevant Related Bond to the levels of such Rebased Index so that such Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased and/or (B) if there is no Related Bond, the Calculation Agent shall make such adjustments to the levels of such Rebased Index so that such Rebased Index levels reflect the same rate of inflation as the relevant Inflation Index before it was rebased and, in each case, the Calculation Agent may make such adjustment(s) to these Conditions and/or the applicable Final Terms as the Calculation Agent determines necessary or appropriate to account for such rebasing and determine the effective date of the adjustment(s) to the Inflation Linked Interest Notes. For the avoidance of doubt, any such rebasing shall not affect prior payments made under the Inflation Linked Interest Notes.

Notice of any adjustment or determination pursuant to this Condition 8(a)(iv) shall be given to Noteholders in accordance with Condition 18 (*Notices*).

(v) *Material Modification Prior to Relevant Payment Date*

If, on or prior to the Relevant Determination Date in respect of any Relevant Payment Date, an Inflation Index Sponsor announces that it will make a material change to an Inflation Index, the Calculation Agent shall (A) make appropriate adjustment(s) to these Conditions and/or the applicable Final Terms, consistent with any adjustments made to any relevant Related Bond as the Calculation Agent

determines necessary or appropriate to account for such change to such Inflation Index and determine the effective date(s) of the adjustment(s) to the Inflation Linked Interest Notes, or (B) if there is no relevant Related Bond make only those adjustments to the Conditions and/or the applicable Final Terms as the Calculation Agent determines necessary for the modified Inflation Index to continue as an Inflation Index.

Notice of any adjustment pursuant to this Condition 8(a)(v) shall be given to Noteholders in accordance with Condition 18 (*Notices*).

(vi) *Offer of a Series of Notes to consumers within the meaning of the Belgian Code of Economic Law*

If the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms, adjustments and modifications pursuant to this Condition 8(a) cannot relate to an essential feature of the Notes and the Notes cannot be early redeemed, other than, in each case, if a force majeure or an event occurs which substantially alters the economics of the contract as initially agreed between the parties and for which the Issuer is not accountable. In addition, any such adjustment or modification may not create a significant imbalance between the rights and obligations of the parties to the detriment of the Noteholder and the Issuer may not charge costs to the Noteholder for any such adjustment or modification.

(b) For the purposes of this Condition 8:

"**Fallback Bond**" means, in respect of an Inflation Index unless otherwise specified in the applicable Final Terms, a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the relevant Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to such Inflation Index, with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the relevant Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation linked bonds issued on or before the Issue Date of the first Tranche of the relevant Series and, if there is more than one inflation linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems, the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

"**Inflation Index**" means the index specified in the applicable Final Terms or any Successor Inflation Index as nominated pursuant to these Conditions.

"**Inflation Index Sponsor**" means, in relation to an Inflation Index, the entity that publishes or announces (directly or through an agent) the level of such Inflation Index.

"**Reference Month**" means, in respect of an Inflation Index, the calendar month for which the level of such Inflation Index was reported, regardless of when this information is published or announced. If the period for which the Inflation Index level was reported is a period other than a month, the Reference Month shall be the period for which the Inflation Index level was reported.

"**Related Bond**" means, in respect of an Inflation Index, the bond specified as such in the applicable Final Terms or, if no bond is so specified, the Fallback Bond. If the relevant Related Bond specified in the applicable Final Terms is "Fallback Bond", then, for any

Related Bond determination, the Calculation Agent shall use the Fallback Bond. If "Related Bond: Not Applicable" or no Related Bond is specified in the applicable Final Terms and "Fallback Bond: Not Applicable" is specified in the applicable Final Terms there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Final Terms and that bond redeems or matures before the Maturity Date, unless "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination.

"**Relevant Determination Date**" means, in respect of a Relevant Payment Date, each date specified as such in the applicable Final Terms.

"**Relevant Payment Date**" means each date specified as such in the applicable Final Terms.

"**Valuation Date**" means the date specified in the applicable Final Terms.

9. *Currency Linked Notes*

If the Notes are Currency Linked Interest Notes and/or Currency Linked Redemption Notes then the provisions of this Condition 9 apply, as applicable, as completed by the applicable Final Terms.

Unless Currency Linked Notes are previously redeemed or purchased and cancelled, if the determination of (I) an Interest Amount (in the case of Currency Linked Interest Notes); or (II) the Redemption Amount (in the case of Currency Linked Redemption Notes) is postponed as a result of the occurrence of a Disrupted Day (as defined in Condition 9(c) below) which prevents a Reference Price being determined on the scheduled Valuation Date, then payment of any such amount (the "**Currency Linked Affected Amount**") shall be postponed to the date determined in accordance with Condition 9(b)(i)(B) and such Currency Linked Affected Amount shall be paid without any interest or other sum payable in respect of the postponement of the payment thereof.

(a) *Redemption of Currency Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled as specified below, each nominal amount of Currency Linked Redemption Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer at its Redemption Amount (as defined below) on the Maturity Date.

(b) *Market Disruption*

With respect to any Currency Linked Note, if any Valuation Date on which a Reference Price (as defined in Condition 9(c) below) is scheduled to be determined is a Disrupted Day and:

(i) the Valuation Date does not relate to an Averaging Payment, the Calculation Agent may, in its sole and absolute discretion, take any one or more of the following actions:

(A) deduct from the relevant Interest Amount and/or Redemption Amount determined on the basis of such Reference Price an amount calculated by the Calculation Agent as representing the cost, expense, charge and/or deduction arising in connection with such Currency Disruption Event(s) or make any other adjustment with respect thereto; and/or

(B) postpone any date for payment of the relevant Interest Amount and/or Redemption Amount; and/or

(C) in the case of a Price Source Disruption specify and adopt:

(I) an appropriate alternate fallback or alternative price or rate source or method of determination selected by the Calculation Agent in its sole discretion; or

(II) a replacement of any one or more relevant currencies, as the case may be; or

(D) give notice to the Noteholders in accordance with Condition 18 (*Notices*) and redeem all, but not some only, of the Currency Linked Notes at their Early Redemption Amount; or

(ii) the Valuation Date relates to an Averaging Payment, such Valuation Date will be deemed not to be a relevant Valuation Date for the purposes of determining the relevant Interest Amount or Redemption Amount. If, through operation of this provision, there would not be any Valuation Date with respect to the date for payment of the relevant Interest Amount or Redemption Amount, the provisions of Condition 9(b)(i)(A)-(D) will apply for purposes of determining the relevant Reference Price on such Valuation Date.

Condition 9(b)(i)(A) shall not apply if the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms.

If the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms, adjustments and modifications pursuant to this Condition 9(b) cannot relate to an essential feature of the Notes and the Notes cannot be early redeemed by the Issuer, other than, in each case, if a force majeure or an event occurs which substantially alters the economics of the contract as initially agreed between the parties and for which the Issuer is not accountable. In addition, any such adjustment or modification may not create a significant imbalance between the rights and obligations of the parties to the detriment of the Noteholder and the Issuer may not charge costs to the Noteholder for any such adjustment or modification.

(c) *Definitions applicable to Currency Linked Notes*

For the purposes of this Condition 9:

"**Averaging Payment**" means any payment relating to:

(a) Currency Linked Interest Notes in respect of which the Variable Rate of Interest is determined in accordance with Condition 3(b)(ii)(N), the Asian Option – Currency Interest Variable Option;

(b) Currency Linked Redemption Notes where sub-paragraph (d)(iii) or sub-paragraph (e)(iii) of the definition of "Redemption Amount" below is applicable;

(c) Currency Linked Autocall Notes where averaging is applicable to the calculation of the Autocall Redemption Amount under Condition 5(d)(iii)(IV)(b), 5(d)(iii)(V)(c) or 5(d)(iii)(VI); and

(d) any other amounts payable on Currency Linked Notes to which averaging relates.

"**Base Currency**" means the Currency specified as such in the applicable Final Terms.

"**Benchmark Obligation(s)**" means the obligation(s) so specified in the applicable Final Terms in relation to the Reference Currency.

"**Benchmark Obligation Default**" means, with respect to any Benchmark Obligation, the occurrence of a default, event of default or other similar condition or event (however described) including, but not limited to, (A) the failure of timely payment in full of any principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of such Benchmark Obligation, (B) a declared moratorium, standstill, waiver, deferral, Repudiation or rescheduling of any principal, interest or other amounts due in respect of such Benchmark Obligation or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of such Benchmark Obligation without the consent of all holders of such Benchmark Obligation. The determination of the existence or occurrence of any default, event of

default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of the relevant entity to issue or enter into such Benchmark Obligation.

"**Currency Disruption Event**" means the occurrence with respect to the Issuer, any hedging counterparty of the Issuer or any Affiliate thereof of (A) Benchmark Obligation Default, (B) Dual Exchange Rate, (C) General Inconvertibility, (D) General Non-Transferability, (E) Governmental Authority Default, (F) Illiquidity, (G) Material Change In Circumstances, (H) Nationalisation, (I) Price Materiality, (J) Price Source Disruption, (K) Specific Inconvertibility, or (L) Specific Non-Transferability in each case, if specified as being applicable in the applicable Final Terms.

"**Currency Linked Notes**" means Currency Linked Interest Notes and Currency Linked Redemption Notes.

"**Currency Page**" means the page of the relevant screen provider as specified in the applicable Final Terms or any successor page on which the Calculation Agent determines that the relevant Currency Rate is displayed.

"**Currency Rate**" means, as at any time, the currency exchange rate between the Reference Currency and the Base Currency as specified for the Currency Rate on the Currency Page specified in the applicable Final Terms.

"**Disrupted Day**" means a day on which one or more relevant Currency Disruption Events has occurred and is continuing.

"**Dual Exchange Rate**" means the relevant Reference Price splits into dual or multiple currency exchange rates.

"**Event Currency**" means the currency specified as such in the applicable Final Terms.

"**Event Currency Jurisdiction**" means, in respect of an Event Currency, the country for which the Event Currency is the lawful currency.

"**General Inconvertibility**" means the occurrence of any event that generally makes it impossible to convert the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction through customary legal channels.

"**General Non-Transferability**" means the occurrence of any event that generally makes it impossible to deliver (A) the Non-Event Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction or (B) the Event Currency between accounts inside the Event Currency Jurisdiction or to a party that is a non-resident of the Event Currency Jurisdiction.

"**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 the Event Currency Jurisdiction.

"**Governmental Authority Default**" means, with respect to any security or indebtedness for borrowed money of, or guaranteed by, any Governmental Authority, the occurrence of a default, event of default or other similar condition or event (however described) including, but not limited to, (A) the failure of timely payment in full of any principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security, indebtedness for borrowed money or guarantee, (B) a declared moratorium, standstill, waiver, deferral, Repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard

to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for borrowed money or guarantee.

"**Hedging Arrangements**" means any hedging arrangements entered into by the Issuer (and/or its Affiliates) at any time with respect to the Notes, including without limitation the purchase and/or sale of any relevant currency and any associated foreign exchange transactions.

"**Illiquidity**" means it becomes impossible to obtain a firm quote of the Reference Price for the Minimum Amount (either in one transaction or a commercially reasonable number of transactions that, when taken together, total the Minimum Amount) on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source) or by such other date (the "**Illiquidity Valuation Date**") as is specified for such purpose in the applicable Final Terms. If an Illiquidity Valuation Date is specified in the applicable Final Terms and an Illiquidity Market Disruption Event occurs on such date, then the Illiquidity Valuation Date will be deemed to be the Valuation Date for such Notes.

"**Material Change in Circumstances**" means the occurrence of any event (other than those events specified as Currency Disruption Events in the applicable Final Terms) in the Event Currency Jurisdiction beyond the control of the Issuer which makes it impossible (A) for the Issuer to fulfil its obligations under the Currency Linked Notes, and (B) generally to fulfil obligations similar to the Issuer's obligations under the Currency Linked Notes.

"**Minimum Amount**" means the amount specified as such in the applicable Final Terms.

"**Nationalisation**" means any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its Affiliates which are party to any Hedging Arrangements) of all or substantially all of its assets in the Event Currency Jurisdiction.

"**Non-Event Currency**" means the currency for any Reference Price that is not the Event Currency.

"**Price Materiality**" means the Primary Rate differs from the Secondary Rate by at least the Price Materiality Percentage.

"**Price Materiality Percentage**" means the percentage specified as such in the applicable Final Terms.

"**Price Source Disruption**" means it becomes impossible to obtain the Reference Price on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source).

"**Primary Rate**" means, in respect of a Notes and for the purposes of the definition of Price Materiality, the Currency Rate.

"**Rate Calculation Date**" means any Valuation Date specified as such in the applicable Final Terms or any other date on which a Reference Price in respect of Currency Linked Notes is required to be determined in accordance with the Conditions.

"**Redemption Amount**" means, in relation to a Currency Linked Redemption Note, an amount calculated by the Calculation Agent equal to:

$$\text{Calculation Amount} \times \text{MAX}\left[\text{Floor \%}; \left\{\text{MIN}\left(\text{Cap \%}; 1 + \left[\text{CRM} \times \frac{\text{Reference Item}_{\text{initial}} - (\text{SF} \times \text{Reference Item}_{\text{final)}}}{\text{Reference Item}_{\text{final}}}\right]\right)\right\}\right]$$

where the value of:

(a) Floor % shall be specified in the applicable Final Terms;

(b) Cap % shall be specified in the applicable Final Terms;

(c) "**CRM**" means the Currency Redemption Multiplier specified in the applicable Final Terms;

(d) Reference $Item_{initial}$ shall be:

(i) the amount specified as such in the applicable Final Terms; or

(ii) if Reference $Item_{initial}$ Determination is specified as being applicable in the applicable Final Terms, the Reference Price (as defined in this Condition 9(c)) determined (and subject to adjustment) in accordance with this Condition 9 in respect of the Valuation Date specified for this purpose in the applicable Final Terms; or

(iii) if Reference $Item_{initial}$ Averaging is specified as being applicable in the applicable Final Terms, the arithmetic average of the relevant Reference Prices (as defined in this Condition 9(c)) determined (and subject to adjustment) in accordance with this Condition 9 in respect of each Valuation Date specified for this purpose in the applicable Final Terms;

(e) Reference $Item_{final}$ shall be:

(i) the amount specified as such in the applicable Final Terms; or

(ii) if Reference $Item_{final}$ Determination is specified as being applicable in the applicable Final Terms, the Reference Price (as defined in this Condition 9(c)) determined (and subject to adjustment) in accordance with this Condition 9 in respect of the Valuation Date specified for this purpose in the applicable Final Terms; or

(iii) if Reference $Item_{final}$ Averaging is specified as being applicable in the applicable Final Terms, the arithmetic average of the relevant Reference Prices (as defined in this Condition 9(c)) determined (and subject to adjustment) in accordance with this Condition 9 in respect of each Valuation Date specified for this purpose in the applicable Final Terms; and

(f) SF means the Scaling Factor specified in the applicable Final Terms,

provided always that the Redemption Amount shall in no event be less than zero and in the case of Currency Linked Redemption Notes which are represented by a Global Note, the reference to "Calculation Amount" shall be deemed to refer to the aggregate outstanding nominal amount of the Currency Linked Redemption Notes represented by such Global Note. The Redemption Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the Specified Currency, 0.005 (or, in the case of Japanese Yen, half of one unit) being rounded upwards.

"**Reference Currency**" means the currency specified as the Reference Currency in the applicable Final Terms.

"**Reference Price**" means, in relation to any Rate Calculation Date but subject to adjustment in accordance with Condition 9(b), the currency exchange rate equal to (A) the Currency Rate, or (B) if a Currency Rate is not specified, the Spot Rate for that Valuation Date.

"**Repudiation**" means that, in respect of a Series of Notes, (A) for purposes of the definition of Benchmark Obligation Default, the issuer of or any party to, as the case may be, the relevant Benchmark Obligation disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of the Benchmark Obligation in any material respect, and (B) the relevant Governmental Authority disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of any security, indebtedness for borrowed money or guarantee of such Governmental Authority in any material respect.

"**Secondary Rate**" means, in respect of the Notes and for the purpose of the definition of Price Materiality, the currency exchange rate specified for such purposes in the applicable Final Terms.

"**Specific Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert the Minimum Amount of the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction, other than where such impossibility is due solely to the failure by the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the Currency Linked Notes and it is impossible for the Issuer, due to an event beyond the control of the Issuer, to comply with such law, rule or regulation).

"**Specific Non-Transferability**" means the occurrence of any event that makes it impossible for the Issuer to deliver (A) the Non-Event Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction, or (B) the Event Currency between accounts inside the Event Currency Jurisdiction or to a party that is a non-resident of the Event Currency Jurisdiction, other than where such impossibility is due solely to the failure by the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the Currency Linked Notes and it is impossible for the Issuer, due to an event beyond the control of the Issuer, to comply with such law, rule or regulation).

"**Spot Rate**" means, for any Rate Calculation Date, the currency exchange rate at the Valuation Time of one currency for another expressed as a number of units of the Reference Currency (or fractional amounts thereof) per unit of the Base Currency, as determined in good faith and in a commercially reasonable manner by the Calculation Agent.

"**Valuation Date**" means each date specified or otherwise determined as a Valuation Date (or, if applicable, the Illiquidity Valuation Date) in the applicable Final Terms as of which a Reference Price is to be determined, subject to adjustment in accordance with the Preceding Business Day Convention unless another Business Day Convention is specified to be applicable to that Valuation Date.

"**Valuation Time**" means, in respect of a Currency Rate or Spot Rate, the time specified as such in the applicable Final Terms or such other time as the Calculation Agent may select in its absolute discretion and notify to Noteholders in accordance with the General Conditions.

10. Credit Linked Notes

If the Notes are specified as Credit Linked Notes in the applicable Final Terms then the provisions of Annex 1 (*Credit Linked Conditions*) of these Terms and Conditions shall apply, as applicable, as completed by the applicable Final Terms.

Unless otherwise stated in Annex 1 (*Credit Linked Conditions*) or in the applicable Final Terms, in the event that any day specified in the section "Credit Linked Notes" in the applicable Final Terms or the last day of any period calculated by reference to calendar days falls on a day that is not a Business Day, such day or last day shall be subject to adjustment in accordance with the applicable Business Day Convention.

11. Additional Disruption Events and Alternative Currency Provisions

(a) *Additional Disruption Events*

If Additional Disruption Events are specified as applicable in the applicable Final Terms, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in Condition 11(a)(i) or (ii) below:

(i) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the relevant Interest Amount and/or the Reference

$Item_{initial}$ and/or the Reference $Item_{final}$ and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or

(ii) give notice to the Noteholders in accordance with Condition 18 (*Notices*) and redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 18 (*Notices*) stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

If the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms, adjustments and modifications pursuant to this Condition 11(a) cannot relate to an essential feature of the Notes and the Notes cannot be early redeemed, other than, in each case, if a force majeure or an event occurs which substantially alters the economics of the contract as initially agreed between the parties and for which the Issuer is not accountable. In addition, any such adjustment or modification may not create a significant imbalance between the rights and obligations of the parties to the detriment of the Noteholder and the Issuer may not charge costs to the Noteholder for any such adjustment or modification.

(b) *Definitions applicable to Additional Disruption Events*

"**Additional Disruption Event**" means any of (A) Change in Law, (B) Hedging Disruption, (C) Increased Cost of Hedging, (D) Increased Cost of Stock Borrow (applicable only for Equity Linked Notes and Index Linked Notes), (E) Insolvency Filing (applicable only for Equity Linked Notes and Index Linked Notes), (F) Loss of Stock Borrow (applicable only for Equity Linked Notes and Index Linked Notes), (G) ETF Cross-contamination (applicable only for Equity Linked Notes with an ETF Share specified in the applicable Final Terms as an Underlying Equity), (H) ETF Insolvency Event (applicable only for Equity Linked Notes with an ETF Share specified in the applicable Final Terms as an Underlying Equity), (I) ETF Modification (applicable only for Equity Linked Notes with an ETF Share specified in the applicable Final Terms as an Underlying Equity), (J) ETF Regulatory Action (applicable only for Equity Linked Notes with an ETF Share specified in the applicable Final Terms as an Underlying Equity) and/or (K) ETF Strategy Breach (applicable only for Equity Linked Notes with an ETF Share specified in the applicable Final Terms as an Underlying Equity), in each case if specified in the applicable Final Terms, provided that the events (B) Hedging Disruption, (C) Increased Cost of Hedging, (D) Increased Cost of Stock Borrow and (F) Loss of Stock Borrow shall not apply and therefore cannot be specified in the applicable Final Terms if the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms.

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

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (X) it has become illegal to hold, acquire or dispose of any relevant Underlying Equity (in the case of Equity Linked Notes), any relevant security comprised in an Index (in the case of Index Linked Notes) or any relevant asset with respect to the Inflation Index (in the case of Inflation Linked Notes) or (Y) the

Issuer will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates).

"**ETF Cross-contamination**" means, in respect of an ETF Share and the related ETF (each as defined in Condition 7), the occurrence of a cross-contamination or other failure to segregate effectively assets between different classes, series or sub-funds of such ETF, and such event continues, in the determination of the Calculation Agent, for the foreseeable future.

"**ETF Insolvency Event**" means, in respect of an ETF Share, that the ETF Issuer of such ETF Share (each as defined in Condition 7) or any other entity specified in the applicable Final Terms as an "**ETF Insolvency Entity**" (a) is dissolved or has a resolution passed for its dissolution, winding up, official liquidation (other than pursuant to a consolidation, amalgamation or merger), (b) makes a general assignment or arrangement with or for the benefit of its creditors, (c)(i) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (ii) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in paragraph (i) above and either (A) 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 (B) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof, (d) 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, (e) 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 fifteen days thereafter, or (f) 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 paragraphs (a) through (e) above.

"**ETF Modification**" means, in respect of an ETF Share and the related ETF (each as defined in Condition 7), any change or modification of the ETF Documents (as defined in Condition 7) of such ETF which could reasonably be expected to affect (a) the value of such ETF Share, or (b) the rights or remedies of any holder of any ETF Share as compared with those rights and remedies prevailing on the Trade Date, in each case, as determined by the Calculation Agent.

"**ETF Regulatory Action**" means, in respect of an ETF Share and the related ETF (each as defined in Condition 7), (a) the cancellation, suspension, revocation of the registration or approval of such ETF or such ETF Share by any governmental, legal or regulatory entity with authority over such ETF or such ETF Share, (b) any change in the legal, tax, accounting or regulatory treatment of such ETF Share, such ETF or its ETF Adviser (as defined in Condition 7) which is reasonably likely, in the determination of the Calculation Agent, to have an adverse impact on the value of such ETF Share or on any investor in such ETF Share, or (c) such ETF or any of its ETF Administrator (as defined in Condition 7) or its ETF Adviser becomes subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activity relating to or resulting from the operation of such ETF, ETF Administrator or ETF Adviser.

"**ETF Strategy Breach**" means, in respect of an ETF Share and the related ETF (each as defined in Condition 7), any breach or violation of any strategy or investment guidelines

stated in the ETF Documents (as defined in Condition 7) of such ETF in respect of such ETF Share which is reasonably likely, in the determination of the Calculation Agent, to affect (a) the value of such ETF Share, or (b) the rights or remedies of any holder of any such ETF Share as compared with those rights or remedies prevailing on the Trade Date.

"**Hedging Disruption**" means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Hedging Shares**" means the number of Underlying Equities (in the case of Equity Linked Notes) or securities comprised in an Index (in the case of Index Linked Notes) that the Calculation Agent deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes.

"**Increased Cost of Hedging**" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

"**Increased Cost of Stock Borrow**" means that the Issuer and/or any of its Affiliates would incur a rate to borrow any Underlying Equity (in the case of Equity Linked Notes) or any security comprised in an Index (in the case of Index Linked Notes) that is greater than the Initial Stock Loan Rate.

"**Initial Stock Loan Rate**" means, in respect of an Underlying Equity (in the case of Equity Linked Notes) or a security comprised in an Index (in the case of Index Linked Notes), the Initial Stock Loan Rate specified in relation to such Underlying Equity or security in the applicable Final Terms.

"**Insolvency Filing**" means that an Equity Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer shall not be deemed an Insolvency Filing.

"**Loss of Stock Borrow**" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Underlying Equity (in the case of Equity Linked Notes) or any securities comprised in an Index (in the case of Index Linked Notes) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

"**Maximum Stock Loan Rate**" means, in respect of an Underlying Equity (in the case of Equity Linked Notes) or a security comprised in an Index (in the case of Index Linked Notes), the Maximum Stock Loan Rate specified in the applicable Final Terms.

(c) *Alternative Currency Provisions*

If the Alternative Currency Provisions and the Prohibition of sales to consumers in Belgium are specified to be applicable in the applicable Final Terms, then if the Issuer in agreement with the Calculation Agent determines that it would be commercially

impracticable for the Issuer to satisfy any payment obligation in respect of the Notes when due in the Specified Currency as a result of a Specified Currency Disruption Event, then the Issuer in its sole and absolute discretion may take any one or more of the actions described in Conditions 11(c)(i), (ii) and/or (iii) below:

(i) determine that the relevant payment obligation of the Issuer in respect of the Notes be postponed to a later date when the relevant Specified Currency Disruption Event has ceased to exist (in the determination of the Calculation Agent), provided that such payment obligation will not be postponed beyond the date falling the Maximum Alternative Currency Number (as specified in the applicable Final Terms) of Business Days after the original due date (such date, the "**Postponement Longstop Date**"), in which case the relevant payment will be due on the date as so postponed, without any Interest Amount or other sum payable in respect of the postponement of the payment of such amount;

(ii) determine that the Issuer's obligation to make any payment in respect of the Notes in the Specified Currency, whether or not previously postponed in accordance with Condition 11(c)(i), be replaced by an obligation to make payment of the Alternative Currency Equivalent of such payment, in which case, it will settle any such obligation by payment of the relevant Alternative Currency Equivalent not later than the Postponement Longstop Date; or

(iii) give notice to the Noteholders in accordance with Condition 18 (*Notices*) and redeem all, but not some only, of the Notes on a date selected by the Issuer by payment of the Alternative Currency Equivalent of, or, if so specified in such notice, an amount in the Specified Currency equal to, the Early Redemption Amount to each Noteholder in respect of each Note held by such Noteholder. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 18 (*Notices*).

Any payment made in the Alternative Currency under such circumstances will constitute valid payment, and will not constitute a default in respect of the Notes.

Upon the occurrence of a Specified Currency Disruption Event and the Issuer in agreement with the Calculation Agent making a determination that such Specified Currency Disruption Event makes it commercially impracticable for the Issuer to satisfy its payment obligations in respect of the Notes when due in the Specified Currency, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 18 (*Notices*) stating the occurrence of the Specified Currency Disruption Event, giving details thereof and the action proposed to be taken in relation thereto. Where the Issuer determines to take further action in accordance with Conditions 11(c)(i) to (iii), a further notice shall be given to Noteholders as soon as reasonably practicable in accordance with Condition 18 (*Notices*).

In making any determination in respect of any Specified Currency Disruption Event, neither the Issuer nor the Calculation Agent shall have regard to any interest arising from circumstances particular to any one or more Noteholders (whatever their number), and, in particular, but without limitation, shall not have regard to the consequences of any such determination for any one or more Noteholders (whatever their number), resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Noteholder shall be entitled to claim, from the Issuer or the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences or other losses of any such determination upon any Noteholders.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 11(c) by the Issuer or the Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents and all Noteholders.

(d) *Definitions applicable to the Alternative Currency Provisions*

"**AC Rate Calculation Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in the AC Rate Calculation Jurisdiction(s).

"**AC Rate Calculation Date**" means the day which is the number of AC Rate Calculation Business Days specified in the applicable Final Terms before the due date for payment of the relevant amount under the Notes or, if the relevant Alternative Currency FX Rate is not available on such day, the last preceding AC Rate Calculation Business Day on which the relevant Alternative Currency FX Rate was most recently available, as determined by the Calculation Agent.

"**AC Rate Calculation Jurisdiction(s)**" means the jurisdiction(s) that are relevant for determining whether a day is an AC Rate Calculation Business Day, as specified in the applicable Final Terms.

"**AC USD Rate Calculation Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in the AC USD Rate Calculation Jurisdiction(s).

"**AC USD Rate Calculation Date**" means the day which is the number of AC USD Rate Calculation Business Days specified in the applicable Final Terms before the due date for payment of the relevant amount under the Notes or, if the relevant Alternative Currency USD FX Rate is not available on such day, the last preceding AC USD Rate Calculation Business Day on which the relevant Alternative Currency USD FX Rate was most recently available, as determined by the Calculation Agent.

"**AC USD Rate Calculation Jurisdiction(s)**" means the jurisdiction(s) that are relevant for determining whether a day is an AC USD Rate Calculation Business Day, as specified in the applicable Final Terms.

"**Alternative Currency**" means the currency specified as such in the applicable Final Terms (or any lawful successor currency to that currency).

"**Alternative Currency Equivalent**" means, (i) where the Alternative Currency is U.S. dollars, in respect of an amount denominated in the Specified Currency, such amount converted into the Alternative Currency using the Alternative Currency FX Rate for the relevant Rate Calculation Date, all as determined by the Calculation Agent, and (ii) where the Alternative Currency is a currency other than U.S. dollars, in respect of an amount denominated in the Specified Currency, such amount converted into the Alternative Currency by converting such amount into an amount expressed in U.S. dollars using the Alternative Currency FX Rate for the relevant Rate Calculation Date, and multiplying the resultant U.S. dollar amount by the Alternative Currency USD FX Rate for the relevant Rate Calculation Date, all as determined by the Calculation Agent.

"**Alternative Currency FX Rate**" means the currency exchange rate at the Valuation Time on the AC Rate Calculation Date for foreign exchange transactions of the Specified Currency into U.S. dollars as determined by the Calculation Agent in good faith and in a commercially reasonable manner, taking into consideration all available information that it deems relevant.

"**Alternative Currency USD FX Rate**" means the currency exchange rate at the Valuation Time on the AC USD Rate Calculation Date for foreign exchange transactions of U.S. dollars into the Alternative Currency as determined by the Calculation Agent in good faith and in a commercially reasonable manner, taking into consideration all available information that it deems relevant.

"**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 the Specified Currency Jurisdiction.

"**Illiquidity**" means (i) in respect of any payment obligation in respect of the Notes, foreign exchange markets for the Specified Currency becoming illiquid (including, without limitation, the existence of any significant price distortion) or unavailable as a result of which it is impossible or commercially impracticable for the Issuer and/or any of its Affiliates to obtain a sufficient amount of the Specified Currency in order to satisfy any such obligation or (ii) it becomes impossible or commercially impracticable to obtain a firm quote for exchange of the Specified Currency into the Alternative Currency.

"**Inconvertibility**" means, in respect of any payment or obligation in respect of the Notes, the occurrence of any event that makes it impossible, illegal or commercially impracticable for the Issuer and/or any of its Affiliates to convert any amount due in respect of the Notes in the foreign exchange markets for the Specified Currency (including, without limitation, any event that has the direct or indirect effect of hindering, limiting or restricting convertibility by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on repatriation of one currency into another currency) other than where such impossibility, illegality or impracticability is due solely to the failure of the Issuer and/or any of its Affiliates to comply with any law, rule or regulation enacted by any relevant Governmental Authority (unless such law, rule or regulation becomes effective on or after the Trade Date and it is impossible or commercially impracticable for the Issuer and/or any of its Affiliates, due to an event beyond its control, to comply with such law, rule or regulation);

"**Non-Transferability**" means, in respect of any payment obligation in respect of the Notes, the occurrence of any event that makes it impossible or commercially impracticable for the Issuer and/or any of its Affiliates to deliver the Specified Currency in relation to any such payment obligation between accounts inside the Specified Currency Jurisdiction or between an account inside the Specified Currency Jurisdiction and an account outside the Specified Currency Jurisdiction, other than where such impossibility or impracticability is due solely to the failure of the Issuer and/or any of its Affiliates to comply with any law, rule or regulation enacted by any relevant Governmental Authority (unless such law, rule or regulation becomes effective on or after the Trade Date and it is impossible or commercially impracticable for the Issuer and/or any of its Affiliates, due to an event beyond its control, to comply with such law, rule or regulation).

"**Rate Calculation Date**" means an AC Rate Calculation Date or an AC USD Rate Calculation Date.

"**Specified Currency Disruption Event**" means, in respect of the Specified Currency:

(i) Inconvertibility;

(ii) Non-Transferability;

(iii) Illiquidity; and

(iv) the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the currency risk of the Issuer issuing and performing its obligations with respect to the Notes or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Specified Currency Jurisdiction**" means the primary jurisdiction for which the Specified Currency is the lawful currency.

12. Taxation

(a) *Tax Gross-Up*

If the Prohibition of sales to consumers in Belgium is specified as applicable in the applicable Final Terms, all payments of principal and/or Interest Amounts in respect of the Notes and Coupons by the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or other charges of whatever nature imposed, levied or collected by or on behalf of any Tax Jurisdiction, or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and Interest Amounts which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

(i) the Noteholder, Couponholder or Receiptholder of which is liable for such taxes, duties, assessments or other charges in respect of such Note, Coupon or Receipt by reason of such holder having some connection with any Tax Jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed (including, for the avoidance of doubt receiving payments in relation to the Note, Coupon or Receipt by or through a paying agent established in any Tax Jurisdiction) other than the mere holding of such Note, Coupon or Receipt; or

(ii) presented for payment in any Tax Jurisdiction; or

(iii) presented for payment by, or on behalf of, a Noteholder who would be able to avoid such withholding or deduction by making a declaration of non-residence or similar claim for exemption but fails to do so; or

(iv) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on such thirtieth day.

Notwithstanding any other provision of the Terms and Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding (i) imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**") or (ii) imposed as a result of the application of the provisions of Section 871(m) of the Code or any U.S. Treasury regulations or other administrative guidance published thereunder, or any successor or substitute legislation or provision of law ("**871(m) Withholding**"). In addition, in determining the amount of 871(m) Withholding imposed with respect to any amounts to be paid on the Notes, the Issuer shall be entitled to withhold on any "dividend equivalent" (as defined for purposes of Section 871(m) of the Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law. Payments on the Notes that reference U.S. securities or an index that includes U.S. securities that provide for dividend reinvestment may be calculated by reference to dividends on such U.S. securities that are reinvested at a rate of 70%. In such case, in calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer will be deemed to withhold, 30% of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities. Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding or 871(m) Withholding.

As used herein,

(i) "**Tax Jurisdiction**" means (i) any jurisdiction under the laws of which, in respect of payments by the Issuer, the Issuer or, in respect of payments by the Guarantor, the Guarantor, or any successor thereto, is organised or (ii) any jurisdiction in which the Issuer or the Guarantor (as applicable), or any successor thereto, is resident for tax purposes; and

(ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 18 (*Notices*).

(b) *No Tax Gross-Up*

If the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms, neither the Issuer nor the Guarantor shall be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Note and all payments made by the Issuer or, as the case may be, the Guarantor shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

13. Prescription

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or Interest Amounts are made within a period of 10 years (in the case of principal) and five years (in the case of Interest Amounts) after the Relevant Date (as defined in Condition 12(a)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 13 or Condition 4(b) or any Talon which would be void pursuant to Condition 4(b).

14. Events of Default

If any of the following events (each an "**Event of Default**") should occur, the holder of this Note may, upon written notice of acceleration to the Agent, cause such Note to become due and payable at par (as described in Condition 5(a)), together with accrued interest thereon (or, in the case of Interest on Instalment Only Notes, accrued interest on the Instalment Amount that would have been payable on the Instalment Date falling on the Interest Payment Date for the then current Interest Period) to the date of repayment, as of the date on which said notice of acceleration is received by the Agent, unless prior to such date the Issuer or the Guarantor, as the case may be, shall have cured or otherwise made good such Event of Default in respect of the Notes:

(i) default by the Issuer in the payment when due of the principal of or Interest Amounts on any of the Notes in respect of any Note or the delivery when due of any other amount in respect of any Note and the continuance of any such default for a period of 30 days after the due date; or

(ii) the Issuer shall fail duly to perform or observe any other term, covenant or agreement contained in the Notes or the Guarantor shall fail to perform or observe any other term, covenant or agreement contained in the Guarantee relating to the Notes, in either case for a period of 90 days after the date on which written notice of such failure, requiring the Issuer or the Guarantor, as the case may be, to remedy the same, shall first have been given to the Agent by the holder of any Note at the time outstanding; or

(iii) an order is made or an effective resolution passed for winding up the Issuer or the Guarantor except for the purpose of a reconstruction or amalgamation and the entity resulting from such reconstruction or amalgamation assumes all the rights and obligations of, as the case may be, the Issuer (including its obligations under the Notes) or the Guarantor (including its obligations under the Guarantee); or

(iv) the Issuer or the Guarantor shall be unable to pay its debts or becomes insolvent or bankrupt or the Guarantor applies for a "*gerechtelijke reorganisatie*" or "*faillissement*" or any similar procedure shall be initiated in respect of the Issuer or the Guarantor unless it is being contested in good faith by the Issuer or the Guarantor, as the case may be; or

(iv) a distress, execution or other process is levied or enforced upon or sued out against all or any material part of the property of the Issuer or the Guarantor unless it is removed, discharged or paid out within 60 days or is being contested in good faith by the Issuer or the Guarantor, as the case may be.

15. Replacement of Notes, Coupons, Talons and Receipts

Should any Note, Coupon, Talon or Receipt be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons, Talons or Receipts must be surrendered before replacements will be issued.

16. Agent, Paying Agents and Calculation Agent Provisions

(a) *Agent and Paying Agent*

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Issuer and the Guarantor are entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(i) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority); and

(ii) there will at all times be an Agent.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the second paragraph of Condition 4(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 18 (*Notices*).

(b) *Calculation Agent*

Whenever the Calculation Agent is required to act or exercise judgement, it will do so in good faith and in a commercially reasonable manner. The Calculation Agent shall, as soon as practicable after making any determination pursuant to these Conditions, notify the Issuer, the Guarantor and the Noteholders of such determination. The Calculation Agent is not acting as a fiduciary for or as an advisor to the Noteholders in respect of its duties as Calculation Agent in connection with any Notes.

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to these Conditions shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor and the Noteholders. In performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Notes including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation

Agent, the Issuer and the Guarantor shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

17. Exchange of Talons

On and after the Interest Period End Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of Interest Amounts due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 13.

18. Notices

Notices to be given to the Noteholders shall be valid if (i) published on the Issuer's website (www.kbc.com), in which case the notice is deemed given on the date of publication, or (ii) delivered by or on behalf of the Issuer to Euroclear and/or Clearstream, Luxembourg, as applicable, for communication to the Noteholders, in which case the notice is deemed given on the Business Day after it is transmitted to Euroclear and/or Clearstream, Luxembourg, as applicable. The Issuer shall also ensure that all notices are duly published in a manner which complies with applicable law and the rules and regulations of any stock exchange on which the Notes are listed for the time being.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

19. Meetings of Noteholders, Modification and Waiver

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a video-conference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons, the Receipts, the Guarantee, the Deed of Covenant or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer, the Guarantor or Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting, will be one or more persons holding or representing a majority in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of Instalment Amounts or Interest Amounts thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting, one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that (a) a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the Agency Agreement contained by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 75 per cent. of the votes given on such poll or (b) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the principal amount of the Notes for the time being outstanding, all as more fully described in the Agency Agreement, shall, in each case, be effective as an Extraordinary Resolution. An Extraordinary Resolution passed at any meeting of the Noteholders or pursuant to a resolution in writing shall be binding on all the Noteholders, whether or not they vote on such resolution, and on all Couponholders.

Without prejudice to Condition 3(g) (*Benchmark Reference Rate replacement*), the Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

(i) any modification (except such modifications in respect of which an increased quorum is required, as mentioned above) of the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(ii) any modification of the Notes, the Coupons, the Agency Agreement, the Guarantee or the Deed of Covenant which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 18 as soon as practicable thereafter.

If the Prohibition of sales to consumers in Belgium is specified as not applicable in the applicable Final Terms, adjustments and modifications cannot relate to an essential feature of the Notes and the Notes cannot be early redeemed by the Issuer, unless in the case of force majeure or an event which substantially alters the economics of the contract as initially agreed between the parties and for which the Issuer is not accountable. In addition, any adjustment or modification may not create a significant imbalance between the rights and obligations of the parties to the detriment of the Noteholder and the Issuer may not charge costs to the Noteholder for any such adjustment or modification.

20. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of Interest Amounts thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

21. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

22. Bail-In

(a) *Acknowledgement*

Notwithstanding and to the exclusion of any other term of any Note or any other agreement, arrangement or understanding between the Issuer and any Noteholder which, for the purpose of this Condition 22, includes any current or future holder of a beneficial interest in the Notes, by its acquisition of any Note, each Noteholder acknowledges, accepts, consents and agrees:

(i) to be bound by the effect of the exercise of any Bail-In Powers by the Relevant Resolution Authority in relation to any Noteholder under these Conditions, which may include and result in any of the following, or some combination thereof:

(A) the reduction on a permanent basis of all, or a portion, of the Amounts Due;

(B) the conversion of all, or a portion, of the Amounts Due into ordinary shares, other securities or obligations of the Issuer or another person and the issue to or conferral on the Noteholder of such ordinary shares, other instruments of ownership, other securities or obligations, including by means of an amendment, modification or variation of the terms of such Notes, in which case the holder of such Notes agrees to accept in lieu of its rights under such Notes any such ordinary shares, other instruments

of ownership, other securities or obligations of the Issuer or another person;

(C) the cancellation of the Notes;

(D) the amendment or alteration of the maturity date of the Notes, or amendments of the amount payable in respect of the Notes on the date on which such amount becomes payable, including by suspending payment for a temporary period; and

(ii) that the terms of the Notes are subject to, and may be varied, as deemed necessary by the Relevant Resolution Authority, to give effect to, the exercise of any Bail-In Powers by the Relevant Resolution Authority.

(b) *Definitions*

For purposes of this Condition 22:

"**Amounts Due**" means any amount payable under the Notes in accordance with these Conditions and the applicable Final Terms. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Bail-in Power by the Relevant Resolution Authority.

"**Bail-In Powers**" means any write-down conversion, transfer, modification or suspension or other power existing from time to time under any laws, regulations, rules or requirements in effect in Belgium and Luxembourg, relating to (i) the transposition of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time, "**BRRD**") (and transposed into (i) Belgian law by the law of 25 April 2014 on the status and supervision of credit institutions, and any other law or regulation relating to the transposition of Directive 2014/59/EU under Belgian law and (ii) Luxembourg law by the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended, relating to the transposition of Directive 2014/59/EU under Luxembourg law), and (ii) Regulation (EU) No 806/2014 establishing uniform rules and uniform procedures for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and Single Resolution Fund (as amended from time to time, "**SRM Regulation**"), and in each case the instructions, rules, standards and policies created thereunder, pursuant to which:

(i) any obligation of a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution (a "**Regulated Entity**"), can be cancelled, reduced (in whole or in part), otherwise modified or converted into ordinary shares, other instruments of ownership, other securities or obligations of such Regulated Entity or any other person, (or suspended for a temporary period); and/or

(ii) the maturity of any liability of a bank, investment firm or other financial institution can be amended or altered (including by suspending payment for a temporary period),

whether in connection with the implementation of the bail-in tool following placement in resolution or in connection with write-down or conversion powers before a resolution proceeding is initiated.

"**Relevant Resolution Authority**" means any authority entitled to exercise or participate in the exercise of any Bail-In Powers from time to time.

(c) *Payment of Amounts Due*

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of any Bail-In Power by the Relevant Resolution Authority with respect

to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in Belgium, Luxembourg and the European Union applicable to the Issuer.

(d) *No Event of Default*

Neither a cancellation of the Notes, a reduction, in part or in full, of the Amounts Due, the conversion thereof into ordinary shares, other instruments of ownership, other securities or obligations of the Issuer or another person, as a result of the exercise of any Bail-In Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Bail-In Power by the Relevant Resolution Authority with respect to the Notes will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the holder of such Notes to any remedies (including equitable remedies) which are hereby expressly waived.

The Conditions shall continue to apply in relation to the residual Amounts Due, subject to any modification of the amount of distributions payable to reflect the reduction of the Amounts Due, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations.

(e) *Notice to Noteholders*

Upon the exercise of any Bail-In Power by the Relevant Resolution Authority with respect to the Notes, the Issuer will make available a written notice to the holders of such Notes in accordance with Condition 18 (*Notices*) as soon as practicable regarding such exercise of Bail-In Power. The Issuer will also deliver a copy of such notice to the Paying Agent for informational purposes, although the Agent shall not be required to send such notice to the holders of such Notes. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of any Bail-In Powers nor the effects on the Notes described in Condition 22(a).

(f) *Duties of the Paying Agents*

Upon the exercise of any Bail-In Power by the Relevant Resolution Authority, (a) the Paying Agents shall not be required to take any directions from holders of Notes, and (b) the Agency Agreement shall impose no duties upon any of the Paying Agents whatsoever, in each case with respect to the exercise of any Bail-In Power by the Relevant Resolution Authority.

Notwithstanding the foregoing, if, following the completion of the exercise of any Bail-In Power by the Relevant Resolution Authority, any Notes remain outstanding (for example, if the exercise of any Bail-In Power results in only a partial write-down of the principal of the Notes), then the Paying Agents' duties under the Agency Agreement shall remain applicable with respect to the Notes following such completion to the extent that the Issuer and the Paying Agents shall agree pursuant to an amendment to the Agency Agreement.

(g) *Proration*

If the Relevant Resolution Authority exercises any Bail-In Power with respect to less than the total Amounts Due, unless any of the Paying Agents is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the relevant Notes pursuant to any Bail-In Power will be made on a pro-rata basis.

(h) *Conditions Exhaustive*

Each Noteholder acknowledges, accepts, consents and agrees that the matters set forth in this Condition 22 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of Notes.

23. Extra-contractual Liability

Each Noteholder agrees, by its subscription to any Note, that the provisions of Article 6.3 of the Belgian *Code Civil*/*Burgerlijk Wetboek* of 13 April 2019 (the "**Belgian Civil Code**") shall, to the maximum extent permitted by law, not apply under or in connection with the Notes and the Guarantee and that it shall not be entitled to make any extra-contractual liability claim against the Issuer, the Guarantor or any auxiliary (*hulppersoon*/*auxiliaire*) within the meaning of Article 6.3 of the Belgian Civil Code of (any affiliate of) the Issuer or the Guarantor with respect to a breach of a contractual obligation under or in connection with the Notes and the Guarantee, even if such breach of obligation also constitutes an extra-contractual liability.

24. Governing Law and Submission to Jurisdiction

(a) The Agency Agreement, the Deed of Covenant, the Notes (except Condition 2(c)), the Guarantee (except Clause 6), the Coupons and the Receipts (and, in each case, any non-contractual obligations arising therefrom or in connection therewith) shall be governed by, and construed in accordance with, English law. Condition 2(c) of the Notes, Clause 6 of the Guarantee and any non-contractual obligations arising therefrom or in connection therewith shall be governed by, and construed in accordance with, Belgian law. The provisions of articles 470-1 to 470-19 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, are excluded.

(b) Subject as provided in paragraph (d) below, the English courts have non-exclusive jurisdiction to settle all disputes which may, directly or indirectly, arise out of or in connection with the Agency Agreement, the Notes, the Coupons and/or the Receipts (including, in each case, any dispute relating to any non-contractual obligations arising therefrom or in connection therewith) (a "**Dispute**") and each of the Issuer and the Guarantor submits and each Noteholder (by its acquisition of a Note) is deemed to submit to the non-exclusive jurisdiction of the English courts. For the purposes of this Condition 24, each of the Issuer and the Guarantor waives and each Noteholder (by its acquisition of a Note) is deemed to waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) The Issuer appoints the Guarantor at its London branch at 111 Old Broad Street, London EC2N 1BR, England as its agent in England for service of process in any proceedings in England relating to the Notes and the Coupons, and undertakes that, in the event of the Guarantor ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Dispute in England. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

(d) To the extent that any proceedings in respect of the Notes involve consumers (as such term is used in Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the "**Brussels Recast Regulation**")), notwithstanding paragraph (b) above, each of the Issuer and the Guarantor agree that it will be required to, and such consumers may, in respect of any Dispute in respect of the Notes, take proceedings in the jurisdictions specified in Article 18 of the Brussels Recast Regulation.

ANNEX 1 – CREDIT LINKED NOTES

PART A: Overview

The following section answers some questions that prospective investors might have regarding the Credit Linked Notes, in general terms only. It does not contain all the information which may be important to prospective investors, and is not intended to be a substitute for nor a summary of the Conditions of the Credit Linked Notes. Any decision to invest in the Credit Linked Notes should only be made after careful consideration of this Base Prospectus and the Conditions (including the Credit Linked Conditions), as completed by the applicable Final Terms. In addition, prospective investors should consult with their investment, legal, accounting, tax and other advisors with respect to any investment in the Credit Linked Notes.

Capitalised terms in relation to the following questions and answers shall have the meaning given to them in the Credit Linked Conditions.

What are Credit Linked Notes?

Credit Linked Notes are debt securities, the value of which is linked to the credit risk of one or more Reference Entities. The amount of interest and principal which investors will receive on the Credit Linked Notes is dependent on whether certain Credit Events occur in respect of any relevant Reference Entity to which the Credit Linked Notes are linked.

In purchasing the Credit Linked Notes, investors are assuming credit risk exposure to each Reference Entity (and possible successors thereof). A Credit Linked Note is broadly intended to give the investor access to a credit default swap referencing certain Reference Entit(y)(ies) in funded format. Therefore, many of the features and risks applicable to a market standard credit default swap referencing the relevant Reference Entit(y)(ies) will be equally applicable to the Credit Linked Notes.

What is credit risk?

Credit risk with respect to a Reference Entity is the risk that the Reference Entity fails to perform its obligations under certain types of transactions of the Reference Entity. This is generally (but not exclusively) as a result of a deterioration in its financial condition.

For the Credit Linked Notes, the credit risk is in relation to a broad range of transactions of one or more Reference Entities, and may extend to any borrowed money obligations of the Reference Entity. Borrowed money obligations would include any loan agreements entered into by the Reference Entity and any debt securities issued by the Reference Entity.

What is the difference between the Credit Linked Notes and an ordinary debt security?

The Credit Linked Notes are similar to an ordinary debt security in that they provide the investor with a regular stream of interest payments (other than in the case of zero coupon Credit Linked Notes) and the return of par on maturity in the ordinary course. However, the Credit Linked Notes have the added feature not present in ordinary debt securities of an exposure to the credit risk of one or more Reference Entities. If a Credit Event occurs in relation to a Reference Entity, an investor may lose all or part of its investment in the Credit Linked Notes.

The amount of interest and principal which an investor receives will depend on whether a Credit Event occurs with respect to any Reference Entity and whether an Event Determination Date occurs as a result. If no Event Determination Date has occurred then the Credit Linked Notes will be redeemed at the Outstanding Aggregate Nominal Amount on the Maturity Date. If an Event Determination Date occurs, unless Credit Payment on Maturity applies, the Applicable Proportion of the Credit Linked Notes will be redeemed early at the relevant Redemption Amount (which is likely to be less than the par value of the Credit Linked Notes and may even be zero) (see further and "*What are Noteholders paid if the Credit Linked Notes redeem early due to the occurrence of a Credit Event?*" below), with no further payment of principal on the Applicable Proportion of the Credit Linked Notes (see further "*What is an Event Determination Date?*" and "*What are Noteholders paid if the Credit Linked Notes redeem early due to the occurrence of a Credit Event?*" below). Interest will cease to accrue on the Credit Linked Notes (or the Applicable Proportion where they are to redeem in part) from and including (i) the Event Determination Date, or (ii) the Interest Payment Date immediately preceding the Event Determination Date or, if there

have not been any previous Interest Payment Dates, from and including the Issue Date depending on the relevant election in the Final Terms.

What is the difference between the Credit Linked Notes and a bond issued by the Reference Entity?

The Credit Linked Notes give the investor exposure to the credit risk of the Reference Entity without having to own a bond or other type of debt obligation of such Reference Entity. The Reference Entity itself is not a party to and has no direct involvement in the Credit Linked Notes and an investor will not be able to claim against the Reference Entity or Issuer for any losses it suffers from a Credit Event of the Reference Entity. The Issuer is not obliged to hold any obligation of the Reference Entity or otherwise have credit risk exposure to the Reference Entity.

How do changes in share prices of any Reference Entity affect the value of the Credit Linked Notes?

Taking credit risk on the Reference Entity by purchasing Notes is different from taking equity risk by investing in shares of the Reference Entity. There are a number of reasons for this. For example:

(a) credit derivatives reference debt obligations of the Reference Entity, and a Reference Entity must generally pay amounts due to the creditors on these debt obligations before paying dividends or capital to shareholders;

(b) the obligations of the Reference Entity referenced by the Credit Linked Notes consist of bonds and other debt; holders of this type of debt will generally rank ahead of holders of ordinary shares in the insolvency of a Reference Entity, and so may have (but are not guaranteed) a higher rate of recovery of moneys due to them;

(c) because the Credit Linked Notes reference these debt obligations, the market value of the Credit Linked Notes is related to (although not necessarily equal to) the value of these debt obligations; and

(d) there is no direct link between share prices and the value of the Credit Linked Notes.

However, in some circumstances, changes in the share price of the Reference Entity may result in or from, at a general level, a change in the market value of its debt and vice versa.

What are Single Name Credit Linked Notes?

Single Name Credit Linked Notes represent an investment linked to the performance of only one Reference Entity specified in the applicable Final Terms. If a Credit Event and an Event Determination Date occur then each Single Name Credit Linked Note will be redeemed in full (or may be redeemed in part following the occurrence of an M(M)R Restructuring Credit Event (see further "*What are Noteholders paid if the Credit Linked notes are partially redeemed following a Restructuring Credit Event?*")) either:

(a) if "Cash Redemption" applies, by payment of the Cash Redemption Amount, being an amount calculated as equal to the greater of (i) zero and (ii) the lesser of (a) the product of (x) the Applicable Proportion of the Single Name Credit Linked Note and (y) the Final Price, taking into consideration any positive or negative effects of any Unwind Costs (if applicable) and (b) the Applicable Proportion of the Note; or

(b) if "Auction Redemption" applies, by payment of the Auction Redemption Amount, being an amount calculated as equal to the greater of (i) zero and (ii) the lesser of (a) the product of (x) the Applicable Proportion of the Single Name Credit Linked Note and (y) the Auction Final Price, taking into consideration any positive or negative effects of any Unwind Costs (if applicable) and (b) the Applicable Proportion of the Single Name Credit Linked Note.

If "Credit Payment on Maturity" applies, payment of the Cash Redemption Amount or Auction Redemption Amount (calculated as described above) in respect of the Applicable Proportion of the Single Name Credit Linked Note will only occur on the Scheduled Maturity Date.

What are Basket Credit Linked Notes?

Basket Credit Linked Notes represent an investment linked to the performance of either: (i) a basket of Reference Entities specified in the applicable Final Terms; or (ii) the component Reference Entities of an index specified in the applicable Final Terms. The Basket Credit Linked Notes are exposed to the credit risk of each Reference Entity in proportion to the weighting specified for such Reference Entity in the applicable Final Terms.

If a Credit Event and an Event Determination Date occur in respect of any one of the Reference Entities in the basket or index (as applicable), then each Basket Credit Linked Note will be redeemed in part in proportion to the weighting of the affected Reference Entity:

(a) if "Cash Redemption" applies, by payment of the Basket Cash Redemption Amount, being an amount calculated using the method for calculating the Cash Redemption Amount as described under "*What are Single Name Credit Linked Notes?*" above; or

(b) if "Auction Redemption" applies, by payment of the Basket Auction Redemption Amount, being an amount calculated using the method for calculating the Auction Redemption Amount as described under "*What are Single Name Credit Linked Notes?*" above.

The remaining portion of each Basket Credit Linked Note will remain outstanding and will be redeemed at maturity at its *pro rata* share of the Outstanding Aggregate Nominal Amount, subject to the occurrence of a Credit Event in respect of another Reference Entity in the basket or index (as applicable).

If "Credit Payment on Maturity" applies, payment of the Basket Cash Redemption Amount or Basket Auction Redemption Amount in respect of each Applicable Proportion of the Basket Credit Linked Notes will only occur on the Scheduled Maturity Date.

What are Index Tranche Credit Linked Notes?

Index Tranche Credit Linked Notes represent an investment linked to the performance of the component Reference Entities of an index specified in the applicable Final Terms and the losses accruing to a specified tranche of such index. The Index Tranche Credit Linked Notes are exposed to the credit risk of each Reference Entity in proportion to the weighting specified for such Reference Entity in the applicable Final Terms.

The applicable Final Terms will specify the Attachment Point of the tranche the Detachment Point of the tranche and a Leverage percentage, which acts as a multiplier in respect of the losses and recoveries incurred within the tranche.

If the aggregate Loss Amounts incurred in respect of the Index Tranche Credit Linked Notes (the Loss Amount being 100% minus the Auction Final Price (if Auction Redemption applies) or Final Price (if Cash Redemption applies)) are greater than the Loss Threshold Amount, then each Index Tranche Credit Linked Note will be redeemed in part in proportion to the weighting of the affected Reference Entity by payment of the Index Tranche Redemption Amount, being an amount calculated as equal to the greater of (i) zero and (ii) the lesser of (a) the Index Tranche Levered Incurred Recovery Amount, taking into consideration any positive or negative effects of any Unwind Costs (if applicable) and (b) the Applicable Proportion of the Index Tranche Credit Linked Note.

The Index Tranche Levered Incurred Recovery Amount is equal to the lower of (i) the Recovery Amount (being the Auction Final Price (if Auction Redemption applies) and the Final Price (if Cash Redemption applies)) in respect of the affected Reference Entity, (ii) the aggregate of all Recovery Amounts incurred to date less the Recovery Threshold Amount, and (iii) the Outstanding Aggregate Nominal Amount, multiplied by the Leverage.

If a Credit Event and an Event Determination Date occur in respect of any one of the Reference Entities in the index, then each Index Tranche Credit Linked Note will be reduced by the Index Tranche Credit Linked Note's pro rata share of the sum of the Loss Amount and the Recovery Amount (being the Auction Final Price (if Auction Redemption applies) or Final Price (if Cash Redemption applies)) for the relevant Reference Entity in respect of which the Credit Event has occurred.

The remaining portion of each Index Tranche Credit Linked Notes will be redeemed at maturity at their *pro rata* share of the Outstanding Aggregate Nominal Amount, subject to the occurrence of a Credit Event in respect of another Reference Entity in the index.

If "Credit Payment on Maturity" applies, payment of the Index Tranche Redemption Amount in respect of each Applicable Proportion of the Index Tranche Credit Linked Notes will only occur on the Scheduled Maturity Date.

What are Unwind Costs?

The amount payable or deliverable after the occurrence of a Credit Event may be adjusted by an amount, determined by the Calculation Agent, relating to the costs and expenses incurred by the Issuer or its affiliates in redeeming the Notes early or terminating, obtaining or re-establishing any related funding, hedging or trading position in connection with the Notes as a result of a Credit Event occurring. Such amount may be positive (and so deducted from the relevant Redemption Amount payable to the Noteholder) or negative (and so added to the relevant Redemption Amount payable to the Noteholder).

What is a Credit Event?

A Credit Event is, broadly speaking, an event which is regarded as being indicative of a default or material decline in the creditworthiness of the Reference Entity.

Credit Events are determined by reference to the relevant Reference Entity itself and certain eligible types of obligations of such Reference Entity which, in relation to the Credit Linked Notes, may include any loans, debt securities or other borrowed money obligations of the Reference Entity (owed to any investor which may not be related to the Issuer or the Credit Linked Notes) ("**Obligations**").

The Credit Events relevant to the Credit Linked Notes may include any of the following events with respect to the Reference Entity, as specified or elected in the applicable Final Terms:

(a) Failure to Pay: a failure by the Reference Entity to pay amounts when due under its Obligations, where the failure to pay relates to an amount greater than a pre-determined minimum amount;

(b) Bankruptcy: a bankruptcy or insolvency procedure in respect of the Reference Entity;

(c) Restructuring: a restructuring of a pre-determined minimum amount in relation to an Obligation of the Reference Entity which amends key terms of that Obligation as to repayment of principal or payment of interest thereunder;

(d) Obligation Acceleration: the acceleration of one or more Obligations of the Reference Entity before it would otherwise be due and payable in respect of a pre-determined minimum amount;

(e) Obligation Default: one or more Obligations of the Reference Entity in respect of a pre-determined minimum amount becomes capable of being declared due and payable before it would otherwise be due and payable;

Repudiation/Moratorium: the Reference Entity or a Governmental Authority repudiates one or more Obligations in respect of a pre-determined minimum amount or imposes a moratorium in respect of one or more Obligations in respect of such minimum amount and a failure to pay under or a restructuring of such Obligation(s) subsequently occurs within a specified time period; or

Governmental Intervention: an event which would result in the reduction or deferral of payment of principal or interest or change in ranking of priority in, an expropriation of or the mandatory cancellation, conversion or exchange of an Obligation as the result of an action taken or announcement made by a Governmental Authority.

When does a Credit Event need to occur to affect the payout on the Credit Linked Notes?

If a relevant Credit Derivatives Determinations Committee resolves that a Credit Event has occurred in relation to any Reference Entity or an Obligation thereof (see further "*What are the Credit Derivatives Determinations Committees and how do they affect the Credit Linked Notes?*" below), such Credit Event must have occurred during the period from and including the date that is sixty calendar days prior to the

date on which it first received a request to resolve whether or not such Credit Event has occurred (the "**Credit Event Resolution Request Date**") to and including the Scheduled Maturity Date (subject to extension in certain circumstances). However, if the Issuer determines that a Credit Event has occurred in relation to any Reference Entity or an Obligation thereof and delivers a Credit Event Notice to the Agent to that effect, when the relevant Credit Derivatives Determinations Committee is not going to consider the same, such Credit Event must have occurred during the period from sixty calendar days prior to the earlier of the effective delivery date of such Credit Event Notice and the Credit Event Resolution Request Date (subject to extension in certain circumstances).

Can a Credit Event occur prior to the Issue Date?

Yes. A Credit Event may occur prior to the Issue Date of the Credit Linked Notes and may even occur prior to the applicable Trade Date.

Noteholders should conduct their own review of any recent developments with respect to the Reference Entity by consulting publicly available information. If a request has been delivered to ISDA prior to the Trade Date to determine whether a Credit Event has occurred with respect to the Reference Entity, details of such request may be found on the ISDA website at http://dc.isda.org/.

What is an Event Determination Date?

In order for Notes to be redeemed following a Credit Event, it is necessary for a relevant Event Determination Date to have occurred. Depending on the circumstances, this may be the date on which a notice describing the occurrence of the Credit Event has been delivered by the Issuer to the Agent (together with, if applicable, a notice containing publicly available information confirming the occurrence of the Credit Event), or the date on which, amongst other things, it is publicly announced that a Credit Derivatives Determinations Committee will be convened to determine if a certain Credit Event has occurred.

Can an Event Determination Date only occur if a Credit Derivatives Determinations Committee determines that one has occurred?

No. The Issuer may also deliver a Credit Event Notice to the Agent in relation to the Credit Event triggering an Event Determination Date. Such notice may be delivered at any time within the Notice Delivery Period including where a Credit Derivatives Determinations Committee has not resolved that a Credit Event has occurred.

What interest payments will Noteholders receive after the occurrence of a Credit Event?

On the occurrence of a Credit Event, interest will cease to accrue on the Applicable Proportion of each Note as at the Interest Suspension Accrual Date. The Interest Suspension Accrual Date is the earlier of the day prior to (i) the Scheduled Maturity Date or (ii) the Interest Payment Date immediately prior to the Event Determination Date or the Event Determination, according to the election made in the Final Terms. Interest will continue to accrue as before the Credit Event on the remaining portion (if any) of each Note, subject to the occurrence of further Credit Events.

From the Interest Suspension Accrual Date, the Recovery Amount (being the Auction Recovery Amount, Cash Recovery Amount, Basket Auction Recovery Amount, Basket Cash Recovery Amount or Index Tranche Incurred Recovery Amount, as applicable) shall accrue interest at the Funding Interest Rate. If Credit Payment upon Maturity does not apply, interest shall accrue on the Recovery Amount until the Cash Redemption Date, Auction Redemption Date, Basket Cash Redemption Date, Basket Auction Redemption Date, Index Tranche Cash Redemption Date or Index Tranche Auction Redemption Date (as applicable). If Credit Payment upon Maturity does apply, Interest shall accrue on the Recovery Amount until the Auction Final Price (if Auction Redemption is applicable) or Final Price (if Cash Redemption or Fixed Recovery Redemption is applicable) is determined. From the date on which the Auction Final Price or Final Price is determined, the aggregate of all Recovery Amounts calculated to date will accrue interest at the Funding Interest Rate until the Notes are redeemed.

The Issuer may also elect in the Final Terms to pay interest at the Funding Interest Rate on the Loss Amount (being the Auction Loss Amount, Cash Loss Amount, Basket Auction Loss Amount, Basket Cash Loss Amount or Index Tranche Incurred Loss Amount, as applicable) from the Interest Suspension Accrual Date until the date on which the Auction Final Price (if Auction Redemption is applicable) or Final Price (if Cash Redemption or Fixed Recovery Redemption is applicable) is determined.

Funding Interest Rate is a rate per annum, which shall be specified in the Final Terms, and is based on the cost to the Issuer if it were to fund the amount on which such interest is accruing.

What interest payments will Noteholders receive after the occurrence of a DC Credit Event Question?

If a DC Credit Event Question is made in respect of which a DC Resolution (including, but not limited to, a DC Credit Event Announcement or a DC No Credit Event Announcement) has not been published at least five Business Days prior to any Interest Payment Date, the payment of interest in respect of the Applicable Proportion of the Notes scheduled to be paid to Noteholders on or about such Interest Payment Date will be suspended. The suspended interest will be paid to Noteholders on the Interest Suspension Payment Date. The Interest Suspension Payment Date is, depending on the election made in the Final Terms, either: (i) five Business Days after the date on which the Auction Final Price (if Auction Redemption is applicable) or Final Price (if Cash Redemption or Fixed Recovery Redemption is applicable) is determined or the date it is determined that no Credit Event has occurred, as applicable; or (ii) the Interest Payment Date immediately following the date which is five Business Days after the date on which the Auction Final Price (if Auction Redemption is applicable) or Final Price (if Cash Redemption or Fixed Recovery Redemption is applicable) is determined or the date it is determined that no Credit Event has occurred, as applicable.

What are Noteholders paid if the Credit Linked Notes redeem early due to the occurrence of an Event Determination Date?

If the Credit Linked Notes redeem early due to the occurrence of an Event Determination Date, either in part or in full, Noteholders will be paid their pro rata share of the relevant Redemption Amount (see further "*What are Single Name Credit Linked Notes*", "*What are Basket Credit Linked Notes?*" and "*What are Index Tranche Credit Linked Notes?*").

What are Noteholders paid if the Credit Linked Notes redeem early for reasons other than the occurrence of an Event Determination Date?

If the Credit Linked Notes redeem early due to the occurrence of an event other than an Event Determination Date, Noteholders will be paid their pro rata share of the applicable Early Redemption Amount.

What are Noteholders paid if the Credit Linked Notes are not redeemed early?

If no Event Determination Date has occurred, and provided that the Credit Linked Notes are not otherwise redeemed early, repurchased or cancelled, each Credit Linked Note will be redeemed in full on the Maturity Date (which may in certain circumstances have been extended).

When will each of Auction Redemption and Cash Redemption apply?

If the Credit Linked Notes redeem early due to the occurrence of an Event Determination Date, unless the Calculation Agent determines that Auction Redemption will not apply for certain specified reasons (in which case, Cash Redemption shall apply), Auction Redemption shall apply in respect of the Credit Linked Notes and, as such, an Auction Final Price will be determined (see further "*What is the Auction Final Price*" below). Where Cash Redemption applies, a Final Price shall be determined (see further "*What is the Final Price*" below).

What is the Auction Final Price?

The Auction Final Price is the settlement amount calculated in relation to a Credit Event with respect to any Reference Entity where Auction Redemption applies. Such amount is taken into account in calculating the relevant Redemption Amount that is payable to the Noteholders on an early redemption of the Credit Linked Notes following the occurrence of a Credit Event.

The relevant Redemption Amount will be determined by reference to a price (the Auction Final Price) determined by way of a credit derivatives auction sponsored by ISDA (an "**Auction**"). The Auction will involve a bidding process by institutions participating in the relevant Auction, pursuant to a bidding procedure set by ISDA, to establish the value of the eligible obligations (the "**Deliverable Obligations**") of the relevant Reference Entity (which may be Assets comprising the Asset Package, if applicable). The Issuer may act as a participating bidder in any such Auction and may submit bids and offers with respect to the Deliverable Obligations of the affected Reference Entity.

Deliverable Obligations mean obligations of the affected Reference Entity which satisfy certain specified "Deliverable Obligation Categories" and "Deliverable Obligation Characteristics".

The auction price is likely to be lower than the par value of the Deliverable Obligations of the Reference Entity and will be reflective of a loss experienced by the holder of such Deliverable Obligations. Moreover, the price is likely to reflect the lowest prevailing market value of any Deliverable Obligation. The lower the Auction Final Price, the lower the relevant Redemption Amount paid to Noteholders on an early redemption of the Credit Linked Notes.

What is the Final Price?

The Final Price is the settlement amount calculated in relation to a Credit Event with respect to any Reference Entity where Cash Redemption applies. Such amount is taken into account in calculating the relevant Redemption Amount that is payable to the Noteholders on an early redemption of the Credit Linked Notes following the occurrence of a Credit Event.

The Final Price will be determined based on the price of certain eligible obligations ("**Valuation Obligations**") of the Reference Entity on a specified date following the occurrence of a Credit Event with respect to such Reference Entity. With respect to the Credit Linked Notes, the eligible obligations shall be one or more obligations, as selected by the Issuer that are a Reference Obligation and/or would constitute a Deliverable Obligation as at the particular observation time in accordance with elections made in the applicable Final Terms, or if applicable, are Assets comprising the Asset Package. The price of such eligible obligations will be determined on the basis of bid quotations received from third party dealers. The Issuer will be entitled to select the cheapest Valuation Obligations for valuation. This could decrease the Final Price and, as a result, reduce the relevant Cash Redemption Amount payable to Noteholders on an early redemption.

What is Fixed Recovery Redemption?

If "Fixed Recovery Redemption" is specified as applicable then, following the occurrence of a Credit Event and an Event Determination Date, the amount payable on redemption on the relevant Redemption Date shall be calculated as set out in "What are Single Name Credit Linked Notes?", "What are Basket Credit Linked Notes?" and "What are Index Tranche Credit Linked Notes?" above, provided that instead of the Auction Final Price or Final Price, as the case may be, the "Fixed Recovery Percentage" set out in the applicable Final Terms shall apply, which may be zero.

Why might the Credit Linked Notes be partially redeemed following a Restructuring Credit Event and what will Noteholders be paid?

Where a Restructuring Credit Event occurs and it constitutes an M(M)R Restructuring, a number of Credit Event Notices may be served, with each notice specifying the amount of the obligations in respect of which settlement is to take place. The transaction continues in effect in respect of the remaining portion of the obligations, so that one or more Credit Event Notices may be served later. Indeed, further notice may be served even if the Credit Event specified is the same Restructuring as the one originally relied upon. In this way, valuations can be made in relation to the proportion of the obligations of the Reference Entity which are available to acquire in the market (and so can be valued) and the Issuer is able to provide further notices if and when additional obligations become available in the market.

Accordingly, if a Restructuring Credit Event occurs with respect to the Credit Linked Notes, and it constitutes an M(M)R Restructuring, the Issuer may elect to trigger a partial redemption of the Credit Linked Notes in respect thereof. The Issuer has sole discretion to decide whether it will exercise a partial redemption of such Notes. The amount payable to Noteholders will reflect such partial redemption of the Credit Linked Notes.

What are Noteholders paid if the Credit Linked Notes are partially redeemed following a Restructuring Credit Event?

If a Restructuring Credit Event occurs with respect to the Credit Linked Notes, and it constitutes an M(M)R Restructuring, the Issuer may elect to trigger a partial redemption of the Credit Linked Notes in respect thereof. The Issuer has sole discretion to decide whether it will exercise a partial redemption of such Notes. The amount payable to Noteholders will reflect such partial redemption of the Credit Linked Notes.

When are Noteholders paid if "Credit Payment on Maturity" applies?

If "Credit Payment on Maturity" applies, payment of the relevant Redemption Amount will only occur on the Scheduled Maturity Date (see further "*What are Single Name Credit Linked Notes?*", "*What are Basket Credit Linked Notes?*" and *"What are Index Tranche Credit Linked Notes?")*.

What is the Applicable Proportion?

The Applicable Proportion for determining the amount payable on redemption or partial redemption of a Credit Linked Note and/or for determining the portion on the Credit Linked Notes on which interest ceases to accrue following the occurrence of a Credit Event will be the Applicable Percentage multiplied by the Specified Denomination of such Credit Linked Note.

The Applicable Percentage means in respect of a Credit Event:

(a) if the Credit Linked Note is a Single Name Credit Linked Note and the relevant Credit Event is not an M(M)R Restructuring Credit Event, 100 per cent.;

(b) if the Credit Linked Note is a Basket Credit Linked Note and the relevant Credit Event is not an M(M)R Restructuring Credit Event, an amount equal to the Reference Entity Notional Amount of the Reference Entity to which the relevant Credit Event or the relevant redemption relates divided by the Original Aggregate Nominal Amount of the Basket Credit Linked Notes;

(c) if the Credit Linked Note is an Index Tranche Note and the relevant Credit Event is not an M(M)R Restructuring Credit Event, an amount equal to the Principal Writedown Amount for the Reference Entity in respect of which a Credit Event has occurred divided by the Original Aggregate Nominal Amount of the Index Tranche Credit Linked Notes; or

(d) if the Credit Event is an "**M(M)R Restructuring Credit Event**", an amount equal to the relevant Exercise Amount specified in the relevant Credit Event Notice relating to the relevant Reference Entity and Credit Event divided by the Original Aggregate Nominal Amount of the Credit Linked Notes.

What are the Financial Reference Entity Terms?

Where the Reference Obligation is a senior obligation and, if "**Financial Reference Entity Terms**" has been specified as applicable, if a Credit Event would only affect the subordinated obligations of the relevant obligor, a Credit Event will not be triggered in respect of such senior obligation.

What is Asset Package Delivery?

If (a) a Restructuring Credit Event (which does not constitute a Governmental Intervention) or a Governmental Intervention Credit Event occurs with respect to a senior obligation, or (b) a Restructuring Credit Event occurs with respect to a Sovereign, such a Credit Event will constitute an "Asset Package Credit Event". In those circumstances, (unless, in respect of a Sovereign Reference Entity, Asset Package Delivery has been specified not to apply in the applicable Final Terms), the obligations or assets used to determine the Final Auction Price or Value of the Valuation Obligations, as the case may be (i.e. the "Asset Package"), will be those assets received or retained by a Relevant Holder after the relevant Credit Event by reference to:

(a) in respect of (a) above, either an obligation of the Reference Entity which existed immediately prior to the Asset Package Credit Event which would have constituted a Deliverable Obligation, or the Reference Obligation (i.e. a "Prior Deliverable Obligation"); or

(b) in respect of (b) above, a benchmark obligation of the relevant Sovereign identified as such by ISDA and published on its website which immediately prior to the Asset Package Credit Event would have constituted a Deliverable Obligation (i.e. a "Package Observable Bond").

What is ISDA?

The International Swaps and Derivatives Association, Inc. ("**ISDA**") is a trade organisation of participants in the market for over-the-counter derivatives. It is headquartered in New York, and is responsible for

creating standardised contracts such as the ISDA Master Agreement and the 2014 ISDA Credit Derivatives Definitions and a wide range of related documentation, that are used to enter into derivatives transactions. Definitions, confirmations and other documents and information published by ISDA are available on ISDA's website: http://www2.isda.org/. Certain publications are available free of charge while others are available to subscribers of the website only.

At the date of this Base Prospectus, ISDA has over 1,000 member institutions from 76 countries. These members include a broad range of OTC derivatives market participants.

What are the Credit Derivatives Determinations Committees and how do they affect the Credit Linked Notes?

The Credit Derivatives Determinations Committees were established by ISDA in March 2009 to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency.

Prospective Noteholders should note that a Credit Derivatives Determinations Committee has the power to make binding decisions which the Calculation Agent may determine are applicable for the purposes of the Credit Linked Notes on critical issues, including:

(a) the occurrence of a Credit Event and an Event Determination Date;

(b) whether one or more Auctions will be held in respect of the Reference Entity for which a Credit Event has occurred and the price determined in such Auction;

(c) if one or more Auctions is to be held, what Deliverable Obligations of the Reference Entity will be used for the purposes of determining the price for each such Auction; and

(d) the occurrence of a "Succession Event" and the identity of any "Successors".

Consequently, Noteholders will be bound by any such relevant decisions determined to be applicable to the Credit Linked Notes and the payments on the Credit Linked Notes and the timing of any such payments may be affected by such decisions or determinations. Questions referred to the Credit Derivatives Determinations Committee and the results of binding votes will be published on http://www2.isda.org/.

The Credit Derivatives Determinations Committees are regional and there is a Credit Derivatives Determinations Committee for each of the following five regions: the Americas, Asia (excluding Japan), Australia and New Zealand, Europe, the Middle East and Africa and Japan.

The proceedings of each Credit Derivatives Determinations Committee will be governed by rules published from time to time by ISDA. A copy of such rules is available as at the date of this Base Prospectus free of charge at http://www2.isda.org/.

Each Credit Derivatives Determinations Committee is composed of fifteen voting members and three non-voting consultative members. Ten of the voting members are dealer institutions, with eight serving across all regions and two potentially varying by region. The other five voting members are non-dealer institutions that serve across all regions. The three non-voting consultative members consist of one dealer institution and one non-dealer institution that serve across all regions and one dealer institution that could potentially vary by region.

Is it possible to change a Reference Entity?

The Reference Entity may not be changed unless a "Successor" determination has been made with respect to the Reference Entity on or after the "Successor Backstop Date" (or, in the case of a "**Universal Successor**", on or after 1 January 2014).

A "**Universal Successor**" means, with respect to any Reference Entity, the single entity which assumes all of the obligations (including at least one relevant bond or loan) of the Reference Entity and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (however described) and the Reference Entity has not issued or incurred any borrowed money obligation at any time since the legally effective date of the assumption.

What is a "Successor" to the Reference Entity and how can succession affect the Credit Linked Notes?

If the DC Secretary publicly announces that a Credit Derivatives Determinations Committee has resolved that a different entity or entities has or have become successor(s) to the original Reference Entity to which the Credit Linked Notes are linked, then such entity may be identified as a "Successor" to the original Reference Entity. The Calculation Agent may also, following a Succession Event, identify an entity or entities as a successor(s) to the original Reference Entity.

The identity of the original Reference Entity will be treated as having been amended accordingly for the purposes of the Credit Linked Notes so that, following the determination or announcement of a "Successor", the Credit Linked Notes will be linked to the credit risk of the Successor. The credit risk associated with a Successor or Successors may be different from and could be greater than the credit risk associated with the original Reference Entity.

The events which may lead to the determination or announcement of a Successor may occur at any time from and including the "**Successor Backstop Date**" (or, in the case of a "**Universal Successor**", on or after 1 January 2014), which is a rolling date that is:

(a) if a Credit Derivatives Determinations Committee receives a request to resolve whether or not there is one or more Successors to the Reference Entity, 90 calendar days prior to the date of such request; or

(b) otherwise, 90 calendar days prior to the earlier of (i) the date on which notice of the occurrence of a succession delivered by the Issuer to the Agent is effective, (ii) where a Credit Derivatives Determination Committee receives a request to resolve whether or not there is one or more successors to the References but has resolved not to make a successor determination and the notice of the occurrence of a succession is delivered by the Issuer to the Agent no more than 14 calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determination Committee has resolved not to make a successor determination, the date that the request to resolve whether or not there is one or more successors to the Reference Entity was received.

Can a succession occur prior to the Issue Date?

Yes. A succession may occur prior to the Issue Date of the Credit Linked Notes and may even occur prior to the Trade Date specified in the applicable Final Terms. The Successor Backstop Date may fall prior to the Trade Date and, accordingly, a succession may occur prior to the Trade Date.

Noteholders should conduct their own review of any recent developments with respect to the Reference Entity by consulting publicly available information. If a request has been delivered to convene a Credit Derivatives Determinations Committee prior to the Trade Date to determine whether a succession has occurred with respect to the Reference Entity, details of such request may be found on the ISDA website http://dc.isda.org/.

PART B: Credit Linked Conditions

The following are the conditions (the "**Credit Linked Conditions**") that will apply to the Notes (the "**Credit Linked Notes**") if the applicable Final Terms indicate that "Credit Linked Notes" are applicable. These Credit Linked Conditions apply as completed by the applicable Final Terms. In the case of any inconsistency between these Credit Linked Conditions and the Conditions, these Credit Linked Conditions will prevail.

Words and expressions defined or used in the applicable Final Terms shall have the same meanings where used in these Credit Linked Conditions unless the context otherwise requires or unless otherwise stated. All capitalised terms that are not defined in these Credit Linked Conditions or elsewhere in the Conditions applicable to the Credit Linked Notes will have the meanings given to them in the applicable Final Terms. References in these Credit Linked Conditions to "**Credit Linked Notes**" are to the Credit Linked Notes, as the case may be, of one Series only, not to all Credit Linked Notes that may be issued under the Programme.

Unless otherwise specified, references in these Credit Linked Conditions to a Credit Linked Condition are to the corresponding provision of these Credit Linked Conditions.

1. Redemption of Credit Linked Notes

(a) *Redemption on the Maturity Date*

Unless the Credit Linked Notes have been previously redeemed or purchased and cancelled by the Issuer, provided that a Relevant Event Determination Date has not occurred and subject to Maturity Date Extension pursuant to Credit Linked Condition 9 (*Maturity Date Extension*), the Credit Linked Notes shall be redeemed in full on the Scheduled Maturity Date.

(b) *Redemption following the occurrence of a Credit Event*

Unless previously redeemed or purchased and cancelled, if a Relevant Credit Event and a Relevant Event Determination Date have occurred, with respect to:

(i) Single Name Credit Linked Notes, the Issuer will redeem such Notes (in whole or in part) in accordance with Credit Linked Condition 3 (*Single Name Credit Linked Notes*);

(ii) Basket Credit Linked Notes, the Issuer will redeem such Notes (in whole or in part) in accordance with Credit Linked Condition 4 (*Basket Credit Linked Notes*); and

(iii) Index Tranche Credit Linked Notes, the Issuer will redeem such Notes (in whole or in part) in accordance with Credit Linked Condition 5 (*Index Tranche Credit Linked Notes*),

in each case subject to Credit Linked Condition 15 (*Effect of DC Announcements*).

2. Interest on Credit Linked Notes

(a) *Accrual of Interest*

Subject to Credit Linked Condition 2(c) (*Suspension of Interest following an Applicable DC Credit Event Question*), interest (if any) shall accrue on the Outstanding Aggregate Nominal Amount of the Credit Linked Notes in accordance with Condition 3 (*Interest*) (as completed by the applicable Final Terms), subject to Credit Linked Conditions 3 (*Single Name Credit Linked Notes*), 4 (*Basket Credit Linked Notes*) and 5 (*Index Tranche Credit Linked Notes*).

For the avoidance of doubt, no interest shall accrue on any Note after the Scheduled Maturity Date.

(b) *Accrual of Interest on Credit Event*

If a Relevant Event Determination Date has occurred in respect of a Reference Entity during the Notice Delivery Period but prior to the Scheduled Maturity Date then, notwithstanding anything to the contrary in Condition 3 (*Interest*), with respect to:

(i) Single Name Credit Linked Notes, interest will accrue on such Notes in accordance with Credit Linked Condition 3 (*Single Name Credit Linked Notes*);

(ii) Basket Credit Linked Notes, interest will accrue on such Notes in accordance with Credit Linked Condition 4 (*Basket Credit Linked Notes*); and

(iii) Index Tranche Credit Linked Notes, interest will accrue on such Notes in accordance with Credit Linked Condition 5 (*Index Tranche Credit Linked Notes*).

(c) *Suspension of Interest following an Applicable DC Credit Event Question*

Subject to Credit Linked Conditions 2(d) (*Payment of Suspended Interest following an Applicable DC Credit Event Question*), if an Applicable DC Credit Event Question is made in respect of which a DC Resolution (including, but not limited to, a DC Credit Event Announcement or a DC No Credit Event Announcement) has not been published at least five Business Days prior to any Interest Payment Date, the payment of interest (if any) in respect of the maximum possible Applicable Proportion that could arise as a result of the Credit Event, as determined by the Calculation Agent, of each Note scheduled to be paid to Noteholders on or about such Interest Payment Date will be suspended.

(d) *Payment of Suspended Interest following an Applicable DC Credit Event Question*

If, in connection with an Applicable DC Credit Event Question:

(i) an Applicable DC No Credit Event Announcement or an Applicable DC Credit Event Question Dismissal is made, any payments of interest suspended under Credit Linked Condition 2(c) (*Suspension of Interest following an Applicable DC Credit Event Question*), shall be paid on the Interest Suspension Payment Date;

(ii) an Applicable DC Credit Event Announcement is made but the Calculation Agent determines that the Event Determination Date relating thereto is a date falling fewer than five Business Days prior to the Interest Payment Date or later, any payments of interest suspended under Credit Linked Condition 2(c) (*Suspension of Interest following an Applicable DC Credit Event Question*), shall be paid on the Interest Suspension Payment Date;

(iii) an Applicable DC Credit Event Announcement is made and the Calculation Agent determines that the Event Determination Date relating thereto is a date falling at least five Business Days prior to such Interest Payment Date:

(A) any payments of interest suspended under Credit Linked Condition 2(c) (*Suspension of Interest following an Applicable DC Credit Event Question*), in respect of interest that would have accrued in accordance with Condition 3 (*Interest*) from, and including, the Interest Payment Date immediately preceding the date on which the Applicable DC Credit Event Question was made to, but excluding, the Interest Suspension Accrual Date, shall be paid on the Interest Suspension Payment Date; and

(B) the accrual of interest from, and including, the Interest Suspension Accrual Date to, but excluding, the date on which such interest is paid will be determined in accordance with Credit Linked Condition 3(a), 4(a) or 5(a) (*Accrual of Interest on Credit Event*) (as applicable).

(e) *Adjustment Payments in respect of Suspended Interest*

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 Credit Linked Condition 2(c) (Suspension of Interest following an Applicable DC Credit Event Question).

(f) *Notice of Suspended Interest*

The Issuer shall endeavour to give notice to the Noteholders in accordance with Credit Linked Condition 20 (*Notices*) as soon as reasonably practicable should any payment of interest on their Notes be suspended pursuant to this Credit Linked Condition 2 (*Interest on Credit Linked Notes*).

3. Single Name Credit Linked Notes

The provisions of this Credit Linked Condition 3 (*Single Name Credit Linked Notes*) shall not apply to Basket Credit Linked Notes or Index Tranche Credit Linked Notes.

(a) *Accrual of Interest on Credit Event*

(i) Credit Payment on Maturity Not Applicable

(A) If Credit Payment on Maturity does not apply and a Relevant Event Determination Date has occurred during the Notice Delivery Period but prior to the Scheduled Maturity Date then, notwithstanding anything to the contrary in Condition 3 (*Interest*), interest will cease to accrue on the Applicable Proportion of each Single Name Credit Linked Note as at the Interest Suspension Accrual Date.

For the avoidance of doubt, interest will continue to accrue on any remaining portion of each Single Name Credit Linked Note in accordance with Condition 3 (*Interest*) until the earlier of (i) the Scheduled Maturity Date and (ii) the Auction Redemption Date or Cash Redemption Date (as applicable).

(B) If neither Principal Protection nor Credit Payment on Maturity does not apply and Credit Linked Condition 3(a)(i)(A) applies:

I the Auction Recovery Amount or Cash Recovery Amount (as applicable) shall accrue interest at the Funding Interest Rate from, and including, the Interest Suspension Accrual Date to, but excluding, the Auction Redemption Date or the Cash Redemption Date (as applicable); and

II if "**Credit Event Deferred Interest on Loss Amount**" is specified in the Final Terms as applicable, the Auction Loss Amount or Cash Loss Amount (as applicable) shall accrue interest at the Funding Interest Rate from, and including, the Interest Suspension Accrual Date to, but excluding, the Auction Final Price Determination Date or the Final Price Determination Date (as applicable).

Interest accrued under this Credit Linked Condition 3(a)(i)(B) shall be payable on the Auction Redemption Date or Cash Redemption Date (as applicable).

(ii) Credit Payment on Maturity Applicable

(A) If Credit Payment on Maturity applies and a Relevant Event Determination Date has occurred during the Notice Delivery Period but prior to the Scheduled Maturity Date, notwithstanding that the Cash

Redemption Amount or Auction Redemption Amount (as applicable) shall be payable on the Final Cash Redemption Date or Final Auction Redemption Date (as applicable), the Applicable Proportion of each Single Name Credit Linked Note shall cease to accrue interest in accordance with Condition 3 (*Interest*) as at the Interest Suspension Accrual Date.

For the avoidance of doubt, interest will continue to accrue on any remaining portion of each Single Name Credit Linked Note in accordance with Condition 3 (*Interest*) until the earlier of (i) the Scheduled Maturity Date and (ii) the Auction Redemption Date or Cash Redemption Date (as applicable).

(B) If Credit Payment on Maturity applies and Credit Linked Condition 3(a)(ii)(A) applies:

I the Auction Recovery Amount or Cash Recovery Amount (as applicable) shall accrue interest at the Funding Interest Rate from, and including, the Interest Suspension Accrual Date to, but excluding, the Interest Payment Date immediately following the Relevant Event Determination Date; and

II if "**Credit Event Deferred Interest on Loss Amount**" is specified in the Final Terms as applicable, the Auction Loss Amount or Cash Loss Amount (as applicable) shall accrue interest at the Funding Interest Rate from, and including, the Interest Suspension Accrual Date to, but excluding, the Auction Final Price Determination Date or the Final Price Determination Date (as applicable).

Interest accrued under this Credit Linked Condition 3(a)(ii)(B) shall be payable on the Interest Payment Date following the Auction Final Price Determination Date or the Final Price Determination Date (as applicable), unless such Interest Payment Date falls less than five Business Days after the Auction Final Price Determination Date or Final Price Determination Date, in which case, such interest shall be payable on the second Interest Payment Date following the Auction Final Price Determination Date or the Final Price Determination Date (as applicable).

(C) If Credit Payment on Maturity applies and Credit Linked Condition 3(a)(ii)(A) applies, the Aggregate Auction Recovery Amount or the Aggregate Cash Recovery Amount (as applicable) shall accrue interest at the Funding Interest Rate in respect of each Interest Period from, and including, the Interest Payment Date immediately following the Auction Final Price Determination Date or Final Price Determination Date (as applicable) to, but excluding, the Final Auction Redemption Date or Final Cash Redemption Date (as applicable).

Interest accrued under this Credit Linked Condition 3(a)(ii)(C) shall be payable in arrear on each Interest Payment Date from, and including, the second Interest Payment Date following the Auction Final Price Determination Date or Final Price Determination Date (as applicable) to, and including, the Interest Payment Date immediately preceding the Final Auction Redemption Date or Final Cash Redemption Date (as applicable). Interest accrued for the period between the Interest Payment Date immediately preceding the Final Auction Redemption Date or Final Cash Redemption Date (as applicable) and the Final Auction Redemption Date or Final Cash Redemption Date (as applicable) shall be paid on the Final Auction Redemption Date or Final Cash Redemption Date (as applicable).

(b) *Redemption following a Credit Event*

Notwithstanding anything to the contrary in Condition 5 (*Redemption and Purchase*) and unless previously redeemed or purchased and cancelled, following the occurrence of a Relevant Event Determination Date, the Applicable Proportion of each Single Name Credit Linked Note may be redeemed in accordance with the "**Auction Redemption**" Credit Event Redemption Method, the "**Cash Redemption**" Credit Event Redemption Method or the "**Fixed Recovery Redemption**" Credit Event Redemption Method as specified in the Final Terms.

(i) Auction Redemption

(A) Credit Payment on Maturity Not Applicable

If Credit Payment on Maturity does not apply, if "**Auction Redemption**" is specified as the Credit Event Redemption Method in the Final Terms, then, following the occurrence of a Relevant Event Determination Date, the Issuer shall redeem each Single Name Credit Linked Note in whole (or, if the Credit Event is an M(M)R Restructuring Credit Event, the Applicable Proportion thereof) on the Auction Redemption Date at the Auction Redemption Amount.

(B) Credit Payment on Maturity Applicable

If Credit Payment on Maturity applies, if "**Auction Redemption**" is specified as the Credit Event Redemption Method in the Final Terms, following the occurrence of a Relevant Event Determination Date, then the Issuer shall redeem each Single Name Credit Linked Note in whole (or, if the Credit Event is an M(M)R Restructuring Credit Event, the Applicable Proportion thereof) on the Final Auction Redemption Date at the Final Auction Redemption Amount.

(ii) Cash Redemption

(A) Credit Payment on Maturity Not Applicable

If Credit Payment on Maturity does not apply, if (i) "**Cash Redemption**" is specified as the Credit Event Redemption Method in the Final Terms, or (ii) Cash Redemption is applicable as the Fallback Redemption Method and Credit Linked Condition 11 (*Auction Redemption Terms*) requires the Issuer to redeem the Single Name Credit Linked Notes (or, if the Credit Event is an M(M)R Restructuring Credit Event, the Applicable Proportion thereof) as if Cash Redemption had been specified as the Credit Event Redemption Method, then, following the occurrence of a Relevant Event Determination Date, the Issuer shall redeem each Single Name Credit Linked Note in whole (or, if the Credit Event is an M(M)R Restructuring Credit Event, the Applicable Proportion thereof) on the Cash Redemption Date at the Cash Redemption Amount.

(B) Credit Payment on Maturity Applicable

If Credit Payment on Maturity applies, if "**Cash Redemption**" is the Credit Event Redemption Method, then, following the occurrence of a Relevant Event Determination Date, the Issuer shall redeem each Single Name Credit Linked Note in whole (or, if the Credit Event is an M(M)R Restructuring Credit Event, the Applicable Proportion thereof) on the Final Cash Redemption Date at the Final Cash Redemption Amount.

(iii) Fixed Recovery Redemption

If "**Fixed Recovery Redemption**" is specified as the Credit Event Redemption Method in the applicable Final Terms, then, following the occurrence of a

Relevant Event Determination Date, the Issuer shall redeem each Single Name Credit Linked Note (or, if the Credit Event is an M(M)R Restructuring Credit Event, the Applicable Proportion thereof) in accordance with Credit Linked Condition 3(b)(ii) (*Redemption following a Credit Event – Cash Redemption*), provided that the Cash Redemption Amount shall be determined using the Fixed Recovery Percentage specified in the applicable Final Terms instead of the Final Price, as further set out in the definition of Cash Redemption Amount in Credit Linked Condition 3(d) (*Definitions*).

(c) *Notice of Redemption Amount*

(i) Auction Redemption

Following the determination of the Auction Redemption Amount or the Final Auction Redemption Amount (as applicable) with respect to the Single Name Credit Linked Notes, the Issuer shall, or may cause the Agent to, deliver a notice in accordance with Credit Linked Condition 20 (*Notices*) to the Noteholders specifying the Auction Redemption Amount or the Final Auction Redemption Amount (as applicable) (including the Auction Final Price and, if applicable, Unwind Costs), provided that any failure to give such notice to the Agent or Noteholders shall not affect any determinations made by the Issuer and/or the Calculation Agent or the rights of the Issuer to redeem the Single Name Credit Linked Notes.

(ii) Cash Redemption

Following the determination of the Cash Redemption Amount or the Final Cash Redemption Amount (as applicable), the Issuer shall, or may cause the Agent to, deliver a notice in accordance with Credit Linked Condition 20 (Notices) to the Noteholders specifying, to the extent applicable:

(A) the Valuation Obligation(s) which were the subject of the Quotation;

(B) the Valuation Date;

(C) the Quotation Amount;

(D) the Quotations obtained;

(E) the Final Price (if applicable);

(F) the Fixed Recovery Percentage (if applicable);

(G) the Cash Redemption Amount or the Final Cash Redemption Amount (as applicable); and

(H) if applicable, any Unwind Costs.

(d) *Definitions*

For the purposes of the Single Name Credit Linked Notes only, the following terms have the meanings given in this Credit Linked Condition 3(d) (*Definitions*).

"**Aggregate Auction Recovery Amount**" means the aggregate of the Auction Recovery Amounts calculated in respect of the Credit Linked Notes.

"**Aggregate Cash Recovery Amount**" means the aggregate of the Cash Recovery Amounts calculated in respect of the Credit Linked Notes.

"**Auction Loss Amount**" means, in respect of each Single Name Credit Linked Note, an amount calculated by the Calculation Agent equal to A - B, where:

"A" is the Applicable Proportion of the Single Name Credit Linked Note; and

"B" is the Auction Recovery Amount.

"**Auction Recovery Amount**" means, in respect of each Single Name Credit Linked Note, an amount calculated by the Calculation Agent equal to A x B, where:

"A" is the Applicable Proportion of the Single Name Credit Linked Note; and

"B" is the Auction Final Price.

"**Auction Redemption Amount**" means, in respect of each Single Name Credit Linked Note, unless otherwise specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to the greater of (i) zero and (ii) the lesser of (a) A – B and (b) C, where:

"A" is the Auction Recovery Amount;

"B" is the Unwind Costs; and

"C" is the Applicable Proportion of the Single Name Credit Linked Note.

"**Auction Redemption Date**" means the date as notified by the Issuer that is not earlier than the Auction Settlement Date and not later than five Business Days following the Auction Settlement Date.

"**Cash Loss Amount**" means, in respect of each Single Name Credit Linked Note, an amount calculated by the Calculation Agent equal to A - B, where:

"A" is the Applicable Proportion of the Single Name Credit Linked Note; and

"B" is the Cash Recovery Amount.

"**Cash Recovery Amount**" means, in respect of each Single Name Credit Linked Note, an amount calculated by the Calculation Agent equal to A x B, where:

"A" is the Applicable Proportion of the Single Name Credit Linked Note; and

"B" is either (I) the Final Price, if "**Cash Redemption**" is specified as the Credit Event Redemption Method in the Final Terms or Cash Redemption is applicable as the Fallback Redemption Method, or (II) the Fixed Recovery Percentage, if "**Fixed Recovery Redemption**" is specified as the Credit Event Redemption Method in the applicable Final Terms.

"**Cash Redemption Amount**" means, in respect of each Single Name Credit Linked Note, unless otherwise specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to the greater of (i) zero and (ii) the lesser of (a) A – B and (b) C, where:

"A" is the Cash Recovery Amount;

"B" is the Unwind Costs; and

"C" is the Applicable Proportion of the Single Name Credit Linked Note.

"**Cash Redemption Date**" means (a) the date that is the number of Business Days specified in the applicable Final Terms (or, if a number of Business Days is not so specified, five Business Days) following the calculation of the Final Price, and (b) if Fixed Recovery Redemption is the Credit Event Redemption Method, the date that is the number of Business Days specified in the related applicable Final Terms (or, if a number of Business Days is not so specified, five Business Days) following (i) the Event Determination Date, or (ii) if the Event Determination Date occurs pursuant to sub-paragraph (a)(ii) of the definition of "**Event Determination Date**" or sub-paragraph (b)(i) of the definition of "**Non-Standard Event Determination Date**", the day on which the Applicable DC Credit Event Announcement occurs and (c) if "**Cash Redemption**" is

applicable as the Fallback Redemption Method, the date that is the number of Business Days specified in the related applicable Final Terms (or, if a number of Business Days is not so specified, five Business Days) following the Auction Cancellation Date or No Auction Announcement Date, if later.

"**Final Auction Redemption Amount**" means, in respect of each Single Name Credit Linked Note, unless otherwise specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to the greater of (i) zero and (ii) the lesser of (a) [A x B] + C – D and (b) the Specified Denomination of the Single Name Credit Linked Note, where:

"A" is the Specified Denomination of the Single Name Credit Linked Note;

"B" is the Redemption Percentage;

"C" is the Aggregate Auction Recovery Amount; and

"D" is the Aggregate Unwind Costs.

"**Final Auction Redemption Date**" means the later to occur of (A) the Auction Redemption Date and (B) the Scheduled Maturity Date.

"**Final Cash Redemption Amount**" means, in respect of each Single Name Credit Linked Note, unless otherwise specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to the greater of (i) zero and (ii) the lesser of (a) [A x B] + C – D and (b) the Specified Denomination of the Single Name Credit Linked Note, where:

"A" is the Specified Denomination of the Single Name Credit Linked Note;

"B" is the Redemption Percentage;

"C" is the Aggregate Cash Recovery Amount; and

"D" is the Aggregate Unwind Costs.

"**Final Cash Redemption Date**" means the later to occur of (A) the Cash Redemption Date and (B) the Scheduled Maturity Date.

"**Redemption Percentage**" means, on any day, an amount determined by the Calculation Agent as 100 per cent. minus the aggregate of all Exercise Amounts (expressed as a percentage) in respect of the Credit Linked Notes at such date.

4. Basket Credit Linked Notes

The provisions of this Credit Linked Condition 4 (*Basket Credit Linked Notes*) shall not apply to Single Name Credit Linked Notes or Index Tranche Credit Linked Notes.

(a) *Accrual of Interest on Credit Event*

(i) Credit Payment on Maturity Not Applicable

(A) If neither Principal Protection nor Credit Payment on Maturity does not apply and a Relevant Event Determination Date has occurred during the Notice Delivery Period but prior to the Scheduled Maturity Date then, notwithstanding anything to the contrary in Condition 3 (*Interest*), interest will cease to accrue on the Applicable Proportion of each Basket Credit Linked Note as at the Interest Suspension Payment Accrual Date.

For the avoidance of doubt, interest shall continue to accrue on any remaining portion of each Basket Credit Linked Note then outstanding in accordance with Condition 3 (*Interest*) until the earlier of (i) the Scheduled Maturity Date and (ii) the final Basket Auction Redemption Date or Basket Cash Redemption Date (as applicable).

(B) If Credit Payment on Maturity does not apply and Credit Linked Condition 4(a)(i)(A) applies:

I the Basket Auction Recovery Amount or Basket Cash Recovery Amount (as applicable) shall accrue interest at the Funding Interest Rate from, and including, the Interest Suspension Accrual Date to, but excluding, the Basket Auction Redemption Date or the Basket Cash Redemption Date (as applicable); and

II if "**Credit Event Deferred Interest on Loss Amount**" is specified in the Final Terms as applicable, the Basket Auction Loss Amount or Basket Cash Loss Amount (as applicable) shall accrue interest at the Funding Interest Rate from, and including, the Interest Suspension Accrual Date to, but excluding, the Auction Final Price Determination Date or the Final Price Determination Date (as applicable).

Interest accrued under this Credit Linked Condition 4(a)(i)(B) shall be payable: (i) if "**Credit Event Suspended Interest**" is specified in the Final Terms as not applicable, five Business Days after the relevant Basket Auction Redemption Date or Basket Cash Redemption Date (as applicable), or (ii) if "**Credit Event Suspended Interest**" is specified in the Final Terms as applicable, on the relevant Basket Auction Redemption Date or Basket Cash Redemption Date (as applicable).

(ii) Credit Payment on Maturity Applicable

(A) If Credit Payment on Maturity applies and a Relevant Event Determination Date has occurred during the Notice Delivery Period but prior to the Scheduled Maturity Date, notwithstanding that the Basket Cash Redemption Amount or Basket Auction Redemption Amount (as applicable) shall be payable on the Basket Final Cash Redemption Date or Basket Final Auction Redemption Date (as applicable), the Applicable Proportion of each Basket Credit Linked Note shall cease to accrue interest in accordance with Condition 3 (*Interest*) as at the Interest Suspension Accrual Date.

For the avoidance of doubt, interest shall continue to accrue on any remaining portion of the Basket Credit Linked Notes then outstanding in accordance with Condition 3 (*Interest*) until the earlier of (i) the Scheduled Maturity Date and (ii) the final Basket Auction Redemption Date or Basket Cash Redemption Date (as applicable).

(B) If Credit Payment on Maturity applies and Credit Linked Condition 4(a)(ii)(A) applies:

I the Basket Auction Recovery Amount or Basket Cash Recovery Amount (as applicable) shall accrue interest at the Funding Interest Rate from, and including, the Interest Suspension Accrual Date to, but excluding, the Interest Payment Date immediately following the Relevant Event Determination Date; and

II if "**Credit Event Deferred Interest on Loss Amount**" is specified in the Final Terms as applicable, the Basket Auction Loss Amount or Basket Cash Loss Amount (as applicable) shall accrue interest at the Funding Interest Rate from, and including, the Interest Suspension Accrual Date to, but excluding, the Auction Final Price Determination Date or the Final Price Determination Date (as applicable).

Interest accrued under this Credit Linked Condition 4(a)(ii)(B) shall be payable: (i) if "**Credit Event Suspended Interest**" is specified in the Final Terms as not applicable, five Business Days after the relevant Basket Auction Redemption Date or Basket Cash Redemption Date (as applicable), or (ii) if "**Credit Event Suspended Interest**" is specified in the Final Terms as applicable, on the Interest Payment Date following the Auction Final Price Determination Date or the Final Price Determination Date (as applicable), unless such Interest Payment Date falls less than five Business Days after the Auction Final Price Determination Date or Final Price Determination Date, in which case, such interest shall be payable on the second Interest Payment Date following the Auction Final Price Determination Date or the Final Price Determination Date (as applicable).

(C) If Credit Payment on Maturity applies and Credit Linked Condition 4(a)(ii)(A) applies, the Aggregate Auction Recovery Amount or the Aggregate Cash Recovery Amount (as applicable) shall accrue interest at the Funding Interest Rate in respect of each Interest Period from, and including, the Interest Payment Date immediately following the Auction Final Price Determination Date or Final Price Determination Date (as applicable) to, but excluding, the Basket Final Auction Redemption Date or Basket Final Cash Redemption Date (as applicable).

Interest accrued under this Credit Linked Condition 4(a)(ii)(C) shall be payable in arrear on each Interest Payment Date from, and including, the second Interest Payment Date following the Auction Final Price Determination Date or Final Price Determination Date (as applicable) to, and including, the Interest Payment Date immediately preceding the Basket Final Auction Redemption Date or Basket Final Cash Redemption Date (as applicable). Interest accrued for the period between the Interest Payment Date immediately preceding the Basket Final Auction Redemption Date or Basket Final Cash Redemption Date (as applicable) and the Basket Final Auction Redemption Date or Basket Final Cash Redemption Date (as applicable) shall be paid on the Basket Final Auction Redemption Date or Basket Final Cash Redemption Date (as applicable).

(b) *Redemption following a Credit Event*

Notwithstanding anything to the contrary in Condition 5 (*Redemption and Purchase*) and unless previously redeemed or purchased and cancelled, following the occurrence of a Relevant Event Determination Date, the Applicable Proportion of each Basket Credit Linked Note may be redeemed in accordance with the "**Auction Redemption**" Credit Event Redemption Method, the "**Cash Redemption**" Credit Event Redemption Method or the "**Fixed Recovery Redemption**" Credit Event Redemption Method, as specified in the Final Terms.

(i) Auction Redemption

(A) Credit Payment on Maturity Not Applicable

If Credit Payment on Maturity does not apply, following the occurrence of a Relevant Event Determination Date, the Issuer shall redeem the Applicable Proportion of each Basket Credit Linked Note by payment of the Basket Auction Redemption Amount.

The outstanding portion of each Basket Credit Linked Note shall be redeemed at its *pro rata* share of the Outstanding Aggregate Nominal Amount on the Basket Final Auction Redemption Date, subject to the occurrence of further Credit Events in respect of any Reference Entities.

Payment by the Issuer of the Basket Auction Redemption Amount on the relevant Basket Auction Redemption Date, or, if the Basket Auction Redemption Amount is zero, the occurrence of the Basket Auction Redemption Date, shall fully and effectively discharge the Issuer's obligation to redeem the Applicable Proportion of the relevant Basket Credit Linked Note.

(B) Credit Payment on Maturity Applicable

If Credit Payment on Maturity applies, following the occurrence of a Relevant Event Determination Date, then the Issuer shall redeem each Basket Credit Linked Note in whole on the Basket Final Auction Redemption Date at the Basket Final Auction Redemption Amount.

(ii) Cash Redemption

(A) Credit Payment on Maturity Not Applicable

If Credit Payment on Maturity does not apply, following the occurrence of a Relevant Event Determination Date, the Issuer shall redeem the Applicable Proportion of each Basket Credit Linked Note by payment of the Basket Cash Redemption Amount.

The outstanding portion of each Basket Credit Linked Note shall be redeemed at its *pro rata* share of the Outstanding Aggregate Nominal Amount on the Basket Final Cash Redemption Date, subject to the occurrence of further Credit Events in respect of any Reference Entities.

Payment by the Issuer of the Basket Cash Redemption Amount on the relevant Basket Cash Redemption Date, or, if the Basket Cash Redemption Amount is zero, the occurrence of the Basket Cash Redemption Date, shall fully and effectively discharge the Issuer's obligation to redeem the Applicable Proportion of the relevant Basket Credit Linked Note.

(B) Credit Payment on Maturity Applicable

If Credit Payment on Maturity applies, following the occurrence of a Relevant Event Determination Date, then the Issuer shall redeem each Basket Credit Linked Note in whole on the Basket Final Cash Redemption Date at the Basket Final Cash Redemption Amount.

(iii) Fixed Recovery Redemption

If "**Fixed Recovery Redemption**" is specified as the Credit Event Redemption Method in the applicable Final Terms, then, following the occurrence of a Relevant Event Determination Date, redemption of the Applicable Proportion of each Basket Credit Linked Note shall take place in accordance with Credit Linked Condition 4(b)(ii) (*Redemption Following a Credit Event – Cash Redemption*), provided that the Basket Cash Redemption Amount shall be determined using the Fixed Recovery Percentage specified in the applicable Final Terms instead of the Final Price, as further set out in the definition of Basket Cash Redemption Amount in Credit Linked Condition 4(d) (*Definitions*).

(c) *Notice of Redemption Amount*

(i) Auction Redemption

Following the determination of the Basket Auction Redemption Amount or the Basket Final Auction Redemption Amount (as applicable), the Issuer shall, or may cause the Agent to, deliver a notice in accordance with Credit Linked Condition 20 (*Notices*) to the Noteholders specifying the relevant Basket Auction

Redemption Amount or Basket Final Auction Redemption Amount, including the Auction Final Price and the Unwind Costs (provided that any failure to give such notice to the Agent or Noteholders shall not affect any determinations made by the Issuer and/or the Calculation Agent or the rights of the Issuer to redeem the Basket Credit Linked Notes or the Applicable Proportion thereof).

(ii) Cash Redemption

Following the determination of the Basket Cash Redemption Amount or the Basket Final Cash Redemption Amount (as applicable), the Issuer shall, or may cause the Agent to, deliver a notice in accordance with Credit Linked Condition 20 (*Notices*) to the Noteholders specifying, to the extent applicable:

(A) the Valuation Obligation(s) which were the subject of the Quotation;

(B) the Valuation Date;

(C) the Quotation Amount;

(D) the Quotations obtained;

(E) the Final Price (if applicable);

(F) the Fixed Recovery Percentage (if applicable);

(G) the Basket Cash Redemption Amount or Basket Final Cash Redemption Amount (as applicable); and

(H) if applicable, any Unwind Costs.

(d) *Definitions*

For the purposes of the Basket Credit Linked Notes only, the following terms have the meanings given in this Credit Linked Condition 4(d) (*Definitions*).

"**Aggregate Auction Recovery Amount**" means the aggregate of the Auction Recovery Amounts calculated for each Reference Entity in respect of which a Relevant Credit Event and a Relevant Event Determination Date has occurred.

"**Aggregate Cash Recovery Amount**" means the aggregate of the Cash Recovery Amounts calculated for each Reference Entity in respect of which a Relevant Credit Event and a Relevant Event Determination Date has occurred.

"**Basket Auction Loss Amount**" means, in respect of each Basket Credit Linked Note, an amount calculated by the Calculation Agent equal to A - B, where:

"A" is the Applicable Proportion of the Basket Credit Linked Note; and

"B" is the Basket Auction Recovery Amount.

"**Basket Auction Recovery Amount**" means, in respect of each Basket Credit Linked Note, an amount calculated by the Calculation Agent equal to A x B, where:

"A" is the Applicable Proportion of the Basket Credit Linked Note; and

"B" is the Auction Final Price.

"**Basket Auction Redemption Amount**" means, in respect of each Basket Credit Linked Note, unless otherwise specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to the greater of (i) zero and (ii) the lesser of (a) A – B and (b) C, where:

"A" is the Basket Auction Recovery Amount;

"B" is the Unwind Costs; and

"C" is the Applicable Proportion of the Basket Credit Linked Note.

"**Basket Auction Redemption Date**" means, in respect of a Reference Entity and a Credit Event, the date that is the number of Business Days specified in the related applicable Final Terms (or, if a number of Business Days is not so specified, five Business Days) following the Basket Auction Redemption Date, any Auction Cancellation Date or any No Auction Announcement Date, if later.

"**Basket Cash Loss Amount**" means, in respect of each Basket Credit Linked Note, an amount calculated by the Calculation Agent equal to A - B, where:

"A" is the Applicable Proportion of the Basket Credit Linked Note; and

"B" is the Basket Cash Recovery Amount.

"**Basket Cash Recovery Amount**" means, in respect of each Basket Credit Linked Note, an amount calculated by the Calculation Agent equal to A - B, where:

"A" is the Applicable Proportion of the Basket Credit Linked Note; and

"B" is either (I) the Final Price, if "**Cash Redemption**" is specified as the Credit Event Redemption Method in the Final Terms or Cash Redemption is applicable as the Fallback Redemption Method, or (II) the Fixed Recovery Percentage, if "**Fixed Recovery Redemption**" is specified as the Credit Event Redemption Method in the applicable Final Terms.

"**Basket Cash Redemption Amount**" means, in respect of each Basket Credit Linked Note, unless otherwise specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to the greater of (i) zero and (ii) the lesser of (a) A – B and (b) C, where:

"A" is the Basket Cash Recovery Amount;

"B" is the Unwind Costs; and

"C" is the Applicable Proportion of the Basket Credit Linked Note.

"**Basket Cash Redemption Date**" means, in respect of a Reference Entity and a Credit Event, (i) if "**Cash Redemption**" is the Credit Event Redemption Method or the Fallback Redemption Method, the date that is the number of Business Days specified in the applicable Final Terms (or, if a number of Business Days is not so specified, five Business Days) following the calculation of the applicable Final Price; or (ii) if Fixed Recovery Redemption is the Credit Event Redemption Method, the date that is the number of Business Days specified in the Final Terms (or, if a number of Business Days is not so specified, five Business Days) following (a) the Event Determination Date, or (b) if the Event Determination Date occurs pursuant to sub-paragraph (a)(ii) of the definition of "**Event Determination Date**" or sub-paragraph (b)(i) of the definition of "**Non-Standard Event Determination Date**", the day on which the Applicable DC Credit Event Announcement occurs.

"**Basket Final Auction Redemption Amount**" means, in respect of each Basket Credit Linked Note, unless otherwise specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to the greater of (i) zero and (ii) the lesser of (a) [A x B] + C – D and (b) the Specified Denomination of the Basket Credit Linked Note, where:

"A" is the Specified Denomination of the Basket Credit Linked Note;

"B" is the Redemption Percentage;

"C" is the Aggregate Auction Recovery Amount; and

"D" is the Aggregate Unwind Costs.

"**Basket Final Auction Redemption Date**" means the later to occur of (A) the Basket Auction Redemption Date with respect to the final Credit Event occurring in respect of a Reference Entity and (B) the Scheduled Maturity Date.

"**Basket Final Cash Redemption Amount**" means, in respect of each Basket Credit Linked Note, unless otherwise specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to the greater of (i) zero and (ii) the lesser of (a) [A x B] + C – D and (b) the Specified Denomination of the Basket Credit Linked Note, where:

"A" is the Specified Denomination of the Basket Credit Linked Note;

"B" is the Redemption Percentage;

"C" is the Aggregate Cash Recovery Amount; and

"D" is the Aggregate Unwind Costs.

"**Basket Final Cash Redemption Date**" means the later to occur of (A) the Basket Cash Redemption Date with respect to the final Credit Event occurring in respect of a Reference Entity and (B) the Scheduled Maturity Date.

"**Redemption Percentage**" means an amount determined by the Calculation Agent as 100 per cent. minus the aggregate of the Weightings (each expressed as a percentage) of each of the Reference Entities in respect of which a Relevant Credit Event and a Relevant Event Determination Date has occurred.

5. Index Tranche Credit Linked Notes

The provisions of this Credit Linked Condition 5 (*Index Tranche Credit Linked Notes*) shall not apply to Single Name Credit Linked Notes or Basket Credit Linked Notes.

(a) Accrual of Interest on Credit Event

(i) Credit Payment on Maturity Not Applicable

(A) If Credit Payment on Maturity does not apply, on the occurrence of a Credit Event and an Event Determination Date in relation to a Reference Entity, if the Calculation Agent determines that there is an Index Tranche Incurred Loss Amount or Index Tranche Incurred Recovery Amount with respect to such Reference Entity, for the purposes of calculating the interest due on the Index Tranche Credit Linked Notes, each Index Tranche Credit Linked Note then outstanding shall be reduced by its *pro rata* share of the Principal Writedown Amount with effect from the Interest Suspension Accrual Date.

For the avoidance of doubt, interest shall continue to accrue on the Outstanding Aggregate Nominal Amount in accordance with Condition 3 (*Interest*) until the earlier of (i) the Scheduled Maturity Date and (ii) the final Index Tranche Auction Redemption Date or final Index Tranche Cash Redemption Date (as applicable).

(B) If Credit Payment on Maturity does not apply and Credit Linked Condition 5(a)(i)(A) applies:

I the Index Tranche Levered Incurred Recovery Amount shall accrue interest at the Funding Interest Rate from, and including, the Interest Suspension Accrual Date to, but excluding, the Index

Tranche Auction Redemption Date or the Index Tranche Cash Redemption Date (as applicable); and

II if "**Credit Event Deferred Interest on Loss Amount**" is specified in the Final Terms as applicable, the Index Tranche Levered Incurred Loss Amount shall accrue interest at the Funding Interest Rate from, and including, the Interest Suspension Accrual Date to, but excluding, the Auction Final Price Determination Date or the Final Price Determination Date (as applicable).

Interest accrued under this Credit Linked Condition 5(a)(i)(B) shall be payable on the Interest Payment Date immediately following the relevant Index Tranche Auction Redemption Date or Index Tranche Cash Redemption Date (as applicable).

(ii) Credit Payment on Maturity Applicable

(A) If Credit Payment on Maturity applies, on the occurrence of a Credit Event and an Event Determination Date in relation to a Reference Entity, if the Calculation Agent determines that there is an Index Tranche Incurred Loss Amount or Index Tranche Incurred Recovery Amount with respect to such Reference Entity, for the purposes of calculating the interest due on the Index Tranche Credit Linked Notes, notwithstanding that the Index Tranche Final Redemption Amount shall be payable on the Index Tranche Final Auction Redemption Date or Index Tranche Final Cash Redemption Date (as applicable), each Index Tranche Credit Linked Note then outstanding shall be reduced by its *pro rata* share of the Principal Writedown Amount with effect from the Interest Suspension Accrual Date.

For the avoidance of doubt, interest shall continue to accrue on the Outstanding Aggregate Nominal Amount in accordance with Condition 3 (*Interest*) until the earlier of (i) the Scheduled Maturity Date and (ii) the final Index Tranche Auction Redemption Date or final Index Tranche Cash Redemption Date (as applicable).

(B) If Credit Payment on Maturity applies and Credit Linked Condition 5(a)(ii)(A) applies:

I the Index Tranche Levered Incurred Recovery Amount shall accrue interest at the Funding Interest Rate from, and including, the Interest Suspension Accrual Date to, but excluding, the Interest Payment Date immediately following the Relevant Event Determination Date; and

II if "**Credit Event Deferred Interest on Loss Amount**" is specified in the Final Terms as applicable, the Index Tranche Levered Incurred Loss Amount shall accrue interest at the Funding Interest Rate from, and including, the Interest Suspension Accrual Date to, but excluding, the Auction Final Price Determination Date or the Final Price Determination Date (as applicable).

Interest accrued under this Credit Linked Condition 5(a)(ii)(B) shall be payable on the Interest Payment Date immediately following the Auction Final Price Determination Date or the Final Price Determination Date (as applicable), unless such Interest Payment Date falls less than five Business Days after the Auction Final Price Determination Date or Final Price Determination Date, in which case, such interest shall be payable on the second Interest Payment Date following the Auction Final Price

Determination Date or the Final Price Determination Date (as applicable).

(C) If Credit Payment on Maturity applies and Credit Linked Condition 5(a)(ii)(A) applies, the Aggregate Index Tranche Levered Incurred Recovery Amount shall accrue interest at the Funding Interest Rate in respect of each Interest Period from, and including, the Interest Payment Date immediately following the Auction Final Price Determination Date or Final Price Determination Date (as applicable) to, but excluding, the Index Tranche Final Auction Redemption Date or Index Tranche Final Cash Redemption Date (as applicable).

Interest accrued under this Credit Linked Condition 5(a)(ii)(C) shall be payable in arrear on each Interest Payment Date from, and including, the second Interest Payment Date following the Auction Final Price Determination Date or Final Price Determination Date (as applicable) to, and including, the Interest Payment Date immediately preceding the Index Tranche Final Auction Redemption Date or Index Tranche Final Cash Redemption Date (as applicable). Interest accrued for the period between the Interest Payment Date immediately preceding the Index Tranche Final Auction Redemption Date or Index Tranche Final Cash Redemption Date (as applicable) and the Index Tranche Final Auction Redemption Date or Index Tranche Final Cash Redemption Date (as applicable) shall be paid on the Index Tranche Final Auction Redemption Date or Index Tranche Final Cash Redemption Date (as applicable).

(b) *Redemption following a Credit Event*

Notwithstanding anything to the contrary in Condition 5 (*Redemption and Purchase*) and unless previously redeemed or purchased and cancelled, following the occurrence of a Relevant Event Determination Date, Index Tranche Credit Linked Notes may be redeemed in accordance with the "**Auction Redemption**" Credit Event Redemption Method, the "**Cash Redemption**" Credit Event Redemption Method or the "**Fixed Recovery Redemption**" Credit Event Redemption Method as specified in the Final Terms.

(i) Auction Redemption

(A) Credit Payment on Maturity Not Applicable

If Credit Payment on Maturity does not apply, on the relevant Index Tranche Auction Redemption Date, the Issuer shall redeem the Applicable Proportion of each Index Tranche Credit Linked Note by payment of the Index Tranche Redemption Amount (if any). The outstanding portion of each Index Tranche Credit Linked Note shall be redeemed at its *pro rata* share of the Outstanding Aggregate Nominal Amount on the Maturity Date, subject to the occurrence of further Credit Events in respect of any Reference Entities. Payment by the Issuer of the Index Tranche Redemption Amount on the relevant Index Tranche Auction Redemption Date, or if the Index Tranche Redemption Amount is zero, the occurrence of the Index Tranche Auction Redemption Date, shall fully and effectively discharge the Issuer's obligation to redeem the Applicable Proportion of the relevant Index Tranche Credit Linked Note.

If, as a result of a Credit Event in respect of a Reference Entity, the Calculation Agent determines that the Outstanding Aggregate Nominal Amount will be reduced to zero, the Index Tranche Credit Linked Notes shall be redeemed by payment of the final Index Tranche Redemption Amount on the relevant Index Tranche Auction Redemption Date (together with any accrued interest calculated to, but excluding, the relevant Index Tranche Auction Redemption Date) and no further amount (including any Final Redemption Amount) shall be payable on

the Index Tranche Credit Linked Notes. Upon payment of the final Index Tranche Redemption Amount, the Issuer shall have discharged its obligation in respect of such Index Tranche Credit Linked Note and shall have no further liability or obligation in respect thereof.

(B) Credit Payment on Maturity Applicable

If Credit Payment on Maturity applies, following the occurrence of a Relevant Event Determination Date, then the Issuer shall redeem each Index Tranche Credit Linked Note in whole on the Index Tranche Final Auction Redemption Date at the Index Tranche Final Redemption Amount.

(ii) Cash Redemption

(A) Credit Payment on Maturity Not Applicable

If Credit Payment on Maturity does not apply, on the relevant Index Tranche Cash Redemption Date, the Issuer shall redeem the Applicable Proportion of each Index Tranche Credit Linked Note by payment of the Index Tranche Redemption Amount (if any). The outstanding portion of each Index Tranche Credit Linked Note shall be redeemed at its *pro rata* share of the Outstanding Aggregate Nominal Amount on the Maturity Date, subject to the occurrence of further Credit Events in respect of any Reference Entities. Payment by the Issuer of the Index Tranche Redemption Amount on the Index Tranche Cash Redemption Date, or if the Index Tranche Redemption Amount is zero, the occurrence of the Index Tranche Cash Redemption Date, shall fully and effectively discharge the Issuer's obligation to redeem the Applicable Proportion of the relevant Index Tranche Credit Linked Note.

If, as a result of a Credit Event in respect of a Reference Entity, the Calculation Agent determines that the Outstanding Aggregate Nominal Amount will be reduced to zero, the Index Tranche Credit Linked Notes shall be redeemed by payment of the final Index Tranche Redemption Amount on the relevant Index Tranche Cash Redemption Date (together with any accrued interest calculated to, but excluding, the relevant Index Tranche Cash Redemption Date) and no further amount (including any Final Redemption Amount) shall be payable on the Index Tranche Credit Linked Notes. Upon payment of the final Index Tranche Redemption Amount, the Issuer shall have discharged its obligation in respect of such Index Tranche Credit Linked Note and shall have no further liability or obligation in respect thereof.

(B) Credit Payment on Maturity Applicable

If Credit Payment on Maturity applies, following the occurrence of a Relevant Event Determination Date, then the Issuer shall redeem each Index Tranche Credit Linked Note in whole on the Index Tranche Final Cash Redemption Date at the Index Tranche Final Redemption Amount.

(iii) Fixed Recovery Redemption

If "**Fixed Recovery Redemption**" is specified as the Credit Event Redemption Method in the applicable Final Terms, then, following the occurrence of a Relevant Event Determination Date, redemption of the Applicable Proportion of each Index Tranche Credit Linked Note shall take place in accordance with Credit Linked Condition 5(b)(ii) (*Redemption Following a Credit Event – Cash Redemption*), provided that the Loss Amount and the Recovery Amount shall be determined using the Fixed Recovery Percentage specified in the applicable Final Terms instead of the Auction Final Price or Final Price, as further set out in the

definitions of Loss Amount and Recovery Amount in Credit Linked Condition 5(d) (*Definitions*).

(c) *Notice of Index Tranche Redemption Amount*

(i) Auction Redemption

Following the determination of the Index Tranche Redemption Amount or the Index Tranche Final Redemption Amount (as applicable), the Issuer shall, or may cause the Agent to, deliver a notice in accordance with Condition 20 (Notices) to the Noteholders specifying the relevant Index Tranche Redemption Amount or Index Tranche Final Redemption Amount, including the Auction Final Price and the Unwind Costs (provided that any failure to give such notice to the Agent or Noteholders shall not affect any determinations made by the Issuer and/or the Calculation Agent or the rights of the Issuer to redeem the Index Tranche Credit Linked Notes or the Applicable Proportion thereof).

(ii) Cash Redemption

Following the determination of the Index Tranche Redemption Amount or the Index Tranche Final Redemption Amount (as applicable), the Issuer shall, or may cause the Agent to, deliver a notice in accordance with Credit Linked Condition 20 (*Notices*) to the Noteholders specifying, to the extent applicable:

(A) the Valuation Obligation(s) which were the subject of the Quotation;

(B) the Valuation Date;

(C) the Quotation Amount;

(D) the Quotations obtained;

(E) the Final Price (if applicable);

(F) the Fixed Recovery Percentage (if applicable);

(G) the Index Tranche Redemption Amount or Index Tranche Final Redemption Amount (as applicable); and

(H) if applicable, any Unwind Costs.

(d) *Definitions*

For the purposes of the Index Tranche Credit Linked Notes only, the following terms have the meanings given in this Credit Linked Condition 5(d) (*Definitions*).

"**Aggregate Index Tranche Levered Incurred Recovery Amount**" means the aggregate of all Index Tranche Levered Incurred Recovery Amounts calculated with respect to all Reference Entities for such Index Tranche Credit Linked Note.

"**Aggregate Loss Amount**" means the aggregate of all Loss Amounts calculated with respect to all Reference Entities for such Index Tranche Credit Linked Note.

"**Aggregate Recovery Amount**" means, at any time on any day, the aggregate of all Recovery Amounts calculated with respect to all Reference Entities for such Index Tranche Credit Linked Note.

"**Attachment Point**" means the percentage specified as such in the Final Terms.

"**Detachment Point**" means the percentage specified as such in the Final Terms.

"**Index Tranche Auction Redemption Date**" means, in respect of a Reference Entity and a Credit Event, the date that is the number of Business Days specified in the related

applicable Final Terms (or, if a number of Business Days is not so specified, five Business Days) following the Auction Settlement Date, any Auction Cancellation Date or any No Auction Announcement Date, if later; or (iv) such other date as is specified in the Final Terms.

"**Index Tranche Cash Redemption Date**" means, in respect of a Reference Entity and a Credit Event, (i) if "**Cash Redemption**" is the Credit Event Redemption Method or the Fallback Redemption Method, the date that is the number of Business Days specified in the applicable Final Terms (or, if a number of Business Days is not so specified, five Business Days) following the calculation of the applicable Final Price; and (ii) if Fixed Recovery Redemption is the Credit Event Redemption Method, the date that is the number of Business Days specified in the Final Terms (or, if a number of Business Days is not so specified, five Business Days) following (a) the Event Determination Date, or (b) if the Event Determination Date occurs pursuant to sub-paragraph (a)(ii) of the definition of "**Event Determination Date**" or sub-paragraph (b)(i) of the definition of "**Non-Standard Event Determination Date**", the day on which the Applicable DC Credit Event Announcement occurs.

"**Index Tranche Final Auction Redemption Date**" means the later to occur of (A) the Index Tranche Auction Redemption Date with respect to the final Credit Event occurring in respect of a Reference Entity and (B) the Scheduled Maturity Date.

"**Index Tranche Final Cash Redemption Date**" means the later to occur of (A) the Index Tranche Cash Redemption Date with respect to the final Credit Event occurring in respect of a Reference Entity and (B) the Scheduled Maturity Date.

"**Index Tranche Final Redemption Amount**" shall be an amount calculated by the Calculation Agent equal to the greater of (i) zero and (ii) the lesser of (a) A + B – C and (b) the Outstanding Aggregate Nominal Amount, where:

"A" is the Outstanding Aggregate Nominal Amount;

"B" is the Aggregate Index Tranche Levered Incurred Recovery Amount; and

"C" is the Aggregate Unwind Costs, if applicable.

"**Index Tranche Incurred Loss Amount**" means, unless otherwise specified in the Final Terms, in respect of a Reference Entity in respect of which a Relevant Credit Event and an Event Determination Date has occurred, an amount equal to the lower of:

(i) the Loss Amount in respect of the affected Reference Entity;

(ii) the Aggregate Loss Amount (including the Loss Amount for the affected Reference Entity) minus the Loss Threshold Amount (subject to a minimum of zero); and

(iii) the Tranche Size.

"**Index Tranche Incurred Recovery Amount**" means, unless otherwise specified in the Final Terms, in respect of a Reference Entity in respect of which a Credit Event and an Event Determination Date have occurred an amount calculated by the Calculation Agent which is equal to the lower of:

(i) the Recovery Amount in respect of the affected Reference Entity;

(ii) the Aggregate Recovery Amount (calculated taking into account the Recovery Amount for such affected Reference Entity) minus the Recovery Threshold Amount (subject to a minimum of zero); and

(iii) the Outstanding Aggregate Nominal Amount (prior to any reduction thereto in respect of such affected Reference Entity).

"**Index Tranche Levered Incurred Loss Amount**" means the product of (i) the Index Tranche Incurred Loss Amount and (ii) the Leverage.

"**Index Tranche Levered Incurred Recovery Amount**" means the product of (i) the Index Tranche Incurred Recovery Amount and (ii) the Leverage.

"**Index Tranche Redemption Amount**" shall be an amount calculated by the Calculation Agent equal to the greater of (i) zero and (ii) the lesser of (a) A – B and (b) C, where,

"A" is the Index Tranche Levered Incurred Recovery Amount;

"B" is the Unwind Costs; and

"C" is the Applicable Proportion of the Index Tranche Credit Linked Note.

"**Leverage**" means the percentage specified as such in the Final Terms, provided that if no percentage is specified or "**Leverage**" is specified as "Not Applicable" then, for the purposes of this Credit Linked Condition 5 (*Index Tranche Credit Linked Notes*), the Leverage shall be 100 per cent.

"**Levered Tranche Size**" means the product of (i) the Tranche Size and (ii) the Leverage.

"**Loss Amount**" means, with respect to a Reference Entity (subject, in each case, to a minimum of zero), (a) if "**Auction Redemption**" is specified as the Credit Event Redemption Method, an amount equal to the product of (i) 100 per cent. minus the Auction Final Price and (ii) the Reference Entity Notional Amount for that Reference Entity, (b) if "**Cash Redemption**" is specified as the Credit Event Redemption Method, or if Cash Redemption applies as the Fallback Redemption Method, an amount equal to the product of (i) 100 per cent. minus the Final Price and (ii) the Reference Entity Notional Amount for that Reference Entity, and (c) if "**Fixed Recovery Redemption**" is specified as the Credit Event Redemption Method, an amount equal to the product of (i) 100 per cent. minus the Fixed Recovery Percentage and (ii) the Reference Entity Notional Amount for that Reference Entity.

"**Loss Threshold Amount**" means the amount specified in the Final Terms which shall be the product of the Original Aggregate Nominal Amount and the Attachment Point.

"**Principal Writedown Amount**" means, in respect of a Reference Entity and a Credit Event, the sum of the Index Tranche Levered Incurred Recovery Amount and the Index Tranche Levered Incurred Loss Amount in respect of the Reference Entity in respect of which the Relevant Credit Event has occurred.

"**Recovery Amount**" means, with respect to an Index Tranche Credit Linked Note and a Reference Entity, (a) if "**Auction Redemption**" is specified as the Credit Event Redemption Method, an amount equal to the lower of 100 per cent. and the Auction Final Price, multiplied by the Reference Entity Notional Amount for that Reference Entity, (b) if "**Cash Redemption**" is specified as the Credit Event Redemption Method, or if Cash Redemption applies as the Fallback Redemption Method, an amount equal to the lower of 100 per cent. and the Final Price, multiplied by the Reference Entity Notional Amount for that Reference Entity, and (c) if "**Fixed Recovery Redemption**" is specified as the Credit Event Redemption Method, an amount equal to the lower of 100 per cent. and the Fixed Recovery Percentage, multiplied by the Reference Entity Notional Amount for that Reference Entity.

"**Recovery Threshold Amount**" means the amount specified in the Final Terms which shall be the product of (a) the Original Aggregate Nominal Amount and (b) 100 per cent. minus the Detachment Point.

"**Reference Entity Notional Amount**" means, with respect to each Reference Entity, the product of the Original Aggregate Nominal Amount and the Weighting for such Reference Entity.

"**Tranche Size**" means the amount specified in the Final Terms which shall be (a) the Original Aggregate Nominal Amount of the Index Tranche Credit Linked Notes multiplied by (b) the Detachment Point minus the Attachment Point.

6. Credit Event Notice and Notice of Publicly Available Information

(a) If a Credit Event Notice and, if applicable, a Notice of Publicly Available Information is required to be delivered for an Event Determination Date to occur, the Issuer shall deliver a Credit Event Notice and, if applicable, a Notice of Publicly Available Information to the Agent and the Agent will deliver a copy of the Credit Event Notice and, if applicable, the Notice of Publicly Available Information to the Noteholders in accordance with Credit Linked Condition 20 (*Notices*) (provided that failure to deliver a copy of such Credit Event Notice and/or such Notice of Publicly Available Information to the Noteholders shall not affect the effectiveness of the Credit Event Notice and/or the Notice of Publicly Available Information, as determined by the Issuer and/or the Calculation Agent, or the rights of the Issuer to redeem the Credit Linked Notes (or, with respect to the Basket Credit Linked Notes or Index Tranche Credit Linked Notes or if the Credit Event is an M(M)R Restructuring Credit Event, the Applicable Proportion thereof)).

(b) If a Credit Event Notice is not required to be delivered in order for an Event Determination Date to occur, then the Issuer shall give written notice not less than five Business Days prior to the date for redemption of the Notes (or a portion thereof) containing the same information required to be included in a Credit Event Notice to the Agent and the Agent will deliver a copy of such notice to the Noteholders in accordance with Credit Linked Condition 20 (*Notices*) (provided that any failure to give such notice to the Agent or Noteholders shall not affect any determinations made by the Issuer and/or the Calculation Agent or the rights of the Issuer to redeem the Credit Linked Notes (or, with respect to the Basket Credit Linked Notes or Index Tranche Credit Linked Notes or if the Credit Event is an M(M)R Restructuring Credit Event, the Applicable Proportion thereof)).

(c) The Calculation Agent's determination of a Credit Event will, in the absence of manifest error and subject to the definition of "**Event Determination Date**", be conclusive and binding on all persons (including, without limitation, the Agent and each Noteholder).

(d) None of the Issuer, the Calculation Agent, the Agent and the Paying Agents will have any liability whatsoever for the failure of the Calculation Agent for any reason to determine that a Credit Event has occurred or with respect to the Issuer's timing as to when to deliver a Credit Event Notice (or any such other notice required to be delivered by the Issuer to the Agent, the Noteholder(s) or any other party in accordance with these Credit Linked Conditions including a Notice of Publicly Available Information) nor will they have any duty or responsibility to investigate or check whether any Credit Event has, or may have, occurred or may be continuing. In addition, the failure of the Issuer or the Agent to deliver the Credit Event Notice shall not affect the effectiveness of any determination made, or any other notice delivered, by the Issuer or the Calculation Agent in respect of a relevant Reference Entity.

7. Relevant Time

(a) Subject to Credit Linked Condition 20 (*Notices*) and Credit Linked Condition 7(b) (*Relevant Time*), in order to determine the day on which an event occurs for purposes of these Credit Linked Conditions, the demarcation of days shall be made by reference to Greenwich Mean Time (or Tokyo time if the Calculation Agent determines that Tokyo time is the market convention with respect to the relevant Reference Entity), irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.

(b) Notwithstanding the definition of "**Credit Event Notice**" and Credit Linked Condition 7(a) (*Relevant Time*), if a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or Tokyo time if the Calculation Agent determines that Tokyo time is the

market convention with respect to the relevant Reference Entity), irrespective of the time zone of its place of payment.

8. Event Determination Date Adjustment Payment

If, following the determination of an Event Determination Date, such Event Determination Date is deemed either to have occurred on a date that is different from the date that was originally determined to be the Event Determination Date or not to have occurred, or an Event Determination Date is deemed to have occurred prior to a preceding Interest Payment Date, the Calculation Agent will determine (A) the adjustment payment, if any, that is payable to reflect any change that may be necessary to the amount previously calculated and/or paid in respect of the relevant Series and (B) the date in which such adjustment payment is payable, if any. For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any such adjustment payment.

9. Maturity Date Extension

(a) Where the Calculation Agent determines on or prior to the Scheduled Maturity Date, in its sole and absolute discretion, that one or more Reference Entities is or may be subject to (i) a Credit Event, (ii) if "**Grace Period Extension**" is specified as being applicable in the applicable Final Terms, a Potential Failure to Pay or, (iii) if "**Repudiation/Moratorium**" is specified as being applicable in the applicable Final Terms, a Potential Repudiation/Moratorium, it shall notify the Agent and the Credit Linked Notes then outstanding shall not be redeemed on the Scheduled Maturity Date but shall be redeemed instead on the Extended Maturity Date.

(b) If any amount is payable on the Scheduled Maturity Date of a Credit Linked Note to which the provisions of this Credit Linked Condition 9 (*Maturity Date Extension*) apply, such amount shall fall due on the Extended Maturity Date and shall be payable without any interest or other sum payable in respect of the postponement of the payment of such amount.

10. M(M)R Restructuring Credit Event

(a) *Credit Event Notice after M(M)R Restructuring Credit Event*

Upon the occurrence of an M(M)R Restructuring, the Issuer may deliver multiple Credit Event Notices with respect to such M(M)R Restructuring Credit Event, each such Credit Event Notice setting forth the amount of the Original Aggregate Nominal Amount of the Credit Linked Notes to which such Credit Event Notice applies which may, if the Notes are Single Name Credit Linked Notes, be less than the Original Aggregate Nominal Amount of such Credit Linked Notes or, if the Notes are Basket Credit Linked Notes or Index Tranche Credit Linked Notes, may be less than the Reference Entity Notional Amount of the affected Reference Entity (the aggregate of such amounts with respect to a Series, the "**Exercise Amount**"); provided that if the Credit Event Notice does not specify an Exercise Amount, then either (i) if the Notes are Single Name Credit Linked Notes, the Outstanding Aggregate Nominal Amount of the Credit Linked Notes outstanding immediately prior to the delivery of such Credit Event Notice or (ii) if the Notes are Basket Credit Linked Notes or Index Tranche Credit Linked Notes, the relevant Reference Entity Notional Amount outstanding in respect of the affected Reference Entity, (and, in either case, not a portion thereof) will be deemed to have been specified as the Exercise Amount. Accordingly, notwithstanding anything to the contrary in these Credit Linked Conditions, where an M(M)R Restructuring Credit Event has occurred and the Issuer has delivered a Credit Event Notice for an Exercise Amount that is less than (i) the Original Aggregate Nominal Amount of the Notes, or (ii) the Reference Entity Notional Amount outstanding in respect of the affected Reference Entity, in each case as at the date immediately prior to the delivery of such Credit Event Notice, as applicable, the provisions of these Credit Linked Conditions shall be deemed to apply to a principal amount of the Notes equal to the Exercise Amount only and all the provisions shall be construed accordingly.

(b) *Redemption of Notes following partial exercise*

If the Issuer has delivered a Credit Event Notice in respect of an M(M)R Restructuring that specifies an Exercise Amount that is less than the Original Aggregate Nominal Amount of the Credit Linked Notes and, in the case of Single Name Credit Linked Notes, only one Reference Entity is specified for the Credit Linked Notes, or, in the case of Basket Credit Linked Notes or Index Tranche Credit Linked Notes, in relation to a Reference Entity that specifies an Exercise Amount that is less than such Reference Entity's Reference Entity Notional Amount), then:

(i) the relevant provisions of Credit Linked Conditions 3 (*Single Name Credit Linked Notes*), 4 (*Basket Credit Linked Notes*) and 5 (*Index Tranche Credit Linked Notes*) relating to Redemption of Credit Linked Notes shall apply to the Exercise Amount, including for the purposes of calculating the Redemption Amount to be Delivered to Noteholders. In such circumstances, the Calculation Agent may adjust such provisions of the Credit Linked Conditions and/or applicable Final Terms as it determines appropriate to take account of this Credit Linked Condition 10 (*M(M)R Restructuring Credit Event*), including the basis of the calculation of any Redemption Amount;

(ii) following any payment of a Redemption Amount to Noteholders or any other determination made in respect of any Exercise Amount, the Reference Entity Notional Amount for the relevant Reference Entity shall be reduced by an amount equal to the Exercise Amount (and for the avoidance of doubt, the aggregate of the Reference Entity Notional Amounts shall be reduced accordingly). The Notes in an amount equal to the Outstanding Aggregate Nominal Amount shall remain outstanding and interest (if applicable) shall accrue on the Outstanding Aggregate Nominal Amount as provided for in Condition 3 (*Interest*) and the Issuer may thereafter deliver one or more further Credit Event Notices in respect of such Outstanding Aggregate Nominal Amount to which the Credit Linked Conditions shall continue to apply; and

(iii) the Calculation Agent may adjust the provisions of these Credit Linked Conditions and/or the applicable Final Terms in such manner as it may determine to be appropriate to account for such event.

(c) *Endorsement of Global Note*

If the provisions of this Credit Linked Condition 10 (*M(M)R Restructuring Credit Event*), apply in respect of the Credit Linked Notes, on any redemption of part of each such Credit Linked Note, the relevant Credit Linked Note or, if the Credit Linked Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such part redemption.

11. Auction Redemption Terms

(a) *Fallback Redemption*

If the Calculation Agent determines:

(i) except where the Issuer delivers a Notice to Exercise Movement Option to the Agent on or prior to the Movement Option Cut-off Date pursuant to Credit Linked Condition 11(b) (*Movement Option*), that with respect to a Credit Event, no Applicable Auction is being, or will be, held; or

(ii) with respect to a Credit Event and any relevant Applicable DC Credit Event Question, Applicable Resolution and/or Applicable Auction, that (A) an Auction Cancellation Date has occurred, (B) a No Auction Announcement Date has occurred (and, in circumstances where such No Auction Announcement Date occurs pursuant to this Credit Linked Condition 11(a) (*Fallback Redemption*) or sub-paragraph (c)(ii) under the definition of "**No Auction Announcement Date**", the Calculation Agent has not exercised the Movement Option), (C) a DC Credit

Event Question Dismissal occurs or (D) a Relevant Event Determination Date was determined pursuant to sub-paragraph (a) of the definition of "**Event Determination Date**" or pursuant to sub-paragraph (a) of the definition of "**Non-Standard Event Determination Date**", and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Relevant Event Determination Date, or (E) a Relevant Event Determination Date was determined pursuant to sub-paragraph (b)(ii)(B)(II)(2) of the definition of "**Non-Standard Event Determination Date**",

then, Cash Redemption shall apply and the Issuer shall redeem each Note as if Cash Redemption had been specified as the Credit Event Redemption Method.

(b) *Movement Option*

If "**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 the Calculation Agent determines in respect of a Restructuring Credit Event that a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) of the definition of "**No Auction Announcement Date**", the Issuer may elect in its sole and absolute discretion to deliver a Notice to Exercise Movement Option to the Calculation Agent at any time on or prior to the Movement Option Cut-off Date. If a Notice to Exercise Movement Option is so delivered, then provided that the related Event Determination Date is not reversed on or prior to the relevant Redemption Date, redemption of the Credit Linked Notes (or, if the Credit Linked Notes are Basket Credit Linked Notes, or Index Tranche Credit Linked Notes or if the Credit Event is an M(M)R Restructuring Credit Event, the Applicable Proportion of the Credit Linked Notes), shall take place by payment by the Issuer of the relevant Redemption Amount on the relevant Redemption Date, for which purposes the Redemption Amount and the Redemption Date shall be determined by reference to the relevant Parallel Auction identified by the Issuer in the Notice to Exercise Movement Option. If a Notice to Exercise Movement Option is delivered by the Issuer, all references in these Credit Linked Conditions to "**Applicable Auction**", "**Applicable Auction Settlement Terms**", "**Auction Cancellation Date**" and "**Auction Final Price Determination Date**" shall be deemed to be references to the "**Parallel Auction**", "**Parallel Auction Settlement Terms**" and "**Parallel Auction Cancellation Date**" and the terms of these Credit Linked Conditions shall be construed accordingly.

(c) *Auction Final Price of the Asset Package*

If an Asset Package Credit Event has occurred and the Auction Final Price for the Applicable Auction reflects the entire relevant Asset Package in respect of the Prior Deliverable Obligation(s) or Package Observable Bond(s) (as applicable) (including any cash forming part of the Asset Package and the Asset Market Value of any Non-Financial Instrument or Non-Transferable Instrument), the Redemption Amount shall be determined using the Auction Final Price. If the Calculation Agent determines that the Auction Final Price does not reflect the price of the entire relevant Asset Package, as determined above, the Calculation Agent shall make such adjustment to the Auction Final Price and/or the relevant Redemption Amount in its sole and absolute discretion as it deems necessary to reflect the value of the Asset Package and to preserve the economic effects of the terms of the Notes and for such purposes the Calculation Agent may take into account any method of determining the Asset Market Value of any Asset that is a Non-Transferable Instrument or a Non-Financial Instrument forming part of the Asset Package but that has not been taken into in the Auction Final Price that may be published by the DC Secretary.

12. Cash Redemption Terms

(a) On the Valuation Date, the Calculation Agent shall commence determination of the Final Price using the Valuation Obligations to be valued selected in its discretion, acting in a commercially reasonable manner.

(b) If:

(I) "**Include Accrued Interest**" is specified in the applicable Final Terms, the Outstanding Principal Balance of the Valuation Obligations shall include accrued and unpaid interest;

(II) "**Exclude Accrued Interest**" is specified in the applicable Final Terms, the Outstanding Principal Balance of the Valuation Obligations shall not include accrued and unpaid interest; or

(III) neither "**Include Accrued Interest**" nor "**Exclude Accrued Interest**" is specified in the applicable Final Terms, the Calculation Agent shall determine, based on the then current market practice in the market of the Valuation Obligation whether the Outstanding Principal Balance of the Valuation Obligation shall include or exclude accrued and unpaid interest and, if applicable, the amount thereof,

the Calculation Agent shall, as soon as reasonably practicable after obtaining all Quotations for a Valuation Date, notify the Issuer and the Agent in writing of each such Quotation that it receives in connection with the calculation of the Final Price together with a written computation showing such calculation and including the information specified in sub-paragraph (v) of Credit Linked Condition 20(a) (*Notices required to be delivered*) and the Agent will deliver a copy of such notice to the Noteholders in accordance with Credit Linked Condition 20 (*Notices*) (provided that any failure to give such notice to Noteholders shall not affect any determination made by the Issuer or Calculation Agent or the rights of the Issuer to redeem the Credit Linked Notes (or, if the Notes are Basket Credit Notes or Index Tranche Credit Linked Notes, or if the Credit Event is an M(M)R Restructuring Credit Event, the Applicable Proportion thereof)).

(iii) If an Asset Package Credit Event has occurred, (A) valuation of a Prior Deliverable Obligation or Package Observable Bond specified in the notice to the Agent may be satisfied by valuation of the related Asset Package and such Asset Package shall be treated as having the same currency and Outstanding Principal Balance as that of the Prior Deliverable Obligation or Package Observable Bond, as applicable, to which it corresponds immediately prior to the Asset Package Credit Event, (B) if the Asset Package is zero, a Quotation shall be deemed to have been obtained for the Outstanding Principal Balance of the Prior Deliverable Obligation or Package Observable Bond (as applicable) equal to zero, and (C) for any other Asset Package the Calculation Agent shall determine the value of the Asset Package in its sole and absolute discretion and a Quotation shall be deemed to have been obtained for such valuation provided that the Calculation Agent may obtain Quotations for some or all of the components of the Asset Package and/or take account of any method of determining the Asset Market Value of any Asset that is a Non-Transferable Instrument or a Non-Financial Instrument that may be published by the DC Secretary.

13. Redemption Upon Merger Event

If "**Redemption Following Merger**" is specified as being applicable in the Final Terms then:

(a) If at any time the Issuer becomes aware that any Noteholder is a Reference Entity, the Issuer may, in its sole and absolute discretion, elect to redeem all of the Credit Linked Notes of that Noteholder (and the Redemption Amount shall, notwithstanding the Credit Linked Conditions, be an amount determined by the Calculation Agent, acting in a commercially reasonable manner, to be fair (which may, for the avoidance of doubt, be zero)).

(b) In the event that the Issuer and/or the Calculation Agent determines, in its discretion, acting in a commercially reasonable manner, that a Merger Event has occurred, the Issuer may give notice to the Noteholders in accordance with Credit Linked Condition 20 (*Notices*) and redeem or cancel, as applicable, all of the Credit Linked Notes and the Redemption Amount shall, notwithstanding the Credit Linked Conditions, be zero.

The Issuer shall not be responsible for monitoring the identity of each Noteholder from time to time for the purpose of enabling the Issuer to exercise its rights hereunder or otherwise.

14. Redemption Failure Event

(a) If a Redemption Failure Event has occurred and exists on the Scheduled Maturity Date or Redemption Date, the obligation of the Issuer to pay the Redemption Amount will be postponed without further act or notice and such payment will be made on a Business Day selected by the Issuer on which such Redemption Failure Event no longer exists, provided that, if such Redemption Failure Event continues to exist on the tenth Business Day after the Scheduled Maturity Date or Redemption Date or other scheduled payment or delivery date (including a date scheduled to be the Delivery Date) in respect of an amount required to be paid, the Noteholder may request the Issuer in writing to make payment of such amount to such account or to such other person as the Noteholder specifies, provided that, the Issuer first receives an irrevocable and unconditional release and indemnity in respect of liabilities arising therefrom to its sole and absolute satisfaction.

(b) Continuing Redemption Failure Event

Notwithstanding anything to the contrary in the Conditions, if the Issuer determines (in its discretion, acting in a commercially reasonable manner) that such Redemption Failure Event continues to exist on the 90th calendar day after the Scheduled Maturity Date or Redemption Date or other scheduled payment or delivery date (including a date scheduled to be the Delivery Date) (a "**Continuing Redemption Failure Event**") in respect of an amount required to be paid where the Noteholder has not elected for payment to be made to a third party (if applicable) in accordance with sub-paragraph (a) (*Redemption Failure Event*) above, or Valuation Obligations to be Delivered (as the case may be) no such payment or Delivery will be made by the Issuer and the Issuer's obligations to the Noteholder hereunder will be deemed to be fully discharged as of that date.

(c) Any postponement or deemed discharge of payment pursuant to this Credit Linked Condition 14 (*Redemption Failure Event*) will not constitute a default hereunder (including for the purpose of Condition 14 (*Events of Default*)) and will not entitle the relevant Noteholder to any additional interest or other payment as a result thereof.

15. Effect of DC Announcements

(a) *Event Determination Dates*

(i) Reversal of DC Credit Event Announcement

If an Event Determination Date is subsequently reversed prior to the relevant Auction Final Price Determination Date, a Valuation Date, a Redemption Date or the Scheduled Maturity Date, a Credit Event shall be deemed not to have occurred with respect to the Reference Entity for the purposes of these Credit Linked Conditions.

(ii) Basket Credit Linked Notes and Index Tranche Credit Linked Notes

Where the Notes are Basket Credit Linked Notes or Index Tranche Credit Linked Notes, an Event Determination Date may occur in respect of each Reference Entity comprised in the Basket provided that, other than in respect of a Restructuring, an Event Determination Date shall apply only once to each such Reference Entity.

(b) *Redemption Suspension*

If, following the occurrence of a Relevant Event Determination Date but prior to the relevant Redemption Date or, to the extent applicable, a Valuation Date in respect of a Reference Entity, there is an Applicable DC Credit Event Meeting Announcement, all timing requirements in these Credit Linked Conditions that pertain to settlement shall toll and remain suspended until the date of the Applicable DC Credit Event Announcement or

Applicable DC Credit Event Question Dismissal, as applicable. During such suspension period, the Issuer is not obliged to take any action in connection with the settlement of such Credit Event or the redemption, if any, of the Credit Linked Notes. Once the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal has occurred, the relevant timing requirements that pertain to settlement that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary with the Issuer having the benefit of the full day notwithstanding when the tolling or suspension began. The Issuer shall deliver, or cause the Agent to deliver, a notice (a "**Redemption Suspension Notice**") in accordance with Credit Linked Condition 20 (*Notices*) to the Noteholders giving notice of any suspension or resumption of timing requirements pursuant to this Credit Linked Condition 15 (*Effect of DC Announcements*).

16. Successor Provisions

(a) *Successor Determinations*

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

The Calculation Agent will make all calculations and determinations required to be made under this definition on the basis of Eligible Information and will notify the Agent of any such calculation or determination as soon as practicable. In calculating the percentages used to determine whether an entity qualifies as a Successor under this Credit Linked Condition 16(a) (*Successor Determinations*), if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

(b) *Joint Potential Successors*

If two or more entities (each, a "**Joint Potential Successor**") jointly succeed to a Relevant Obligation (the "**Joint Relevant Obligation**") either directly or as a provider of a Relevant Guarantee, then (a) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (b) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.

(c) *Multiple Successors*

Following a Succession Date if more than one Successor has been identified, the Credit Linked Notes will be amended without the consent of the Noteholders to reflect the following terms:

(i) each Successor will be a Reference Entity and more than one Credit Event may occur during the Term of the Credit Linked Notes but, subject to Credit Linked Condition 10 (*M(M)R Restructuring Credit Event*), once only in relation to each Successor;

(ii) with respect to Single Name Credit Linked Notes, where a Credit Event occurs in respect of a Reference Entity after such Succession Date, the Credit Linked Notes will not redeem in whole in respect of a Successor but instead the provisions of these Credit Linked Conditions shall be deemed to apply to the nominal amount represented by that Reference Entity only (the "**Partial Nominal Amount**"), the Credit Linked Notes shall, thereafter, be redeemed in part (such redeemed part

being equal to a Noteholder's pro rata share of the Partial Nominal Amount) (provided that if Credit Payment on Maturity applies such partial redemption shall occur only on the Final Cash Redemption Date or Final Auction Redemption Date (as applicable)) and the Credit Linked Conditions and/or the Final Terms shall be construed accordingly. Following such event, the Credit Linked Notes shall remain outstanding in an amount equal to the Outstanding Aggregate Nominal Amount of the Credit Linked Notes and interest shall accrue on the Outstanding Aggregate Nominal Amount of the Credit Linked Notes only (in accordance with these Credit Linked Conditions, adjusted in such manner as the Calculation Agent in its discretion, acting in a commercially reasonable manner, determines to be appropriate to reflect the economic effects of the identification of more than one Successor); and

(iii) with respect to Basket Credit Linked Notes or Index Tranche Credit Linked Notes, the Reference Entity Notional Amount of the original Reference Entity will be divided equally between the number of Successors and the Calculation Agent shall determine the relevant type of Reference Entity (including any Relevant Obligation and Valuation Obligation Category and Valuation Obligation Characteristics in its discretion, acting in a commercially reasonable manner) by reference to market practice in such type of Reference Entity. If a single entity would be a Reference Entity hereunder more than once, then it will be deemed to be a Reference Entity only once, and the Reference Entity Notional Amount for such Reference Entity will be the sum of the Reference Entity Notional Amounts otherwise applicable to it (and such change shall have no effect on the Outstanding Aggregate Nominal Amount of the Basket Credit Linked Notes or the Index Tranche Credit Linked Notes).

(d) *Exchange Offer*

In the case of an exchange offer, the determination required pursuant to sub-paragraph (a) of the definition of "**Successor**" shall be made on the basis of the Outstanding Principal Balance of Relevant Obligations exchanged and not on the basis of the Outstanding Principal Balance of the Exchange Bonds or Loans.

(e) *Eligible Successors*

An entity may only be a Successor if:

(i) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after 1 January 2014;

(ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and

(iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

17. Multiple Holder Obligation

Unless "**Multiple Holder Obligation**" is specified to be not applicable in the applicable Final Terms, then none of the events described in sub-paragraphs (i) to (iv) of the definition of "**Restructuring**" shall constitute a Restructuring unless the Obligation is a Multiple Holder Obligation, where "**Multiple Holder Obligation**" means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event (provided that sub-paragraph (ii) shall be deemed to be satisfied where the Obligation is a Bond).

18. Reference Obligation

(a) *Standard Reference Obligation and Non-Standard Reference Obligation*

(i) If "**Standard Reference Obligation**" is specified as applicable in the applicable Final Terms, then the Reference Obligation for the relevant Reference Entity will be the Standard Reference Obligation which is the Obligation of the relevant Reference Entity with the relevant Seniority Level specified from time to time on the SRO List published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA for such purposes.

(ii) If "**Standard Reference Obligation**" is not specified as applicable in the applicable Final Terms then the Reference Obligation(s) for the relevant Reference Entity will be each Non-Standard Reference Obligation specified in the applicable Final Terms for such Reference Entity.

(b) *Substitute Reference Obligation*

(i) If a Substitution Event has occurred with respect to a Non-Standard Reference Obligation, the Calculation Agent may identify a Substitute Reference Obligation in accordance with sub-paragraphs (iii), (iv) and (v) of this Credit Linked Condition 18(b) (*Substitute Reference Obligation*) to replace such Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an Obligation as the Substitute Reference Obligation if, at the time of the determination, such Obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such Obligation has not changed materially since the date of the relevant DC Resolution.

(ii) If any of the events set forth under sub-paragraph (a) or (c) of the definition of "**Substitution Event**" have occurred with respect to a Non-Standard Reference Obligation, such Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "**Not Subordinated**" Obligation Characteristic or "**Not Subordinated**" Valuation Obligation Characteristic and sub-paragraph (iii)(B) of this Credit Linked Condition 18(b) (*Substitute Reference Obligation*)). If the event set forth in sub-paragraph (b) of the definition of "**Substitution Event**" has occurred with respect to a Non-Standard Reference Obligation and no Substitute Reference Obligation is available, such Non-Standard Reference Obligation will continue to be a Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under sub-paragraph (a) or (c) of the definition of "**Substitution Event**" occur with respect to such Non-Standard Reference Obligation.

(iii) The Substitute Reference Obligation shall be an Obligation that on the Substitution Date:

(A) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a Guarantee);

(B) satisfies the Not Subordinated Valuation Obligation Characteristic as of the date it was issued or incurred (without reflecting any change the priority of payment after such date) and on the Substitution Date; and

(C) (I) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:

1. is a Valuation Obligation (other than a Loan) determined in accordance with sub-paragraph (a) of the definition of "**Valuation Obligation**"; or if no such obligation is available,

2. is a Loan (other than a Private-side Loan) which constitutes a Valuation Obligation determined in accordance with sub-paragraph (a) of the definition of "**Valuation Obligation**";

(II) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:

1. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,

2. is a Valuation Obligation (other than a Loan) determined in accordance with sub-paragraph (a) of the definition of "**Valuation Obligation**"; or if no such obligation is available,

3. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such Obligation is available,

4. is a Loan (other than a Private-side Loan) which constitutes a Valuation Obligation determined in accordance with sub-paragraph (a) of the definition of "**Valuation Obligation**"; or

(III) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:

1. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,

2. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,

3. is a Valuation Obligation (other than a Loan) determined in accordance with sub-paragraph (a) of the definition of "**Valuation Obligation**"; or if no such Obligation is available,

4. is a Loan (other than a Private-side Loan) which constitutes a Valuation Obligation determined in accordance with sub-paragraph (a) of the definition of "**Valuation Obligation**".

(iv) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in sub-paragraph (iii) of this Credit Linked Condition 18(b) (*Substitute Reference Obligation*), the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer under the relevant Series, as determined by the Calculation Agent. The Calculation Agent will (if a Substitute Reference Obligation has not been identified) notify the Agent of a Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with sub-paragraph (iii) of this Credit Linked Condition 18(b) (*Substitute Reference Obligation*) and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation immediately upon such notification.

(v) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation then, subject to sub-paragraph (i) of this Credit Linked Condition 18(b) (*Substitute Reference Obligation*) and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with

sub-paragraph (ii) of this Credit Linked Condition 18(b) (*Substitute Reference Obligation*), the Calculation Agent may continue to attempt to identify the Substitute Reference Obligation.

(c) *Reference Obligation Only Series*

(i) If the event set out in sub-paragraph (a) of the definition of "**Substitution Event**" occurs with respect to the Reference Obligation in a Series of Notes in respect of a Reference Entity to which "**Reference Obligation Only**" applies, and such Reference Obligation is the only Reference Obligation for such Reference Entity, the Applicable Proportion of the Notes shall be redeemed at the fair market value of the Applicable Proportion of the Notes determined by the Issuer as at the Substitution Event Date and adjusted to take into account any Unwind Costs, if applicable. The Issuer shall deliver, or cause the Agent to deliver, a notice in accordance with Credit Linked Condition 20 (*Notices*) to the Noteholders stating the occurrence of such Substitution Event and setting out the Redemption Date in respect thereof, which shall be a date not earlier than the relevant Substitution Event Date.

(ii) Notwithstanding the definition of "**Substitute Reference Obligation**" (a) no Substitute Reference Obligation shall be determined in respect of the Reference Obligation for a Reference Entity to which "**Reference Obligation Only**" applies, and (b) if the events set out in sub-paragraph (b) or (c) of the definition of "**Substitution Event**" occur with respect to the Reference Obligation to which "**Reference Obligation Only**" applies, such Reference Obligation shall continue to be the Reference Obligation.

(d) *DC Substitute Reference Obligation Resolution*

Notwithstanding the provision of Credit Linked Condition 18(b) (*Substitute Reference Obligation*), the Calculation Agent may, but shall not be obliged to, select as the Substitute Reference Obligation for a Series of Notes an Obligation of the relevant Reference Entity which is determined by DC Resolution to be the Substitute Reference Obligation to a Non-Standard Reference Obligation.

19. Calculation Agent Determination

(a) The Calculation Agent is responsible for, *inter alia*:

(i) determining a Successor or Successors and making any other determinations required to be made under Credit Linked Condition 16 (*Successor Provisions*);

(ii) determining whether (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 reason other than as described in (A) or (B) above and other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an Obligation of a Reference Entity;

(iii) identifying and determining a Substitute Reference Obligation;

(iv) in the event that multiple Credit Event Notices with respect to an M(M)R Restructuring Credit Event are delivered pursuant to Credit Linked Condition 10 (*M(M)R Restructuring Credit Event*), making any modifications required pursuant to that Credit Linked Condition;

(v) obtaining Quotations (and, if necessary, determining whether such Quotations shall include or exclude accrued and unpaid interest) and determining the Final Price in accordance with the applicable Valuation Method;

(vi) converting the Quotation Amount into the relevant Obligation Currency;

(vii) determining the Quotation Dealers (where none have been specified in the applicable Final Terms) and substituting Quotation Dealers;

(viii) determining the Currency Rate;

(ix) determining any Adjustment payment pursuant to Credit Linked Condition 8 (*Event Determination Date Adjustment Payment*);

(x) if "**Include Accrued Interest**" is specified in the applicable Final Terms with respect to Deliverable Obligations, determining accrued and unpaid interest; and

(xi) determining whether a Merger Event has occurred.

(b) The Calculation Agent shall as soon as practicable after making any of the determinations specified in sub-paragraphs (a)(i) to (xi) of this Credit Linked Condition 19 (*Calculation Agent Determination*) notify the Issuer of such determination.

(c) If any of the matters set out in this Credit Linked Condition 19 (*Calculation Agent Determination*) are decided and/or determined by a Credit Derivatives Determinations Committee, the Calculation Agent may follow such decision or determination to the extent such decision and/or determination is applicable to any Credit Linked Notes. In certain circumstances, the Calculation Agent shall be required to follow the decisions or determinations of a Credit Derivatives Determinations Committee or determinations made by the Calculation Agent may be overridden by subsequent determinations made by a Credit Derivatives Determinations Committee.

20. Notices

(a) *Notices required to be delivered*

The Issuer shall deliver, or may cause the Agent to deliver, notice to the Noteholders of the following, in accordance with Credit Linked Condition 20 (*Notices*), to the extent required to be delivered pursuant to the terms of the Credit Linked Notes:

(i) A Credit Event Notice and, if applicable, a Notice of Publicly Available Information;

(ii) A Successor Notice and, if applicable, details of any amendments to the weighting of each Reference Entity within the basket or index (as applicable) (provided that no Successor Notice shall be required following a determination by a Credit Derivatives Determinations Committee that a Succession Event has occurred);

(iii) If the terms of any Credit Linked Notes provide for the basket or index (as applicable) to be amended from time to time other than as a result of the identification of any Successor, details of any amendments to the basket or index (as applicable);

(iv) The designation of any Substitute Reference Obligation (provided that (A) no such notice shall be required following a determination by a Credit Derivatives Determinations Committee of a Substitute Reference Obligation has occurred and (B) the failure of the Issuer to deliver a notice to the Noteholders pursuant to this Credit Linked Condition 20 (*Notices*) shall not affect the effectiveness of any designation of such Substitute Reference Obligation by the Calculation Agent) (such designation to be in accordance with these Credit Linked Conditions);

(v) A Notice of Suspended Interest;

(vi) Following the determination of the Redemption Amount with respect to any Credit Linked Notes in respect of which "**Cash Redemption**" is applicable as the Credit Event Redemption Method or Fallback Redemption Method, a notice specifying, to the extent applicable:

(A) the Valuation Obligation(s) which were the subject of the Quotation;

(B) the Valuation Date;

(C) the Quotation Amount;

(D) the Quotations obtained;

(E) the Final Price (if applicable);

(F) the Fixed Recovery Percentage (if applicable);

(G) the Principal Protected Amount (if applicable);

(H) the Redemption Amount; and

(I) if applicable, any Unwind Costs;

(vii) Following the determination of the Redemption Amount with respect to any Credit Linked Notes in respect of which "**Auction Redemption**" is applicable as the Credit Event Redemption Method, a notice specifying the Redemption Amount (including the Auction Final Price and, if applicable, the Unwind Costs);

(viii) A Notice to Exercise Movement Option;

(ix) A Repudiation/Moratorium Extension Notice; or

(x) A Redemption Suspension Notice.

(b) *Effectiveness of Notices*

(i) Notwithstanding Credit Linked Condition 20 (*Notices*), any notice required to be delivered by the Issuer to Noteholders in accordance with these Credit Linked Conditions shall be deemed to have been delivered to Noteholders upon delivery of such notice to the Agent. The failure of the Agent to deliver any such notice to Noteholders shall not affect the effectiveness of any notice delivered by the Issuer or the effectiveness of any determinations by the Calculation Agent or the Issuer or, as applicable, the right of the Issuer to redeem the Credit Linked Notes (or, with respect to Basket Credit Linked Notes or Index Tranche Credit Linked Notes, the Applicable Proportion thereof) pursuant to and in accordance with Credit Linked Condition 1 (*Redemption of Credit Linked Notes*).

(ii) Notwithstanding Credit Linked Condition 20 (*Notices*), a notice delivered by the Issuer to the Agent on or prior to 4:00 p.m. (London time) on an Issuer Business Day will be effective on such Issuer Business Day. A notice delivered after 4:00 p.m. (London time) on an Issuer Business Day will be deemed effective on the next following Issuer Business Day, regardless of the form in which it is delivered.

21. Definitions

The following definitions which relate to the Credit Linked Notes should be read in conjunction with the Credit Linked Conditions:

"**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.

"**Aggregate Unwind Costs**" means the aggregate of the Unwind Costs calculated in respect of the occurrence of each Relevant Credit Event and Relevant Event Determination Date.

"**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 Valuation Obligation(s), as applicable, under the Notes (or if an Asset Package Credit Event has occurred, which relates to the Asset Package for obligations which would constitute Prior Deliverable Obligation(s) or Package Observable Bond(s), as applicable, under the Notes) (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s) and the relevant seniority level thereof, credit event, reference entity, obligations and deliverable obligations to which the Auction relates and, if the Auction relates to an M(M)R Restructuring, the Scheduled Maturity Date of the 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 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 Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s) and the relevant seniority level thereof, credit event, reference entity, obligation(s), deliverable obligations, Package Observable Bonds and Prior Deliverable Obligations (as applicable) which are the subject of the relevant Credit Derivatives Auction Settlement Terms and the Credit Events, Reference Entities and Obligations and Valuation Obligations under the Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes). The Calculation Agent shall, as soon as practicable after the relevant Applicable Credit Derivatives Auction Settlement Terms are published, notify the Issuer 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.

"**Applicable DC Credit Event Announcement**" means a DC Credit Event Announcement which the Calculation Agent determines is relevant to the 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 to which such DC Credit Event Announcement relates and the terms of the Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

"**Applicable DC Credit Event Meeting Announcement**" means a DC Credit Event Meeting Announcement which the Calculation Agent determines is relevant to the 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 Credit Event Meeting Announcement) and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

"**Applicable DC Credit Event Question**" means a DC Credit Event Question which the Calculation Agent determines is relevant to the 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 Credit Event Question) and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

"**Applicable DC Credit Event Question Dismissal**" means a DC Credit Event Question Dismissal which the Calculation Agent determines is relevant to the 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 Credit Event Question Dismissal) and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

"**Applicable DC No Credit Event Announcement**" means a DC No Credit Event Announcement which the Calculation Agent determines is relevant to the 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 Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

"**Applicable Percentage**" means in respect of a Relevant Credit Event:

(a) if the Relevant Credit Event is not an M(M)R Restructuring Credit Event and the Note is a Single Name Credit Linked Note, 100 per cent.;

(b) if the Relevant Credit Event is not an M(M)R Restructuring Credit Event and the Note is a Basket Credit Linked Note, an amount (expressed as a percentage) equal to the Reference Entity Notional Amount of the Reference Entity to which the relevant Credit Event or the relevant redemption relates divided by the Original Aggregate Nominal Amount of the Basket Credit Linked Notes;

(c) if the Relevant Credit Event is not an M(M)R Restructuring Credit Event and the Note is a Index Tranche Credit Linked Note, an amount (expressed as a percentage) equal to the Principal Writedown Amount for the Reference Entity in respect of which a Credit Event has occurred divided by the Original Aggregate Nominal Amount of the Index Tranche Credit Linked Notes; or

(d) if the Relevant Credit Event is an M(M)R Restructuring Credit Event, means an amount (expressed as a percentage) equal to the Exercise Amount specified in the relevant Credit Event Notice relating to the relevant Reference Entity and Credit Event divided by the Original Aggregate Nominal Amount of the Notes.

"**Applicable Proportion**" means the Applicable Percentage multiplied by the Specified Denomination of each Credit Linked Note.

"**Applicable Resolution**" means a DC Resolution of a Credit Derivatives Determinations Committee which the Calculation Agent determines is relevant to the 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 the DC Resolution relates and the terms of the Notes and (b) any hedging transaction that the Issuer has entered or may enter into in connection with the 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**" means each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the Reference Entity or a third party (or any value which was realised or capable of being realised in circumstances where the right and/or other asset no longer exists).

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

"**Asset Package**" means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero. An Asset Package shall be treated as having the same currency and Outstanding Principal Balance as that of the Prior Deliverable Obligation or Package Observable Bond (as applicable) to which it corresponds immediately prior to the Asset Package Credit Event.

"**Asset Package Credit Event**" means:

(a) if "**Financial Reference Entity Terms**" and "**Governmental Intervention**" are specified as applicable in the applicable Final Terms: (i) a Governmental Intervention; or (ii) a

Restructuring in respect of the Reference Obligation of the relevant Reference Entity, if "Restructuring" is specified as applicable in the applicable Final Terms and such Restructuring does not constitute a Governmental Intervention; and

(b) if the Reference Entity is a Sovereign and "Restructuring" is specified as applicable in the applicable Final Terms, a Restructuring,

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

"**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 the 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 the DC Secretary (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 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 Valuation Obligation(s) under the Notes if an Asset Package Credit Event has resulted in such Applicable Auction, in respect of the Asset Package which results from either a Prior Deliverable Obligation or a Package Observable Bond under the 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 a copy of the relevant Applicable Transaction Auction Settlement Terms and copies of the relevant publication of the Auction Final Price. If an Asset Package Credit Event has occurred and the Calculation Agent determines that the Auction Final Price does not reflect the entire relevant Asset Package (including any cash forming part of the Asset Package and any cash in respect of the Asset Market Value of any Non-Financial Instrument or Non-Transferable Instrument), the Calculation Agent may make such adjustment as it deems necessary to the Auction Final Price in accordance with Credit Linked Condition 11(c) (*Auction Final Price of the Asset Package*).

"**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 which is the number of Business Days specified in the Applicable Transaction Auction Settlement Terms (or, if a number of Business Days is not specified, three Business Days) immediately following the Auction Final Price Determination Date.

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

pursuant to a consolidation, amalgamation or merger), (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty 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) of this definition.

"**Basket Credit Linked Notes**" means Notes which are specified as such in the Final Terms, which are linked to the losses and recoveries in respect of either:

(a) two or more Reference Entities specified in the Final Terms; or

(b) the component Reference Entities of the Index specified in the Final Terms.

"**Conditionally Transferable Obligation**" means a Valuation 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 Valuation Obligation other than Bonds, in each case, as of the Valuation Date, provided, however, that a Valuation Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Valuation Obligation other than Bonds (or the consent of the relevant obligor if the Reference Entity is guaranteeing such Valuation Obligation) or any agent is required for such novation, assignment or transfer, so long as the terms of such Valuation Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, Agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent for purposes of this definition of "**Conditionally Transferable Obligation**".

"**Conforming Reference Obligation**" means a Reference Obligation which is a Valuation Obligation determined in accordance with sub-paragraph (a) of the definition of "Valuation Obligation".

"**Continuing Redemption Failure Event**" has the meaning given to it in Credit Linked Condition 14(b) (*Continuing Redemption Failure Event*).

"**Credit Derivatives Auction Settlement Terms**" means any Credit Derivatives Auction Settlement Terms published by ISDA a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time. The Calculation Agent shall be authorised to construe any Credit Derivatives Auction Settlement Terms (including any Transaction Auction Settlement Terms or Parallel Auction Settlement Terms) in such manner as it shall determine in its discretion, acting in a commercially reasonable manner, to be necessary in order to give effect to the meaning of any word or expression used herein which is defined by reference to such Credit Derivatives Auction Settlement Terms.

"**Credit Derivatives Determinations Committee**" means each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions.

"**Credit Event**" means, as determined by the Calculation Agent, the occurrence of one or more of the following Credit Events as specified in the applicable Final Terms: Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention. 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 the Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;

(b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;

(c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

(d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

"**Credit Event Backstop Date**" means (a) for the purposes of any event that constitutes a Credit Event (or, with respect to a Repudiation/Moratorium, if applicable, the event described in sub-paragraph (b) of the definition thereof), as determined by DC Resolution, the date that is sixty calendar days prior to the Credit Event Resolution Request Date or (b) otherwise, the date that is sixty calendar days prior to the earlier of (i) the "Notice Delivery Date", if the Notice Delivery Date occurs during the Notice Delivery Period and (ii) the Credit Event Resolution Request Date, if the Notice Delivery Date occurs during the Post Dismissal Additional Period. 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 Issuer to the Agent which the Issuer has the right but not the obligation to deliver that:

(a) identifies the Series of Credit Linked Notes to which the Credit Event Notice relates;

(b) states the Issuer's intention to redeem all (or, with respect to Basket Credit Linked Notes or Index Tranche Credit Linked Notes, the Applicable Proportion thereof) of the Credit Linked Notes and the relevant Credit Event Redemption Method; and

(c) describes a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date.

Any Credit Event Notice that describes a Credit Event that occurred after the Scheduled Maturity Date must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

A Credit Event Notice that describes a Credit Event other than an M(M)R Restructuring must be in respect of the full Reference Entity Notional Amount of the affected Reference Entity in the relevant Series.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

"**Credit Event Redemption Method**" means "Auction Redemption", "Cash Redemption", or "Fixed Recovery Redemption", as specified in the applicable Final Terms.

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

"**Credit Linked Note**" means a Single Name Credit Linked Note, a Basket Credit Linked Note or an Index Tranche Credit Linked Note.

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

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

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

"**DC Credit Event Question**" means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event in respect to a Reference Entity of the relevant Series has occurred.

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

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

"**DC Resolution**" means a resolution of the Credit Derivatives Determinations Committee in accordance with the definition of "**Resolve**" below.

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

"**DC Secretary**" means ISDA or such other entity designated as DC Secretary in accordance with the DC Rules.

"**Default Requirement**" means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency (or, if no such amount is specified, USD 10,000,000 or its equivalent in the relevant Obligation Currency) in either case, as of the occurrence of the Relevant Credit Event.

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

"**Domestic Currency**" means the currency specified as such in the applicable Final Terms and any successor currency thereto (or if no such currency is specified, 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 Reference Entity is organised, if the Reference Entity is not a Sovereign).

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

"**Downstream Affiliate**" means an entity 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 by the Reference Entity under the obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a)

is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on the Valuation Date.

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

"**Eligible Transferee**" means

(a) any:

(i) bank or other financial institution;

(ii) insurance or reinsurance company;

(iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (i) of this definition); 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 USD 500,000,000;

(b) an Affiliate of an entity specified in the sub-paragraph (a) of this definition;

(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 obligation, commercial paper conduit or other special purpose vehicle) that (A) has total assets of at least USD 100,000,000 or (B) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100,000,000;

(ii) that has total assets of at least USD 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-paragraph (a), (b), (c)(ii) or (d) of this definition; and

(d) (i) any Sovereign; or

(ii) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

All references in this definition of "**Eligible Transferee**" to USD include equivalent amounts in other currencies as determined by the Calculation Agent.

"**Euroclear**" means Euroclear Bank SA/NV.

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

(a) a Series where "**Auction Redemption**" is specified as the applicable Credit Event Redemption Method and "**Event Determination Date Version B**" is not specified to be applicable in the applicable Final Terms:

(i) subject to sub-paragraph (ii) of this definition, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post

Dismissal Additional Period, provided that neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or

(ii) notwithstanding sub-paragraph (i) of this definition, the Credit Event Resolution Request Date, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) and either:

(A) (I) the Credit Event is not an M(M)R Restructuring; and (II) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or

(B) (I) the Credit Event is an M(M)R Restructuring; and (II) a Credit Event Notice is delivered by a Notifying Party to the other party and is effective on or prior to the Exercise Cut-off Date,

provided that:

(1) no Redemption Date, in respect of the relevant Reference Entity has occurred on or prior to the date on which the Applicable DC Credit Event Meeting Announcement occurs;

(2) if any Valuation Date in respect of the relevant Reference Entity has occurred on or prior to the date on which the Applicable DC Credit Event Meeting Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to the portion of the Original Aggregate Nominal Amount of the Credit Linked Notes or, if the Notes are Basket Credit Linked Notes or Index Tranche Credit Linked Notes, the Reference Entity Notional Amount of the Reference Entity to which the Event Determination Date relates, if any, with respect to which no Valuation Date has occurred; and

(3) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Issuer to the Agent, (aa) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the Applicable DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, (bb) unless, and to the extent that, the Exercise Amount specified in such Credit Event Notice was less than the Original Aggregate Nominal Amount of the Credit Linked Notes or, if the Notes are Basket Credit Linked Notes or Index Tranche Credit Linked Notes, the Reference Entity Notional Amount of the affected Reference Entity, or (cc) unless a credit derivatives transaction with the same tenor and deliverable obligation provisions as the Valuation Obligation Provisions of the Credit Linked Notes would be an "Auction Covered Transaction" for the purpose of the relevant Credit Derivatives Auction Settlement Terms and the deliverable obligations set out on the Final List are identical to the Permissible Deliverable Obligations for such Series; or

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

(c) Notwithstanding the foregoing, and unless the Issuer or the Calculation Agent otherwise elects by notice to the Agent, no Event Determination Date will occur with respect to an event, and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date, or the Scheduled Maturity Date or the Extended Maturity Date, as applicable, a DC No Credit Event Announcement occurs with respect to such event.

"**Excluded Obligation**" means:

(a) any Obligation of a Reference Entity specified as such or of a type specified in the applicable Final Terms;

(b) if "**Financial Reference Entity Terms**" is specified as applicable in the applicable Final Terms and the relevant Reference Entity is a Senior Reference Entity, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and

(c) if "**Financial Reference Entity Terms**" is specified as applicable in the applicable Final Terms and the relevant Reference Entity is a Subordinated Reference Entity, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

"**Excluded Valuation Obligation**" means:

(a) any Obligation of the Reference Entity specified as such or of a type described in the applicable Final Terms;

(b) any principal only component of a Bond from which some or all of the interest components have been stripped; and

(c) if Asset Package Delivery is applicable, any Obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

"**Exercise Amount**" has the meaning given to that term in Credit Linked Condition 10 (*M(M)R Restructuring Credit Event*).

"**Exercise Cut-off Date**" means either:

(a) with respect to an M(M)R Restructuring and a Series to which sub-paragraph (a) of the definition of "Event Determination Date" applies:

  (i) if the DC Secretary publishes a Final List applicable to the Applicable Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is seven Relevant City Business Days following the date on which such Final List is published; or

  (ii) otherwise, the date that is 14 calendar days following the relevant No Auction Announcement Date; or

(b) with respect to a Credit Event and a Series to which sub-paragraph (a) of the definition of "**Event Determination Date**" does not apply, the Non-Standard Exercise Cut-off Date,

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

"**Extended Maturity Date**" means, if Maturity Date Extension applies pursuant to Credit Linked Condition 9 (*Maturity Date Extension*) and no Relevant Event Determination Date occurs on or prior to the Notes Extension Date, the date falling 5 Business Days after the Notes Extension Date or, if Maturity Date Extension applies pursuant to Credit Linked Condition 9 (*Maturity Date Extension*) and a Relevant Event Determination Date occurs on or prior to the Notes Extension Date, the relevant Redemption Date.

"**Extension Date**" means the latest of (a) the Scheduled Maturity Date, (b) the Grace Period Extension Date if (i) "**Failure to Pay**" and "**Grace Period Extension**" are specified as being applicable in the applicable Final Terms, and (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Scheduled Maturity Date and (c) the Repudiation/Moratorium Evaluation Date (if any) if "Repudiation/Moratorium" is specified as applicable in the applicable Final Terms, as applicable.

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

If an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

"**Fallback Redemption Method**" means, with respect to a Series for which "**Auction Redemption**" is the Credit Event Redemption Method, and if Credit Linked Condition 11(a) (*Fallback Redemption*) applies, Cash Redemption.

"**Final List**" means the final list of deliverable obligations, Package Observable Bonds, Prior Deliverable Obligations (as applicable) and/or Assets which are the subject of the related Auction determined by the Credit Derivatives Determinations Committee in accordance with the DC Rules.

"**Final Price**" means the price of the Valuation Obligation(s) selected by the Calculation Agent in its discretion, acting in a commercially reasonable manner, expressed as a percentage, determined in accordance with the specified Valuation Method, provided that (i) for the purposes of identifying the Valuation Obligations for the purposes of determining the Final Price, if an Asset Package Credit Event has occurred any Valuation Obligation which is a Prior Deliverable Obligation or a Package Observable Bond (as applicable) shall include the resulting Asset Package and the Final Price for such Valuation Obligation shall be the Final Price for the relevant Asset Package determined in accordance with Credit Linked Condition 12(iii) (*Determination of Final Price*).

"**Final Price Determination Date**" means the day, if any, on which the Final Price is determined in accordance with Credit Linked Condition 12 (*Cash Redemption Terms*).

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

"**Fixed Recovery Percentage**" means, if "**Fixed Recovery Redemption**" is specified as the Credit Event Redemption Method in the Final Terms, the percentage specified as such in the applicable Final Terms.

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

"**Fully Transferable Obligation**" means a Valuation 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 Valuation Obligation other than Bonds, in each case, as of the Valuation Date. Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, Agent, administrative agent, clearing agent or paying agent, for a Valuation Obligation shall not be considered to be a requirement for consent for the purposes of this definition of "Fully Transferable Obligation".

"**Funding Interest Rate**" means a rate per annum specified in the applicable Final Terms which shall be based on the cost to the Issuer if it were to fund or of funding the amount on which such interest is accruing.

"**Further Subordinated Obligation**" means, if the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any Obligation which is Subordinated thereto.

"**Governmental Authority**" means:

(a) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);

(b) any court, tribunal, administrative or other governmental authority, inter-governmental or supranational body; or

(c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its Obligations; or

(d) any other authority which is analogous to the entities specified in sub-paragraph (a), (b) or (c) of this definition.

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

(a) any event which would affect creditors' rights so as to cause:

  (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);

  (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);

  (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium; or

  (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;

(b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;

(c) a mandatory cancellation, conversion or exchange; or

(d) any event which has an analogous effect to any of the events specified in sub-paragraphs (a)(i) to (iii) of this definition.

For purposes of sub-paragraph (a) of this definition, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee.

"**Grace Period**" means:

(a) subject to sub-paragraphs (b) and (c) of this definition, the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;

(b) if "**Grace Period Extension**" is specified as applicable in the applicable Final Terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified, 30 calendar days; and

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

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

"**Grace Period Extension Date**" means, if (a) "**Grace Period Extension**" is specified as being applicable in the applicable Final Terms and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date, as the case may be, the date that is five Business Days following the day falling after 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 being applicable in the applicable Final Terms, Grace Period Extension shall not apply.

"**Guarantee**" means, for the purpose of the Credit Linked Conditions only, a Relevant Guarantee or a guarantee which is the Reference Obligation.

"**Index**" means, in respect of Basket Credit Linked Note or an Index Tranche Credit Linked Note, the Index specified as such in the Final Terms.

"**Index Tranche Credit Linked Notes**" means Notes which are specified as such in the Final Terms, which are linked to a tranche of the losses and recoveries in respect of the component Reference Entities of the Index specified in the Final Terms.

"**Interest Suspension Accrual Date**" means the earlier to occur of the day prior to:

(a) the Scheduled Maturity Date; and

(b) (i) if "**Credit Event Accrued Interest**" is specified in the Final Terms as not applicable, the Interest Payment Date (or the Issue Date where no Interest Payment Date has occurred) occurring on or immediately preceding the Relevant Event Determination Date; or

(ii) if "**Credit Event Accrued Interest**" is specified in the Final Terms as applicable, the Relevant Event Determination Date.

"**Interest Suspension Payment Date**" means:

(a) if "**Credit Event Suspended Interest**" is specified in the Final Terms as not applicable, five Business Days after (i) if a Relevant Credit Event has occurred, the date the Auction Final Price or Final Price (as applicable) is so determined or (ii) if a Relevant Credit Event has not occurred, the date of the Applicable DC No Credit Event Announcement or Applicable DC Credit Event Question Dismissal, as applicable; or

(b) if "**Credit Event Suspended Interest**" is specified in the Final Terms as applicable, on the Interest Payment Date immediately following the date which is five Business Days after (i) if a Relevant Credit Event has occurred, the date the Auction Final Price or Final Price (as applicable) is so determined or (ii) if a Relevant Credit Event has not occurred, the date of the Applicable DC No Credit Event Announcement or Applicable DC Credit Event Question Dismissal, as applicable.

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

"**Issuer Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in London.

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

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

"**Market Value**" means, with respect to the relevant Valuation Obligation on a Valuation Date, (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full 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 to sub-paragraph (b) of the definition of "Quotation", an amount that the Calculation Agent shall determine 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 within the ten Business Day period set forth in sub-paragraph (b) of the definition of "Quotation" the Market Value shall be determined as provided in such definition.

"**Maturity Date Extension**" means an extension determined in accordance with Credit Linked Condition 9 (*Maturity Date Extension*).

"**Merger Event**" means that at any time during the period from (and including) the Trade Date to (but excluding) the Extended Maturity Date the Issuer or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity or the Issuer, as applicable, or the Issuer and a Reference Entity become Affiliates.

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

"**Modified Eligible Transferee**" means any Issuer, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, notes 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 Maturity Date.

Subject to the foregoing, if the Scheduled Maturity Date is later than the 10-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

"**Movement Option**" means, with respect to an M(M)R Restructuring to which a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) or (c)(ii) of the definition of "No Auction Announcement Date", the option of the Issuer to determine the Parallel Auction Settlement Terms, if any, that shall be deemed to be applicable for the purposes of the Notes and if Auction Redemption is the Credit Event Redemption Method in respect of a Reference Entity and a Credit Event (for which purpose the Issuer may take into account (a) the terms of the relevant Parallel Auction Settlement Terms, the Permissible Deliverable Obligations thereunder, the Valuation Obligations under the Notes and (b) any hedging transaction that the Issuer has or may enter into in connection with the Notes).

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

"**Multiple Holder Obligation**" has the meaning given to it in Credit Linked Condition 17 (*Multiple Holder Obligation*).

"**No Auction Announcement Date**" means, with respect to a Credit Event, the date as determined by the Calculation Agent on which the DC Secretary first publicly announces that (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published, (b) following the occurrence of an M(M)R Restructuring, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published, or (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary, in circumstances where either (i) no Parallel Auction will be held, or (ii) one or more Parallel Auctions will be held. For the avoidance of doubt, a No Auction Announcement Date will not occur solely by reason of the Credit Linked Notes not being covered by any Credit Derivatives Auction Settlement Terms.

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

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

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

"**Non-Standard Event Determination Date**" means, with respect to a Credit Event and a Series to which "Non-Standard Event Determination Date" applies:

(a) subject to sub-paragraph (b) of this definition, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (i) a DC Credit Event Announcement has occurred nor (ii) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or

(b) notwithstanding sub-paragraph (a) of this definition, if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) either:

(i) the Credit Event Resolution Request Date, if either:

(A) "**Event Determination Date Version B**" is not specified as applicable and "**Auction Settlement**" is not specified as the applicable Credit Event Redemption Method in the applicable Final Terms; (II) the relevant Credit Event is not an M(M)R Restructuring; and (III) the Trade Date occurs on or prior to the date of the DC Credit Event Announcement; or

(B) either:

(III) (1) "**Event Determination Date Version B**" is specified as applicable and "Auction Settlement" is specified as the applicable Credit Event Redemption Method in the applicable Final Terms; or

(2) "**Event Determination Date Version B**" is not specified as applicable in the applicable Final Terms

and the relevant Credit Event is an M(M)R Restructuring; and

(IV) a Credit Event Notice is delivered by the Issuer to the Agent and is effective on or prior to the Non-Standard Exercise Cut-off Date, or

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

(A)

(I) "**Event Determination Date Version B**" is not specified as applicable and "**Auction Settlement**" is not specified as the Credit Event Redemption Method in the applicable Final Terms;

(III) the relevant Credit Event is not an M(M)R Restructuring; and

(III) the Trade Date occurs and following the date of the related DC Credit Event Announcement on or prior to a DC Announcement Coverage Cut-off Date; or

(B)

(I) "**Event Determination Date Version B**" is specified as applicable and the Trade Date occurs and

(II) either:

(1) "**Auction Settlement**" is not specified as the Credit Event Redemption Method in the applicable Final Terms; or

(2) "**Auction Settlement**" is specified as the Credit Event Redemption Method in the applicable Final Terms and a Credit Event Notice is delivered by the Issuer to the Agent and is effective on a date that is later than the relevant Non-Standard Exercise Cut-off Date.

provided that:

(1) no Redemption Date in respect of the relevant Reference Entity has occurred on or prior to the date on which the Applicable DC Credit Event Meeting Announcement occurs;

(2) if any Valuation Date in respect of the relevant Reference Entity has occurred on or prior to the date on which the Applicable DC Credit Event Meeting Announcement occurs, a Non-Standard Event Determination Date shall be deemed to have occurred only, if the Notes are Single Name Credit Linked Notes, with respect to the portion of the Original Aggregate Nominal Amount of the Credit Linked Notes or, if the Notes are Basket Credit Linked Notes or Index Tranche Credit Linked Notes, the Reference Entity Notional Amount of the Reference Entity to which the Event

Determination Date relates, if any, with respect to which no Valuation Date has occurred; and

(3) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Issuer to the Agent, (aa) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the Applicable DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, (bb) unless, and to the extent that, if the Notes are Single Name Credit Linked Notes, the Exercise Amount specified in any such Credit Event Notice was less than the Original Aggregate Nominal Amount of the Credit Linked Notes or, if the Notes are Basket Credit Linked Notes or Index Tranche Credit Linked Notes, the Reference Entity Notional Amount of the affected Reference Entity or (cc) unless a credit derivatives transaction with the same tenor and deliverable obligation provisions as the Credit Linked Notes would be an "Auction Covered Transaction" for the purpose of the relevant Credit Derivatives Auction Settlement Terms and the deliverable obligations set out on the Final List are identical to the Permissible Deliverable Obligations for such Series.

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

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

(i) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;

(ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or

(iii) the date that is 14 calendar days following the No Auction Announcement Date, if any, as applicable; or

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

(i) the DC Secretary publishes a Final List applicable to the Applicable Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is seven Relevant City Business Days following the date on which such Final List is published; or

(ii) otherwise, the date that is 14 calendar days following the relevant No Auction Announcement Date.

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

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

"**Notes Extension Date**" means the later to occur of (a) the last applicable day specified in the definition of "Notice Delivery Period" in respect of each Reference Entity with respect to which Maturity Date Extension applies pursuant to Credit Linked Condition 9 (*Maturity Date Extension*) and (b) 14 calendar days after the DC Credit Event Announcement or (c) the last day of the Post Dismissal Additional Period.

"**Notice Delivery Date**" means the first date on which both an effective Credit Event Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in applicable Final Terms, an effective Notice of Publicly Available Information, has been delivered by the Issuer to the Agent.

"**Notice Delivery Period**" means the period from and including the Trade Date to and including the date that is 14 calendar days after the Extension Date.

"**Notice of Publicly Available Information**" means an irrevocable notice from the Issuer or the Calculation Agent to the Agent that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If "Notice of Publicly Available Information" is specified as being applicable in the applicable Final Terms and the Credit Event Notice or Repudiation/Moratorium Extension Notice 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.

"**Notice of Suspended Interest**" means a notice required to be delivered in accordance with Credit Linked Condition 2(f) (*Notice of Suspended Interest*).

"**Notice to Exercise Movement Option**" means, with respect to a Series where (a) an M(M)R Restructuring is applicable and (b) the Fallback Redemption Method would otherwise be applicable pursuant to Credit Linked Condition 11(a)(ii) (*Fallback Redemption*), a notice from the Issuer to the Agent that (i) specifies the Parallel Auction Settlement Terms which shall be applicable in accordance with the Issuer's exercise of the Movement Option and (ii) is dated on or prior to the Movement Option Cut-off Date.

"**Obligation**" means (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in "Method for Determining Obligations" below; and (b) the Reference Obligation, in each case, unless it is an Excluded Obligation.

(A) *Method for Determining Obligations*:

For the purposes of sub-paragraph (a) of the definition of "**Obligation**" above, an Obligation is each obligation of the Reference Entity described by the Obligation Category specified in the applicable Final Terms and having each of the Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, immediately prior to, the Credit Event which is the subject of either the Credit Event Notice or the Applicable DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

(I) "**Obligation Category**" means Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the applicable Final Terms;

(II) "**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 notes or other debt notes and shall not include any other type of Borrowed Money;

(III) "**Bond or Loan**" means any obligation that is either a Bond or a Loan;

(IV) "**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);

(V) "**Loan**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan

agreement or other similar credit agreement and shall not include any other type of Borrowed Money;

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

(VII) "**Reference Obligation Only**" means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only.

(c) "**Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance, and:

(i)

(A) "**Not Subordinated**" means an obligation that is not Subordinated to (I) the Reference Obligation or (II) the "Prior Reference Obligation" if applicable;

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

(C) "**Prior Reference Obligation**" means, in circumstances where there is no Reference Obligation applicable to a Series, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the applicable Final Terms as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity;

(ii) "**Specified Currency**" means an obligation that is payable in the currency or currencies specified as such in the applicable Final Terms (or, if "**Specified Currency**" is specified in the applicable Final Terms and no currency is so

specified, any Standard Specified Currency), provided that if the euro is a Specified Currency, "**Specified Currency**" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;

(iii) "**Not Sovereign Lender**" means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "**Paris Club debt**";

(iv) "**Not Domestic Currency**" means any obligation that is payable in any currency other than the applicable Domestic Currency, provided that a Standard Specified Currency shall not constitute a Domestic Currency;

(v) "**Not Domestic Law**" means any obligation that is not governed by the applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute Domestic Law;

(vi) "**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and

(vii) "**Not Domestic Issuance**" means any obligation other than an obligation that was issued (or reissued, as the case may be) or intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued as the case may be) or intended to be offered for sale primarily in the domestic market of the Reference Entity.

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

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

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

"**Original Aggregate Nominal Amount**" means, on the Issue Date, the aggregate nominal amount of the Notes of such Series specified in the applicable Final Terms.

"**Original Non-Standard Reference Obligation**" means each obligation of the Reference Entity (either directly or as provider of a Guarantee) which is specified as a Reference Obligation in the applicable Final Terms (if any is so specified).

"**Outstanding Aggregate Nominal Amount**" means, in respect of a Series of Single Name Credit Linked Notes, Basket Credit Linked Notes or Index Tranche Credit Linked Notes, as applicable, on any date, the Original Aggregate Nominal Amount less the aggregate of any Applicable Proportions of the Single Name Credit Linked Notes, Basket Credit Linked Notes or Index Tranche Credit Linked Notes, as applicable, that have been previously redeemed (subject to a minimum of

zero) in each case taking into account any amortisation, partial redemptions (including pursuant to the Credit Linked Conditions) or further issues of the Notes of such Series on or prior to such date.

The "**Outstanding Principal Balance**" of an obligation will be calculated as follows:

(a) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of "**Accrued Interest**", the Reference Entity's accrued and unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (i) the Outstanding Principal Balance (including accrued and unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (ii) the amount of the Fixed Cap, if any);

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

(c) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance, in each case, determined: (i) unless otherwise specified, in accordance with the terms of the obligation in effect on the Valuation Date; and (ii) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

in each case, determined:

(A) unless otherwise specified, in accordance with the terms of the obligation in effect on the Valuation Date; and

(B) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

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

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

"**Parallel Auction**" means the "**Auction**" which is the subject of the relevant Parallel Auction Settlement Terms.

"**Parallel Auction Cancellation Date**" means the "Auction Cancellation Date" in respect of the relevant Parallel Auction Settlement Terms.

"**Parallel Auction Settlement Terms**" means, following the occurrence of an "**M(M)R Restructuring**", any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such an M(M)R Restructuring if the Calculation Agent determines in its discretion, acting in a commercially reasonable manner, that the relevant Deliverable Obligation Terms are substantially the same as the Valuation Obligation Provisions applicable to the relevant Credit

Linked Notes and for which a credit derivatives transaction with the same tenor as Series of the Credit Linked Notes would not be an "Auction Covered Transaction" for the purpose of the relevant Credit Derivatives Auction Settlement Terms.

"**Partial Nominal Amount**" has the meaning given to that term in Credit Linked Condition 16 (*Successor Provisions*).

"**Payment Requirement**" means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency (or, if no such amount is specified, USD 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 appropriate.

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

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

(a) as a result of the application of:

(i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;

(ii) provisions implementing the Subordination of the obligation;

(iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);

(iv) any Solvency Capital Provisions, if "**Subordinated European Insurance Terms**" is specified as applicable in the applicable Final Terms; or

(v) provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, if "**Financial Reference Entity Terms**" is specified as applicable in the applicable Final Terms; or

(b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

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

"**Physical Settlement Matrix**" means the "**Credit Derivatives Physical Settlement Matrix**" as most recently amended or supplemented as at the Issue Date (unless otherwise specified in the applicable 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 any Series of Notes where "Physical Settlement Matrix Standard Terms" are specified as applicable in the applicable Final Terms and one or more Transaction Type(s) are specified as applying to the Reference Entity(ies) of such Series of Notes.

"**Post Dismissal Additional Period**" means the period from and including the date of the Applicable DC Credit Event Question Dismissal 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)).

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

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

"**Prior Deliverable Obligation**" means:

(a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the Applicable DC Credit Event Announcement), any Obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within the definition of Valuation Obligation set out in sub-paragraph (a) or (b) of the definition of "Valuation Obligation", in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or

(b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation of the relevant Reference Entity (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the Applicable DC Credit Event Announcement), such Reference Obligation, if any.

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

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

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

"**Publicly Available Information**" means 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 have occurred and which (a) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; (b) is information received from or published by (i) the Reference Entity (or if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign) or (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, or (c) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body; provided that where any information of the type described in sub-paragraphs (a) to (c) of this definition above is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

In relation to any information of the type described in sub-paragraphs (b) and (c) above in the first paragraph of this definition of "**Publicly Available Information**", the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and

that the 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.

Without limitation, Publicly Available Information need not state (a) in relation to the definition of "**Downstream Affiliate**", the percentage of Voting Shares owned by the Reference Entity and (b) that the relevant occurrence (i) has met the Payment Requirement or Default Requirement, (ii) is the result of exceeding any applicable Grace Period or (iii) has met the subjective criteria specified in certain Credit Events.

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

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

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

A Qualifying Guarantee shall not include any guarantee:

(i) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or

(ii) pursuant to the terms applicable thereto) the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance other than: (i) by payment; (ii) by way of Permitted Transfer; (iii) by operation of law; (iv) due to the existence of a Fixed Cap; or (v) due to: (A) provisions permitting or anticipating a Governmental Intervention, if "**Financial Reference Entity Terms**" is specified as applicable in the applicable Final Terms; or (B) any Solvency Capital Provisions, if "**Subordinated European Insurance Terms**" is specified as applicable in the applicable Final Terms.

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

In order for a Guarantee to constitute a Qualifying Guarantee: (I) The benefit of a Qualifying Guarantee such Guarantee must be capable of being delivered together with the delivery of the Underlying Obligation; and (II) if a Guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being delivered together with the delivery of such Guarantee.

"**Quotation**" means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage of the Valuation Obligation's Outstanding Principal Balance or Due and Payable Amount (or if a Quotation is being obtained in respect of the Asset Package resulting from any Prior Deliverable Obligation or Package Observable Bond, the Outstanding Principal Balance of the relevant Prior Deliverable Obligation or Package Observable Bond immediately prior to the

Asset Package Credit Event), as applicable, with respect to a Valuation Date in the manner that follows:

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

(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 applicable Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

"**Quotation Amount**" means an amount determined by the Calculation Agent not in excess of the Outstanding Aggregate Nominal Amount of the Credit Linked Notes or its equivalent in the relevant Obligation Currency, which shall be 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). Where an Asset Package Credit Event has occurred and a Valuation Obligation has been converted into an Asset Package, the Quotation Amount for all or any part of the Asset Package shall be such amount as the Calculation Agent determines appropriate in its sole and absolute discretion.

"**Quotation Dealer**" means, as selected by the Calculation Agent in its discretion, acting in a commercially reasonable manner, a dealer in obligations of the type for which Quotations are to be obtained, including each Quotation Dealer specified in the applicable Final Terms. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may, in its discretion, acting in a commercially reasonable manner, substitute any other Quotation Dealer(s) for one or more of the foregoing.

"**Quotation Method**" means the applicable Quotation Method specified in the applicable Final Terms by reference to one of the following terms (or, if no Quotation Method is specified, Bid shall apply),

where:

(a) "**Bid**" means that only bid quotations shall be requested from Quotation Dealers;

(b) "**Offer**" means that only offer quotations shall be requested from Quotation Dealers; or

(c) "**Mid-market**" means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Quotation Dealer's quotation,

provided that in respect of any Asset Package which is the subject of a Quotation, the Quotation Method shall be any of the above Quotation Methods selected by the Calculation Agent in its sole and absolute discretion, or any other method of quotation provided in the market for the relevant Asset as determined by the Calculation Agent, notwithstanding the Quotation Method specified in the applicable Final Terms.

"**Redemption Amount**" means the Auction Redemption Amount, Cash Redemption Amount, Basket Auction Redemption Amount, Basket Cash Redemption Amount, Index Tranche

Redemption Amount, Basket Final Auction Redemption Amount, Basket Final Cash Redemption Amount or Index Tranche Final Redemption Amount, as applicable.

"**Redemption Date**" means the Auction Redemption Date, Cash Redemption Date, Basket Auction Redemption Date, Basket Cash Redemption Date, Index Tranche Auction Redemption Date, Index Tranche Cash Redemption Date, Final Auction Redemption Date, Final Cash Redemption Date, Basket Final Auction Redemption Date, Basket Final Cash Redemption Date, Index Tranche Final Auction Redemption Date or Index Tranche Final Cash Redemption Date, as applicable.

"**Redemption Failure Event**" means, in each case as determined by the Issuer in its discretion, acting in a commercially reasonable manner, that (a) it is impossible, impracticable or illegal for the Issuer to pay (due to an event beyond the control of the Issuer), or for a Noteholder to accept payment of (due to an event beyond the control of such Noteholder), any cash amount (including, without limitation, any portion of the Redemption Amount in respect of the Credit Linked Notes) required to be paid on the date scheduled for such payment, (b) the failure of a Noteholder to surrender a Credit Linked Note for cancellation on or before the Scheduled Maturity Date or the relevant Redemption Date, as the case may be.

"**Redemption Suspension Notice**" has the meaning given to that term in Credit Linked Condition 15 (*Effect of DC Announcements*).

"**Reference Entity**" means the entity specified as such in the applicable Final Terms. Any Successor to the Reference Entity either (a) identified by the Calculation Agent pursuant to the definition of "**Successor**" on or following the Trade Date or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be the Reference Entity.

"**Reference Entity Notional Amount**" means, in respect of each Reference Entity, either (i) the product of the Original Aggregate Nominal Amount and the Weighting for such Reference Entity or (ii) the amount specified in the applicable Final Terms, subject to amendment as provided herein.

"**Reference Obligation**" means:

(a) if "Standard Reference Obligation" is specified as applicable in the applicable Final Terms, the Standard Reference Obligation;

(b) if "Standard Reference Obligation" is specified as not applicable in the applicable Final Terms, in which case the Reference Obligation(s) will be the Non-Standard Reference Obligation(s), if any; or

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

"**Reference Obligation Only Series**" means a Series of Credit Linked Notes in respect of which (a) "**Reference Obligation Only**" is specified as the Obligation Category and the Valuation Obligation Category in the relevant Issue Terms in respect of such Reference Entity and (b) "Standard Reference Obligation" is specified as not applicable in the relevant Issue Terms in respect of such Reference Entity.

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

"**Relevant Credit Event**" means:

(a) in the case of Single Name Credit Linked, any Credit Event to occur with respect to the Reference Entity;

(b) in the case of Basket Credit Linked Notes, any Credit Event to occur with respect to any Reference Entity in the basket or the Index, as applicable; and

(c) in the case of Index Tranche Credit Linked Notes, any Credit Event to occur with respect to any Reference Entity in the Index once the Aggregate Loss Amount has reached the Loss Threshold Amount (as such terms are defined in Credit Linked Condition 5 (*Index Tranche Credit Linked Notes*)).

"**Relevant Event Determination Date**" means the Event Determination Date occurring with respect to a Relevant Credit Event.

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

"**Relevant Holder**" means a holder of the Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Outstanding Aggregate Nominal Amount of the relevant Series of Credit Linked Notes immediately prior to the relevant Asset Package Credit Event.

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

(a) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;

(b) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under the definition of "**Successor**", make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category "**Bond or Loan**" that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;

(c) if "**Financial Reference Entity Terms**" is specified as applicable in the applicable Final Terms and the Reference Entity is a Senior Reference Entity, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "**Bond or Loan**"; and

(d) if "**Financial Reference Entity Terms**" is specified as applicable in the applicable Final Terms, and the relevant Reference Entity is a Subordinated Reference Entity, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "**Bond or Loan**", provided that if no such Relevant Obligations exist, "Relevant Obligations" shall have the same meaning as it would if the relevant Reference Entity were a Senior Reference Entity.

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

"**Repudiation/Moratorium Evaluation Date**" means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date, (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 Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied.

The "**Repudiation/Moratorium Extension Condition**" is satisfied (a) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity and that such event occurred on or prior to the Scheduled Maturity Date and such resolution constitutes an Applicable Resolution or (b) otherwise, by the delivery by the Issuer to the Agent of a Repudiation/Moratorium Extension Notice and, unless "Notice of Publicly Available Information" is specified not applicable in the applicable Final Terms, a Notice of Publicly Available Information that is effective on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date. In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (i) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity or (ii) an event that constitutes a Potential Repudiation/Moratorium for the purposes of the relevant Credit Linked Notes has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Maturity Date.

"**Repudiation/Moratorium Extension Notice**" means an irrevocable notice from the Issuer to the Agent that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Maturity Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

"**Resolve**" means, with respect to a Credit Derivatives Determinations Committee, the making of a specific determination in accordance with the DC Rules, and "**Resolved**" and "**Resolves**" shall be construed accordingly.

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

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

(a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);

(b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);

(c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;

(d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or

(e) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Notwithstanding the above in this definition of "**Restructuring**", none of the following shall constitute a Restructuring:

(i) the payment in euros of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;

(ii) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;

(iii) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a) to (e) of this definition of "**Restructuring**" due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and

(iv) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a) to (e) of this definition of "**Restructuring**" in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of sub-paragraph (e) of this definition of "**Restructuring**" only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

For the purposes of this definition of "**Restructuring**", the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in this definition shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in this definition of "Restructuring" shall continue to refer to the Reference Entity.

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

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

"**Restructuring Maturity Limitation Date**" means, with respect to a Valuation Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a "**Latest Maturity Restructured Bond or Loan**") and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

"**Scheduled Maturity Date**" means, in respect of an issue of Notes, the date specified as such in the applicable Final Terms.

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

"**Senior Reference Entity**" means a Reference Entity for which (a) the Reference Obligation(s) or Prior Reference Obligation(s), as applicable, is/are a Senior Obligation provided that if there is more than one Reference Obligation for a Reference Entity, and not all of the Reference Obligations are Senior Obligations, then "**Senior Reference Entity**" means a Reference Entity in respect of which "Senior Level" is specified as the Seniority Level in the applicable Final Terms, or (b) there is no Reference Obligation or Prior Reference Obligation.

"**Seniority Level**" means, with respect to a Reference Entity, (a) "**Senior Level**" or "**Subordinated Level**" as specified in the applicable Final Terms, or (b) if no such seniority level is specified in the applicable Final Terms, "**Senior Level**" if the only Original Non-Standard Reference Obligation is a Senior Obligation or "**Subordinated Level**" if the only Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which (c) "**Senior Level**".

"**Settlement Currency**" means the currency specified in the applicable Final Terms, or if no currency is specified in the applicable Final Terms, the Specified Currency of the Credit Linked Notes.

"**Single Name Credit Linked Notes**" means Notes which are specified as such in the Final Terms, in respect of which the Issuer purchases credit protection from Noteholders in respect of one Reference Entity alone.

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

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

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

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

"**Specified Number**" means the number of Public Sources specified in the applicable Final Terms (or, if no such number is specified, two).

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

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

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

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

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

"**Subordinated Reference Entity**" means a Reference Entity for which the Reference Obligation(s) or Prior Reference Obligation(s), as applicable, is/are a Subordinated Obligation provided that, if there is more than one Reference Obligation and not all of the Reference Obligations are Subordinated Reference Obligations, then "**Subordinated Reference Entity**" means a Reference Entity specified as such in the applicable Final Terms.

"**Substitute Reference Obligation**" means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the Obligation that may replace the Non-Standard Reference Obligation, determined by the Calculation Agent in accordance with Credit Linked Condition 18 (*Reference Obligation*).

Notwithstanding the definition of "**Substitute Reference Obligation**" (a) no Substitute Reference Obligation shall be determined in respect of a Reference Obligation Only Series and (b) if the events set out in sub-paragraph (b) or (c) of the definition of "**Substitution Event**" occur with respect to the Reference Obligation in a Reference Obligation Only Series, such Reference Obligation shall continue to be the Reference Obligation.

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

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

(a) the Non-Standard Reference Obligation is redeemed in whole;

(b) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or

(c) for any other reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an Obligation of the Reference Entity, (either directly or as provider of a Guarantee).

For the purposes of the identification of a Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event.

If an event described in sub-paragraph (a) or (b) of this definition has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to sub-paragraph (a) or (b) of this definition, as the case may be, on the Trade Date.

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

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

"**Successor**" means:

(a) subject to Credit Linked Condition 16(e) (*Eligible Successors*), the entity or entities, if any, determined by the Calculation Agent or the Credit Derivatives Determinations Committee (as applicable) as follows:

(i) subject to sub-paragraph (vii) of this definition, if one entity succeeds, either directly or as a provider of a Relevant Guarantee to seventy five per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor in respect of (i) if the Notes are Single Name Credit Linked Notes, the entire Outstanding Aggregate Nominal Amount of the Notes as at the Succession Date or (ii) if the Notes are Basket Credit Linked Notes or Index Tranche Credit Linked Notes, the entire Reference Entity Notional Amount of that original Reference Entity outstanding as at the Succession Date;

(ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee to more than twenty five per cent. (but less than seventy five per cent.) of the Relevant Obligations of the Reference Entity and not more than twenty five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty five per cent. of the Relevant Obligations will be the sole Successor in respect of (i) if the Notes are Single Name Credit Linked Notes, the entire Outstanding Aggregate Nominal Amount of the Notes as at the Succession Date or (ii) if the Notes are Basket Credit Linked Notes or Index Tranche Credit Linked Notes, the entire Reference Entity Notional Amount of that original Reference Entity outstanding as at the Succession Date;

(iii) if more than one entity each succeeds, either directly or as provider of a Relevant Guarantee to more than twenty five per cent. of the Relevant Obligations of the Reference Entity, and not more than twenty five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty five per cent. of the Relevant Obligations will each be a Successor, if the Notes are Single Name Credit Linked Notes, in respect of a portion of the Outstanding Aggregate Nominal Amount of the Notes as at the Succession Date or, if the Notes are Basket Credit Linked Notes or Index Tranche Credit Linked Notes, in respect of a portion of the Reference Entity Notional Amount of the original Reference Entity outstanding as at the Succession Date (subject to Credit Linked Condition 16 (*Successor Provisions*));

(iv) if one or more entities each succeeds, either directly or as provider of a Relevant Guarantee to more than twenty five per cent. of the Relevant Obligations of the Reference Entity, and more than twenty five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will, if the Notes are Single Name Credit Linked Notes, each be a in respect of a portion of the Outstanding Aggregate Nominal Amount of the Notes as at the Succession Date or, if the Notes are Basket Credit Linked Notes or Index Tranche Credit Linked Notes, in respect of a portion of the Reference Entity Notional Amount of the original Reference Entity outstanding as at the Succession Date subject to and in accordance with Credit Linked Condition 16 (*Successor Provisions*);

(v) if one or more entities succeeds, either directly or as provider of a Relevant Guarantee to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five 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 Credit Linked Notes will not be changed in any way as a result of such succession; and

(vi) if one or more entities succeeds either directly or as provider of a Relevant Guarantee to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations

of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor) subject to and in accordance with the provisions of Credit Linked Condition 16 (*Successor Provisions*).

(vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the Obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (i) the Reference Entity has ceased to exist, or (ii) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the "**Universal Successor**") will be the sole Successor in respect of the relevant Series.

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

"**Successor Backstop Date**" means for purposes of any Successor determination determined by DC Resolution, the date that is 90 calendar days prior to the Successor Resolution Request Date otherwise, the date that is 90 calendar days prior to the earlier of (a) the date on which the Successor Notice is effective and (b) in circumstances where (i) a Successor Resolution Request Date has occurred, (ii) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (iii) the Successor Notice is delivered by the Issuer to the Agent not more than 14 calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

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

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

"**TARGET Settlement Day**" means any day on which T2 (the real time gross settlement system operated by the Eurosystem, or any successor or replacement system) is open.

"**Term**" means the period commencing on and including the Trade Date and ending on and including the Scheduled Maturity Date (or, if applicable, Extended Maturity Date) of the Credit Linked Notes.

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

"**Transaction Auction Settlement Terms**" means the relevant Credit Derivatives Auction Settlement Terms, whether or not the Credit Linked Notes are covered by such Credit Derivatives

Auction Settlement Terms; provided that the Calculation Agent determines in its discretion, acting in a commercially reasonable manner, that (a) the relevant Deliverable Obligations Terms are substantially the same as the Valuation Obligation Provisions with respect to the Credit Linked Notes, and (b) if such Credit Event is a Restructuring for which either "**Restructuring Maturity Limitation and Fully Transferable Obligation**" or "**Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation**" is applicable or deemed to be applicable, a credit derivatives transaction with the same tenor as the Credit Linked Notes would be an "**Auction Covered Transaction**" for the purposes of the relevant Credit Derivatives Auction Settlement Terms.

"**Transaction Type**" means, for the purposes of the application of the Physical Settlement Matrix to a Series where "**Physical Settlement Matrix Standard Terms**" is specified as applicable in the applicable Final Terms, each Reference Entity designated as one of the following in the applicable Final Terms:

(a) North American Corporate;

(b) European Corporate;

(c) European Financial Corporate;

(d) Australia Corporate;

(e) Australia Financial Corporate;

(f) New Zealand Corporate;

(g) New Zealand Financial Corporate;

(h) Japan Corporate;

(i) Japan Financial Corporate;

(j) Singapore Corporate;

(k) Singapore Financial Corporate;

(l) Asia Corporate;

(m) Asia Financial Corporate;

(n) Asia Sovereign;

(o) Emerging European & Middle Eastern Sovereign;

(p) Japan Sovereign;

(q) Australia Sovereign;

(r) New Zealand Sovereign;

(s) Singapore Sovereign;

(t) Latin America Sovereign;

(u) Western European Sovereign,

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

"**Underlying Obligation**" means, with respect to a Guarantee, the Obligation which is the subject of the Guarantee.

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

"**Universal Successor**" has the meaning given in the definition of Successor.

"**Unwind Costs**" means an amount determined by the Calculation Agent relating to the costs and expenses incurred by the Issuer or an Affiliate of the Issuer in redeeming the Notes early or terminating, liquidating, obtaining or re-establishing any related funding, hedging or trading position in connection with the Notes as a result of a Credit Event occurring. Where such amount represents a cost to the Issuer it shall be expressed as a positive amount and where such amount represents an amount payable to the Issuer it shall be expressed as a negative amount.

"**Valuation Date**" means:

(a) if "**Single Valuation Date**" is specified in the applicable Final Terms, subject to the provisions of Credit Linked Condition 15 (*Effect of DC Announcements*), the date that is the number of Business Days specified in the applicable Final Terms after the Event Determination Date (or, if the Event Determination Date occurs pursuant to sub-paragraph (a)(ii) of the definition of "**Event Determination Date**" or sub-paragraph (b)(i) of the definition of "**Non-Standard Event Determination Date**", the day on which the DC Credit Event Announcement occurs) or, if the number of Business Days is not so specified, any day falling on or before the 90th Business Day after the Relevant Event Determination Date or, following any Auction Cancellation Date or No Auction Announcement Date, after such Auction Cancellation Date or No Auction Announcement Date (in each case, as selected by the Calculation Agent in its discretion, acting in a commercially reasonable manner);

(b) if "Multiple Valuation Dates" is specified in the applicable Final Terms, subject to the provisions of Credit Linked Condition 15 (*Effect of DC Announcements*), each of the following dates:

(i) the date that is the number of Business Days specified in the applicable Final Terms after the Event Determination Date (or, if the Event Determination Date occurs pursuant to sub-paragraph (a)(ii) of the definition of "Event Determination Date" or sub-paragraph (b)(i) of the definition of "Non-Standard Event Determination Date", the day on which the DC Credit Event Announcement occurs), Auction Cancellation Date or No Auction Announcement Date (or, if the number of Business Days is not specified, 5 Business Days); and

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

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

(c) if neither "**Single Valuation Date**" nor "**Multiple Valuation Dates**" is specified in the applicable Final Terms, the terms of sub-paragraph (a) of this definition shall apply as if "**Single Valuation Date**" had been specified in the applicable Final Terms.

"**Valuation Method**" means:

(a) where there is only one Valuation Date, Highest, Lowest or Market, as specified in the applicable Final Terms.

If no Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Highest.

(b) where there is more than one Valuation Date, Average Highest, Average Market or Highest, as specified in the applicable Final Terms.

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

where:

(i) "**Average Highest**" means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent (or in accordance with sub-paragraph (b) of the definition of "Quotation") with respect to each Valuation Date;

(ii) "**Average Market**" means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or

(iii) "**Highest**" means the highest Quotation obtained by the Calculation Agent (or in accordance with sub-paragraph (b) of the definition of "Quotation") with respect to any Valuation Date;

(iv) "**Lowest**" means the lowest Quotation obtained by the Calculation Agent (or in accordance with sub-paragraph (b) of the definition of "Quotation") with respect to any Valuation Date; and

(v) "**Market**" means the Market Value determined by the Calculation Agent with respect to the Valuation Date.

Notwithstanding sub-paragraphs (a) and (b) of this definition, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market or Average Market, as the case may be.

"**Valuation Obligation**" means:

(a) any Obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the "Method for determining Valuation Obligations" below;

(b) the Reference Obligation of the relevant Reference Entity;

(c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation; and

(d) if Asset Package Delivery is applicable, any Prior Deliverable Obligation (if "**Financial Reference Entity Terms**" is specified as applicable in the applicable Final Terms) or any Package Observable Bond (if the Reference Entity is a Sovereign),

in each case, (i) unless it is an Excluded Valuation Obligation and (ii) provided that the Obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for the purposes of sub-paragraph (d) of this definition, immediately prior to the relevant Asset Package Credit Event).

Method for determining Valuation Obligations

A Valuation Obligation shall be each Obligation of the Reference Entity described by the Valuation Obligation Category specified in the applicable Final Terms, and, subject to Credit Linked Condition 22 (*Interpretation of Obligation Characteristics and Valuation Obligation Characteristics*), having each of the Valuation Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, as of the Valuation Date (unless otherwise specified in the applicable Final Terms). The following terms shall have the following meanings:

(I) "**Valuation Obligation Category**" means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "**Obligation**" below, except that, for the purposes of determining Valuation Obligations, the definition of "**Reference Obligation Only**" shall be amended to state that no Valuation Obligation Characteristics shall be applicable to Reference Obligation Only).

(II) "**Valuation Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance, (each as defined in the definition of "**Obligation**" below), Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

If an obligation would have been capable of being specified as a Valuation Obligation immediately prior to a Credit Event in respect of a Reference Entity, such obligation (as in effect after such Credit Event) shall continue to be able to constitute a Valuation Obligation after the occurrence of such Credit Event. If it is not possible or reasonably practicable to specify any obligation as a Valuation Obligation of the Reference Entity because there is or will be no Valuation Obligation in existence at any time, the Calculation Agent shall designate by notice (which shall be in writing (including by facsimile and/or by email)) to the Agent one or more bonds, loans, instruments, certificates or other obligations which have been or will be issued in exchange, whether pursuant to a mandatory or voluntary exchange, for one or more bonds, loans, instruments, certificates or obligations of the Reference Entity that would have been capable of being specified as a Valuation Obligation immediately prior to the occurrence of the Relevant Credit Event of the Reference Entity, provided, that failure to deliver such notice shall not affect the effectiveness of such designation.

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

(2) "**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial Issuers or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;

(3) "**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such Loan) or any agent;

(4) "**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, 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 a member of the relevant lending syndicate), or (B) any lender or member of the relevant lending syndicate nominated by the Issuer or the Calculation Agent;

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

(6) "**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

(7) "**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 U.S. Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);

(b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or

(c) restrictions in respect of blocked periods on or around payment dates or voting periods.

"**Valuation Obligation Provisions**" means the provisions of the Credit Linked Notes that specify criteria for establishing what obligations may constitute Valuation Obligations.

"**Valuation Time**" means the time specified as such in the applicable Final Terms or, if no such time is specified, the time determined by the Calculation Agent, which shall be as close as reasonably practicable to 11:00 a.m. London time, unless the Calculation Agent determines that the principal market valuing the Reference Obligation would be closed at such time or such transactions are not being conducted in sufficient volume (as determined by the Calculation Agent in its discretion, acting in a commercially reasonable manner) at such time, in which event the Valuation Time shall be such other time as may be specified by the Calculation Agent that such principal market is open.

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

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

"**Weighting**" means in respect of a Reference Entity, the weighting specified for such Reference Entity in the applicable Final Terms.

22. Interpretation of Obligation Characteristics and Valuation Obligation Characteristics

(a) If either of the Obligation Characteristics "**Listed**" or "**Not Domestic Issuance**" is specified in the applicable Final Terms, the applicable Final Terms shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds;

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

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

(d) If an Obligation or a Valuation Obligation is a Relevant Guarantee, the following will apply:

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

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

(iii) For the purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or the Valuation Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: "**Listed**", "**Not Domestic Issuance**", "**Assignable Loan**", "**Consent Required Loan**", "**Direct Loan Participation**", "**Transferable**", "**Maximum Maturity**", "**Accelerated**" or "**Matured**" and "**Not Bearer**"; and

(iv) For the purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

(e) For purposes of the application of the Valuation Obligation Characteristic "**Maximum Maturity**", remaining maturity shall be determined on the basis of the terms of the Valuation Obligation in effect at the time of making such determination and, in the case of a Valuation Obligation that is due and payable, the remaining maturity shall be zero.

(f) If "**Financial Reference Entity Terms**" and "**Governmental Intervention**" are specified as applicable in the applicable Final Terms, if an obligation would otherwise satisfy a particular Obligation Characteristic or Valuation Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic or Valuation Obligation Characteristic.

(g) For purposes of determining the applicability of Valuation Obligation Characteristics and the requirements specified in sub-paragraph (a) of the definition of "**Mod R**" and sub-paragraph (a) of the definition of "**Mod Mod R**" to a Prior Deliverable Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the Relevant Obligation in effect immediately prior to the Asset Package Credit Event.

(h) If "Subordinated European Insurance Terms" is specified as applicable in the applicable Final Terms, if an obligation would otherwise satisfy the "**Maximum Maturity**" Valuation Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Valuation Obligation Characteristic.

23. CoCo Supplementary Provisions

If "**CoCo Supplementary Provisions**" is specified as applicable in the applicable Final Terms, the following provisions will apply:

(a) A CoCo Provision shall be deemed to be a provision which permits a Governmental Intervention for all purposes under these Credit Linked Conditions.

(b) If, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, the operation of one or more CoCo Provisions results in (i) a permanent or temporary reduction of the amount of principal payable at redemption or (ii) a conversion of principal into shares or another instrument, such event shall be deemed to constitute a Governmental Intervention falling within sub-paragraph (a) of the definition of "Governmental Intervention".

(c) For the purposes of this Credit Linked Condition 23 (*CoCo Supplementary Provisions*):

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

"**Trigger Percentage**" means the trigger percentage specified in the applicable Final Terms (or if no such trigger percentage is specified, 5.25 per cent.); and

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

For the avoidance of doubt, the operation of one or more CoCo Provisions shall not result in delivery of the Valuation Obligation to Noteholders.

USE OF PROCEEDS

This section explains what the net proceeds from the sale of the Notes issued under the Programme will be used for.

The net proceeds from each issue of Notes will be applied by the Issuer to assist the financing of the activities of the Guarantor or its Affiliates to the extent permitted by applicable law.

If in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

FORM OF THE GUARANTEE

This section sets out the form of the guarantee the Guarantor will provide under the Programme.

DEED OF GUARANTEE

THIS DEED OF GUARANTEE (the "**Deed of Guarantee**") is made on 15 July 2026 by KBC Bank NV (the "**Guarantor**") in favour of (1) the Relevant Account Holders (as defined in the Deed of Covenant referred to below), (2) the holders for the time being of the Notes (as defined below) and the interest coupons (if any) appertaining to the Notes ("**Coupons**", such expression to include any talons for further Coupons issued in respect of any Notes), the Coupons being attached on issue to Definitive Note(s) (as defined below) and (3) the Accountholders (as defined in Clause 1(B) below). Each Relevant Account Holder, each holder of a Note and each holder of a Coupon is a "**Holder**".

WHEREAS:

(A) KBC IFIMA S.A., a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, with registered office at 4 rue du Fort Wallis, L-2714 Luxembourg, Grand Duchy of Luxembourg and registered with the trade and companies register (RCS Luxembourg) under number B193577 (the "**Issuer**") and the Guarantor have entered into a Programme Agreement pursuant to which the Issuer may from time to time issue Notes with a denomination of at least EUR 1,000 (or the equivalent in other currencies) (the "**Programme Agreement**", which expression includes the same as it may be amended, supplemented or restated from time to time) dated on or about 15 July 2026 with the Dealers named therein under which the Issuer proposes from time to time to issue Notes (the "**Notes**", such expression to include each Definitive Note issued by the Issuer and each Global Note issued by the Issuer).

(B) This Deed of Guarantee will apply to all Notes issued pursuant to the Issuer's EUR 10,000,000,000 Euro Medium Term Note Programme (the "**Programme**") on or after the date hereof, other than any Notes issued so as to be consolidated and form a single Series with any Notes issued prior to the date hereof.

(C) The Issuer has executed a Deed of Covenant on or about 15 July 2026 (the "**Deed of Covenant**", which expression includes the same as it may be amended, supplemented or restated from time to time) relating to Global Notes issued by the Issuer pursuant to the Programme Agreement.

(D) The Issuer and the Guarantor have entered into an Agency Agreement (the "**Agency Agreement**", which expression includes the same as it may be amended, supplemented or restated from time to time) dated on or about 15 July 2026 with Banque Internationale à Luxembourg S.A. (the "**Agent**") and the other agents named therein in relation to the Programme.

(E) Terms defined in the Conditions of the Notes (the "**Conditions**"), the Programme Agreement, the Agency Agreement and/or the Deed of Covenant and not otherwise defined in this Deed of Guarantee shall have the same meanings when used in this Deed of Guarantee.

NOW THIS DEED WITNESSES as follows:

1. GUARANTEE

(A) Subject as set out in Clause 6, the Guarantor hereby unconditionally and irrevocably guarantees by way of deed poll to each Holder (i) all sums payable by the Issuer to such Holder or (ii) performance of any delivery obligation owed by the Issuer to such Holder, in each case in respect of any Note or any Coupon relating thereto or under the Deed of Covenant in respect thereof, as the case may be, (including any premium or any other amounts of whatever nature or additional amounts which may become payable under any of the foregoing) when and as the same shall become due and payable in accordance with the terms thereof. In case of the failure of the Issuer punctually (x) in the case of (i) above, to make any such payment, the Guarantor hereby undertakes to cause such payment to be made punctually when and as the same shall become due and payable and (y) in the case of (ii) above, to perform or procure the performance of any delivery obligation, the Guarantor hereby undertakes to cause such performance or the procurement of such performance to occur punctually when and as the same shall become due to be performed,

in each case whether at maturity, upon redemption by acceleration of maturity or otherwise, as if such payment or delivery, as the case may be, were made or performed by the Issuer in accordance with the terms thereof. The Guarantor hereby waives any requirement that any Holder, in the event of any default of such payment or delivery as the case may be by the Issuer, first makes demand upon or seeks to enforce remedies against the Issuer before seeking to enforce this Guarantee; agrees that its obligations under this Guarantee shall be unconditional and irrevocable irrespective of the validity, regularity or enforceability of such Notes or of such Coupons or of the Deed of Covenant in respect thereof, the absence of any action to enforce the same, any waiver or consent by any Holder with respect to any provisions thereof, the recovery of any judgment against the Issuer or any action to enforce the same, any consolidation, merger, conveyance or transfer by the Issuer or any other circumstance which might otherwise constitute a legal or equitable discharge or defence of a guarantor; and covenants that this Guarantee will not be discharged except by complete performance of the obligations contained in such Notes, such Coupons, the Deed of Covenant and this Guarantee.

(B) For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Guarantor as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Guarantor as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Agent.

The Guarantor covenants in favour of each Accountholder that it will (i) make all payments (if any) under this Guarantee in respect of the principal amount of Notes for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as being held by the Accountholder and represented by a Global Note to the holder of the Global Note and (ii) perform or procure the performance of all delivery obligations (if any) in accordance with the Conditions, in each case, in accordance with the terms of this Guarantee and acknowledges that each Accountholder may take proceedings to enforce this covenant and any of the other rights which it has under this Guarantee directly against the Guarantor.

2. THE GUARANTOR AS PRINCIPAL DEBTOR

Without affecting the Issuer's obligations, the Guarantor will be liable under this Guarantee as if it were the sole principal debtor and not merely a surety. Accordingly, it will not be discharged, nor will its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal debtor (including (a) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (b) any amendment to any Note, any Coupon, any Receipt or the Deed of Covenant or to any security or other guarantee or indemnity, (c) the making or absence of any demand on the Issuer or any other person for payment, (d) the enforcement or absence of enforcement of any Note, any Coupon, any Receipt, the Deed of Covenant or of any security or other guarantee or indemnity, (e) the release of any such security, guarantee or indemnity, (f) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (g) the illegality, invalidity or unenforceability of or any defect in any provision of any Note, any Coupon, any Receipt or the Deed of Covenant or any of the Issuer's obligations under any of them).

3. THE GUARANTOR'S OBLIGATIONS CONTINUING

The Guarantor's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains payable or delivery obligation in respect of any Note, any Coupon, any Receipt or the Deed of Covenant remains owing. Furthermore, these obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of a Holder, whether from the Guarantor or otherwise. The Guarantor irrevocably waives all notices and demands whatsoever.

4. REPAYMENT TO THE ISSUER

If any payment or other consideration received by a Holder is, on the subsequent liquidation or insolvency of the Issuer, avoided under any laws relating to liquidation or insolvency, such payment or other consideration will not be considered as having discharged or diminished the liability of the Guarantor and this Guarantee will continue to apply as if such payment or other consideration had at all times remained owing by the Issuer.

5. INDEMNITY

As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees that any sum expressed to be payable or delivery obligation expressed to be owed by the Issuer under any Note, any Coupon, any Receipt or the Deed of Covenant but which is for any reason (whether or not now known or becoming known to the Issuer, the Guarantor or any Holder) not recoverable from the Guarantor on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Holder or otherwise delivered by it on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee, gives rise to a separate and independent cause of action and will apply irrespective of any indulgence granted by any Holder.

6. STATUS OF GUARANTEE

The obligations of the Guarantor under this Guarantee in respect of the Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor and rank and will rank *pari passu* with all present and future unsecured and unsubordinated obligations of the Guarantor, without any preference among themselves and *pari passu* without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, except for obligations given priority by law.

7. WITHHOLDING OR REDUCTION

If Condition 12(a) is specified as applicable in the applicable Final Terms, all payments by the Guarantor under this Guarantee will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or other charges of whatever nature imposed, levied or collected by or on behalf of any Tax Jurisdiction, or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the relevant Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Coupon, Receipt or Underlying Note (as defined in the Deed of Covenant):

(i) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or other charges in respect of such Note, Coupon, Receipt or Underlying Note by reason of such Holder having some connection with any Tax Jurisdiction (including, for the avoidance of doubt receiving payments in relation to the Note, Coupon, Receipt or Underlying Note) by or through a paying agent established in any Tax Jurisdiction) other than the mere holding of such Note, Coupon, Receipt or Underlying Note; or

(ii) presented for payment in any Tax Jurisdiction; or

(iii) to, or to a third party on behalf of, a Holder who would be able to avoid such withholding or deduction by making a declaration of non-residence or similar claim for exemption but fails to do so; or

(iv) if demand for payment is made more than 30 days after the Relevant Date (as defined in Condition 12(a)) except to the extent that the Holder would have been entitled to such additional amount on presenting the same for payment on such thirtieth day; or

(v) to, or to a third party on behalf of, a Relevant Account Holder who would have been able to avoid such withholding or deduction by presenting the Note, Coupon, Receipt or Underlying Note to another Paying Agent in a Member State of the European Union; or

(vi) where such deduction or withholding is imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code (the "**Code**"), as amended, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement).

8. POWER TO EXECUTE

The Guarantor hereby warrants, represents and covenants with each Holder and Accountholder that it has all power, that it has obtained all necessary governmental consents and authorisations, and that it has taken all necessary steps, in each case to enable it to execute, deliver and perform this Guarantee and that this Guarantee constitutes legal, valid and binding obligations of the Guarantor in accordance with its terms.

9. DEPOSIT OF GUARANTEE

This Guarantee shall take effect as a deed poll for the benefit of the Holders and Accountholders from time to time and for the time being. This Guarantee shall be deposited with and held by Banque Internationale à Luxembourg S.A. as Agent until all the obligations of the Guarantor have been discharged in full.

10. PRODUCTION OF GUARANTEE

The Guarantor hereby acknowledges the right of every Holder and Accountholder to the production of, and the right of every Holder and Accountholder to obtain (upon payment of a reasonable charge) a copy of, this Guarantee, and further acknowledges and covenants that the obligations binding upon it contained herein are owed to, and shall be for the account of, each and every Holder and Accountholder, and that each Holder and Accountholder shall be entitled severally to enforce the said obligations against the Guarantor.

11. SUBROGATION

Until all amounts which may be payable under the Notes, the Coupons and/or the Deed of Covenant have been irrevocably paid in full and all delivery obligations of the Issuer thereunder have been performed in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Holder or claim in competition with the Holders against the Issuer.

12. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Guarantee, but this does not affect any right or remedy of any person which exits or is available apart from that Act.

13. EXTRA-CONTRACTUAL LIABILITY

Each Holder and Accountholder agrees, by subscribing to or holding any Note, that the provisions of Article 6.3 of the Belgian *Code Civil*/*Burgerlijk Wetboek* of 13 April 2019 (the "**Belgian Civil Code**") shall, to the maximum extent permitted by law, not apply under or in connection with this

Guarantee and that it shall not be entitled to make any extra-contractual liability claim against the Guarantor or any auxiliary (*hulppersoon*/*auxiliaire*) within the meaning of Article 6.3 of the Belgian Civil Code of (any affiliate of) the Guarantor with respect to a breach of a contractual obligation under or in connection with this Guarantee, even if such breach of obligation also constitutes an extra-contractual liability.

14. GOVERNING LAW AND JURISDICTION

(A) This Guarantee (and any non-contractual obligations arising out of or in connection with this Guarantee), except Clause 6, shall be governed by, and construed in accordance with, English law. Clause 6 (and any non-contractual obligations arising out of or in connection with Clause 6) shall be governed by, and construed in accordance with, Belgian law.

(B) Subject to paragraph (D) below, the English courts shall have non-exclusive jurisdiction to settle all disputes which may, directly or indirectly, arise out of or in connection with this Guarantee (including, in each case, any dispute relating to any non-contractual obligations arising therefrom or in connection therewith) (a "**Dispute**") and the Guarantor submits and each of the Holders and Accountholders (by its acquisition of a Note) is deemed to submit to the non-exclusive jurisdiction of the English courts. For the purposes of this Clause 14, the Guarantor waives and each of the Holders and Accountholders (by its acquisition of a Note) is deemed to waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(C) The Guarantor appoints its London branch at 111 Old Broad Street, London EC2N 1BR, England as its agent in England for service of process in any proceedings in England relating to the Guarantee and the Guarantor undertakes that, in the event of its London branch ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Dispute in England. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

(D) To the extent that any proceedings in respect of the Guarantee involve consumers (as such term is used in Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the "**Brussels Recast Regulation**")), notwithstanding paragraph (B), the Guarantor will be required to, and such consumers may, in respect of any Dispute in respect of the Guarantee, take proceedings in the jurisdictions specified in Article 18 of the Brussels Recast Regulation.

15. CONTRACTUAL RECOGNITION OF BAIL-IN

(A) Notwithstanding and to the exclusion of any other term of this Deed or any other agreements, arrangements or understandings among the Guarantor, the Holder and the Accountholders, each Holder and Accountholder acknowledges and accepts that any liability arising under this Deed may be subject to the exercise of Bail-in Powers by the Relevant Resolution Authority, and acknowledges, accepts, acknowledge and agrees to be bound by:

(a) the effect of the exercise of the Bail-in Powers by the Relevant Resolution Authority in relation to any liability of the Guarantor to any Holder and Accountholder under this Deed, that may include and result in any of the following, or some combination thereof:

(1) the reduction on a permanent basis of all, or a portion, of the Amounts Due;

(2) the conversion of all, or a portion, of the Amounts Due into ordinary shares, other instruments of ownership, other securities or obligations of the Guarantor or another person, and the issue to or conferral on the Holder and Accountholder of such ordinary shares, instruments of ownership, other securities or obligations, including by means of an amendment, modification or variation of the terms of such liability, in

which case the relevant Holder and Accountholder agrees to accept in lieu of its rights under such liability any such ordinary shares, other instruments of ownership, other securities or obligations of the Guarantor or another person;

(3) the cancellation of such liability; and/or

(4) the amendment or alteration of the expiration of such liability, amendment of amount(s) payable in respect of such liability or the date(s) on which any payment(s) are due, including by suspending payment for a temporary period; and

(b) the variation of the terms of this Deed, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of Bail-in Powers by the Relevant Resolution Authority.

(B) Any delay or failure by the Guarantor to notify the Holders and the Accountholders of the exercise of the Bail-in Power by the Relevant Resolution Authority shall not affect the validity and enforceability of the Bail-In Powers nor the effects on the Notes described in paragraph (A) above. None of the cancellation of any liability of the Guarantor to any Holder and Accountholder under this Deed, a reduction, in part or in full, of the Amounts Due, the conversion thereof into ordinary shares, other instruments of ownership, other securities or obligations of the Guarantor or another person, as a result of the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Guarantor, nor the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to this Deed will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Holders and Accountholders to any remedies (including equitable remedies), which are hereby expressly waived. The terms and conditions of this Guarantee shall continue to apply in relation to the residual amount of, or outstanding amount payable, in respect of the Guarantee, subject to any modification or reduction of the amount payable under the Guarantee to reflect the reduction of the amounts payable under the Guarantee, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations.

(C) For the purpose of this Clause 15, the following definitions shall apply:

"**Amounts Due**" means any amount payable under the terms and conditions of this Guarantee. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Bail-in Power by the Relevant Resolution Authority.

"**Bail-In Legislation**" means the Belgian law of 25 April 2014 on the status and supervision of credit institutions, and any other law or regulation relating to the transposition of Directive 2014/59/EU under Belgian law.

"**Bail-in Powers**" means any write-down, conversion, transfer, modification or suspension power existing from time to time under, and exercised in accordance with, any laws, regulations, rules or requirements in effect in Belgium and Luxembourg, relating to (i) the transposition of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time, "**BRRD**") (and transposed into (i) Belgian law by the law of 25 April 2014 on the status and supervision of credit institutions, and any other law or regulation relating to the transposition of Directive 2014/59/EU under Belgian law and (ii) Luxembourg law by the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended, relating to the transposition of Directive 2014/59/EU under Luxembourg law), and (ii) Regulation (EU) No 806/2014 establishing uniform rules and uniform procedures for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and Single Resolution Fund (as

amended from time to time, "**SRM Regulation**"), and in each case the instructions, rules, standards and policies created thereunder, pursuant to which:

(i) any obligation of a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution (a "**Regulated Entity**") can be reduced (in whole or in part), otherwise modified or converted into ordinary shares, other instruments of ownership, other securities or obligations of such Regulated Entity or any other person (or suspended for a temporary period); and/or

(ii) the maturity of any liability of a bank, investment firm or other financial institution can be amended or altered (including by suspending payment for a temporary period),

whether in connection with the implementation of the bail-in tool following placement in resolution or in connection with write-down or conversion powers before a resolution proceeding is initiated.

"**Relevant Resolution Authority**" means the resolution authority with the ability to exercise any Bail-in Powers from time to time in relation to the Guarantor.

(D) Each Holder and Accountholder acknowledges, accepts, consents and agrees that the matters set forth in this Clause 15 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Guarantor, the Holder and the Accountholders, as applicable.

IN WITNESS whereof this Guarantee has been executed as a deed poll on behalf of the Guarantor.

Executed as a deed by

KBC Bank NV

acting by

acting under the

authority of that company

in the presence of:

Witness's Signature:

Name:

Address:

DESCRIPTION OF THE ISSUER

This section provides a description of the Issuer's business activities as well as certain financial information in respect of the Issuer.

KBC IFIMA S.A.

History and Development

The Issuer's legal and commercial name is KBC IFIMA S.A. The Issuer is currently incorporated in the form of a public limited liability company under the laws of the Grand Duchy of Luxembourg and is registered with the trade and companies register (*Registre de Commerce et des Sociétés de Luxembourg*) under registration number B193577. The Issuer's LEI code is 213800PN8BSF31FXFM06.

The Issuer was incorporated in the form of a limited liability company and was registered in the Netherlands on 15 April 1982. On 31 December 2014 at midnight, the Issuer changed its legal and commercial name, domicile, legal form and country of incorporation from KBC Internationale Financieringsmaatschappij N.V. to KBC IFIMA S.A.

On 26 May 2016, the Board of Directors of the Issuer gave a favourable opinion on the merger of the Issuer with its Luxembourg sister company KBC Financial Products International S.A. KBC Financial Products International S.A. was dissolved, with the Issuer being the absorbing company. The merger became effective (i) between the merging companies and towards third parties on publication of the resolutions of the sole shareholder of the Issuer, approving the merger, on the *Recueil Electronique des Sociétés et Associations* platform on 5 July 2016 at midnight and (ii) from an accounting and tax perspective, retroactively, on 1 January 2016 at midnight.

The Issuer has its registered office at 4, rue du Fort Wallis, L-2714 Luxembourg, Grand Duchy of Luxembourg, telephone number +352/266442 and is incorporated in the Grand Duchy of Luxembourg as a public limited liability company. The Issuer has an unlimited duration and operates under the laws of the Grand Duchy of Luxembourg.

Recent Events

There have not been any recent events relevant to the evaluation of the Issuer’s solvency, nor has there been any material adverse change in the prospects of the Issuer, since 31 December 2025.

Material contracts

As at the date of this Base Prospectus, the Issuer has not entered into any material contracts outside the ordinary course of its business which could result in any member of the KBC Bank Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations under the Notes.

Expected financing and material changes in the Issuer's borrowing and funding structure

The Issuer's financing is linked to the Issuer's core activity, i.e., to on-lend the funds it receives from investors to the Guarantor. Upon redemption, the Issuer receives a specified amount as remuneration.

There are no material changes in the Issuer's borrowing or funding structure since 31 December 2025.

Business Overview

- The Issuer's principal objects, as set out in Article 3 of its articles of association are the issue of bonds, warrants, debentures and any other financial instruments and the on-lending of the proceeds to the Guarantor, its subsidiaries and associated companies, as well as the issue of other financial instruments. The Issuer's principal activity consists of the administration of the financial instruments issued, in particular bonds, and the loans made.

- The Issuer is directly owned by the Guarantor and its debt is fully guaranteed by the Guarantor. The Issuer is accordingly dependent on the Guarantor and other members of KBC Bank Group servicing those loans.

- The Issuer is indirectly controlled by KBC Group NV and ultimately by the shareholders of KBC Group NV. An overview of the shareholding of KBC Group NV is available on www.kbc.com. At the date of this Base Prospectus and based on the notifications made in accordance with the Belgian law of 2 May 2007 on disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market, the major shareholders of KBC Group NV are KBC Ancora, Cera, MRBB and the other core shareholders.

- This Base Prospectus does not contain statements regarding the competitive position of the Issuer or forecasts or estimates in respect of the Issuer.

Trend Information

There are no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year.

Board of Directors of the Issuer

The Issuer is managed by a Board of Directors of at least three (3) members, which is not supervised by a supervisory board. The members of the Board of Directors are appointed by the General Meeting of the Shareholders.

As at the date of this Base Prospectus, the composition of the Board of Directors of the Issuer is set out in table below:

Name	**Position**	**Principal Activities outside the Issuer**
Ivo Irma BAUWENS	Company Director	Executive director, KBC Group Re S.A. Non-Executive director, KBC AM Luxembourg S.A. Non-Executive director, KBC Lease Luxembourg
Fatima BOUDABZA	Company Director	None
Damien Albert DEBBAUT	Company Director	None
Rik Jos JANSSEN	Company Director	None
Sabrina GOCKEL	Company Director	None

The business address of each director of the Issuer in his/her capacity as such is 4, rue du Fort Wallis, L-2714 Luxembourg, Grand Duchy of Luxembourg. The Issuer shall by bound by the joint signature of two Company Directors. The Issuer's Board of Directors has an Audit Committee.

There are no conflicts of interest between the duties of the persons listed above to the Issuer and their private interests or other duties. The Issuer is not aware of any affiliations/associations of the members of the Board of Directors outside the Issuer which are relevant to the Issuer.

The Issuer has adopted corporate governance policies which comply with the laws and regulations of the Grand Duchy of Luxembourg regarding corporate governance.

The Issuer has 0.80 (full time equivalent) permanent employees. Terms of employment are governed by the Collective Labour Agreement pertaining to the Luxembourgish insurance sector. There have been no employee related disputes.

Audit Committee

Under Luxembourg law the Issuer is considered as a public limited liability company. Consequently, the Issuer needs to have in place an audit committee. The Audit Committee is set up pursuant to the Group Internal Governance Memorandum and the Luxembourg law of 23 July 2016, as amended, concerning the audit profession.

As at the date of this Base Prospectus, the audit committee is composed of the members of the Board of Directors. The audit committee steers the internal audit function and oversees the external audit function of the Issuer. Its functions include (i) ensuring that adequate and effective internal control systems are established and maintained, (ii) monitoring the integrity of financial information, (iii) monitoring the effectiveness of structures, processes and controls, (iv) supervising compliance with procedures, laws and regulations, (v) monitoring the respect of the internal audit charter and (vi) supervising the functioning of the external auditor.

Organisational Structure

The KBC Group consists of KBC Group NV (the holding company) and its wholly-owned subsidiaries KBC Bank NV (the Guarantor) and KBC Insurance NV. The Issuer is a wholly-owned subsidiary of the Guarantor and acts as a financing vehicle for the Guarantor and its subsidiaries. The Issuer complies with the control requirements and standards of the KBC Group with regard to accounting, operations, internal controls and risk management. For a description of the KBC Bank Group, please see the section titled "*Description of the Guarantor*" below.

Capital Structure

Authorised	
42,340 ordinary shares	EUR 19,213,045
Paid-in and called-up share capital	
22,679 ordinary shares	EUR 5,296,266

As at the date of this Base Prospectus, the paid-in and called-up share capital consists of 22,679 ordinary shares, which are fully held by the Guarantor.

Major Shareholders

The Guarantor holds 100 per cent. of the share capital of the Issuer. The Issuer is not aware of any arrangements the operation of which may result in a change of control of the Issuer. No specific measures are in place to prevent abuse of control.

ANNUAL ACCOUNTS AND SELECTED FINANCIAL INFORMATION OF THE ISSUER

Historical Financial Information

The Issuer's economic, asset and financial information for the 2025 financial year is contained in the Issuer's 2025 Annual Report, which is incorporated by reference in this Base Prospectus.

Annual Accounts

The Issuer prepares audited non-consolidated annual accounts. The latest audited non-consolidated financial information relating to the Issuer is the Issuer's 2025 Annual Report and is dated 25 March 2026.

Auditing of historical annual financial information

The audit report of the independent auditors (PricewaterhouseCoopers, *société coopérative*) dated 31 March 2025 contained in the Issuer's 2024 Annual Report (pages 8 to 12), is available to the public and incorporated by reference in this Base Prospectus.

The audit report dated 13 April 2026 on the financial information for the Issuer's 2025 Annual Report issued by KPMG Audit S.à.r.l., expressed an unqualified opinion on the above mentioned financial information.

KPMG Audit S.à.r.l., with their registered address at 39 Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, is a member of the Institute of Auditors (l'Institut des Réviseurs d'Entreprises) and is supervised by the Commission de Surveillance du Secteur Financier.

Selected Financial Information

The tables below set out the key financial information extracted from the Issuer's audited annual accounts for the fiscal years ended on 31 December 2024 and 31 December 2025, in each case prepared in accordance with generally accepted accounting principles applicable in the Grand Duchy of Luxembourg ("**Luxembourg GAAP**").

KBC IFIMA S.A.	**HIGHLIGHTS OF THE BALANCE SHEET**	
	FY 2024 prepared under Luxembourg GAAP (audited)	**FY 2025** prepared under Luxembourg GAAP (audited)
	EUR	EUR
ASSETS		
Financial assets	1,633,235,059	1,575,578,085
Loans to affiliated undertakings	1,633,235,059	1,575,578,085
Total fixed assets	**1,633,235,059**	**1,575,578,085**
Current assets		
Stocks	N/A	N/A
Debtors	13,242,560	9,635,835
Amounts owed by affiliated undertakings becoming due and payable within one year	13,242,560	9,635,835
Other Debtors		
Becoming due and payable within one year	0	0
Cash at bank and in hand	6,745,971	6,212,280
Total current asset	**19,988,531**	**15,848,115**
Prepayments	**2,030,434**	**6,745,971**
Total assets	**1,655,254,024**	**1,593,642,405**
CAPITAL, RESERVE AND LIABILITIES	EUR	EUR
Capital and reserves		
Subscribed capital	5,296,266	5,296,266
Share premium account	0	0
Reserves	1,118,348	1,108,535
Profit or loss for the financial year	694,979	95,770
Total capital and reserves	**7,015,861**	**6,500,571**
Provisions		
Provisions for taxation	0	0
Other provisions	40,435	28,985
Total Provisions	**40,435**	**28,985**
Creditors		
Debenture Loans	1,646,093,126	1,585,015,453
Non convertible loans	1,646,093,126	1,585,015,453
Becoming due and payable within one year	192,033,288	1,305,710,375
Becoming due and payable after more than one year	1,454,059,838	279,305,078
Other creditors	68,884	138,846
Tax authorities	61,287	124,246
Social security authorities	7,597	14,600
Other creditors	0	0
Becoming due and payable within one year	0	0
Total creditors	**1,646,162,010**	**1,585,154,299**
Deferred income	**2,035,718**	**1,958,550**
Total (capital, reserves and liabilities)	**1,655,254,024**	**1,593,642,405**

KBC IFIMA S.A.	HIGHLIGHTS OF THE PROFIT AND LOSS ACCOUNT	
	FY 2024 prepared under Luxembourg GAAP (audited)	**FY 2025** prepared under Luxembourg GAAP (audited)
	EUR	EUR
Other operating income	38,078	285,327
Raw materials and consumables and other external expenses	-457,603	-401,356
Staff costs	-107,807	,88,247
Income from other investments and loans forming part of the fixed assets	55,729,762	44,968,791
Other interest receivable and similar income	154,976	0
Interest payable and similar expenses	-54,607,511	-44,603,751
Tax on profit or loss	-54,916	-28,579
Profit or loss after taxation	694,979	132,185
Other taxes	0	-36,415
Profit or loss for the financial year	694,979	95,770

KBC IFIMA S.A.	HIGHLIGHTS OF THE CASH FLOW STATEMENTS	
	FY 2024 prepared under Luxembourg GAAP (audited)	**FY 2025** prepared under Luxembourg GAAP (audited)
	EUR	EUR
Net profit	694,979	95,770
Adjustment for:		
Interests income/charges	-1,122,248	-365,040
Net amortisation on loans and bonds	-360	233
Other provision	4,703	-11,450
	-422,926	**-280,487**
Other advance	361,122	-283,757
Change in other assets and liabilities	-68,533	200,221
Taxes (paid)/received	0	0
Tax provision	0	0
Net cash flow from operational activities	**-130,337**	**-364,023**
Financial fixed assets – issued	-1,209,810,537	-260,826,275
Financial fixed assets – repaid	32,225,416	322,869,140
Interest received	50,913,235	48,596,102
Net cash flow from investment activities	**-1,126,671,886**	**110,638,966**
Bonds issued	1,209,810,537	260,826,275
Bonds repaid	-32,225,416	-322,869,140
Dividend paid	0	-611,059
Interest paid	-49,983,491	-48,154,712
Net cash flow from financing activities	**1,127,601,630**	**-110,808,635**
Net cash flow	**799,407**	**-533,691**
Cash balance as at 1 January	5,946,566	6,745,971
Cash balance as at 31 December	6,745,971	6,212,280
Net cash flow	**799,405**	**-533,691**

KBC IFIMA S.A.	HIGHLIGHTS OF THE CASH FLOW STATEMENTS	
	FY 2024 prepared under Luxembourg GAAP (audited)	**FY 2025** prepared under Luxembourg GAAP (audited)
	EUR	EUR
Net profit	694,979	95,770
Adjustment for:		
Interests income/charges	-1,122,248	-365,040
Net amortisation on loans and bonds	-360	233
Other provision	4,703	-11,450
	-422,926	**-280,487**

Other advance	361,122	-283,757
Change in other assets and liabilities	-68,533	200,221
Taxes (paid)/received	0	0
Tax provision	0	0
Net cash flow from operational activities	**-130,337**	**-364,023**
Financial fixed assets – issued	-1,209,810,537	-260,826,275
Financial fixed assets – repaid	32,225,416	322,869,140
Interest received	50,913,235	48,596,102
Net cash flow from investment activities	**-1,126,671,886**	**110,638,966**
Bonds issued	1,209,810,537	260,826,275
Bonds repaid	-32,225,416	-322,869,140
Dividend paid	0	-611,059
Interest paid	-49,983,491	-48,154,712
Net cash flow from financing activities	**1,127,601,630**	**-110,808,635**
Net cash flow	**799,407**	**-533,691**
Cash balance as at 1 January	5,946,566	6,745,971
Cash balance as at 31 December	6,745,971	6,212,280
Net cash flow	**799,405**	**-533,691**

A dividend of EUR 611 059 has been paid in 2025.

No further important events, material or financial, occurred relating to the company since 31 December 2025.

Credit ratings

As at the date of this Base Prospectus, the following long term credit ratings have been assigned to the Issuer with the cooperation of the Issuer in the rating process: **Fitch**: AA-

According to Fitch's Rating Definitions, an "AA" ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

Moody's: A2

According to Moody's Rating Symbols and Definitions, obligations rated "A" are considered upper-medium grade and are subject to low credit risk. The modifier "2" indicates that the obligation ranks in the mid-range of its generic rating category.

Standard and Poor's: A+

According to Standard and Poor's Global Ratings Definitions, an obligor rated "A" has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. The addition of a plus (+) or minus (-) sign shows relative standing within the rating categories.

More information regarding the Issuer's long term credit ratings can be found in the latest credit opinion from the relevant credit rating agencies, available at https://www.kbc.com/nl/investor-relations/ratings.html?zone=topnav?nocache=true and in the applicable rating methodologies published by the relevant credit rating agencies. None of that website, those credit opinions or those rating methodologies are incorporated by reference into, or form part of, this Base Prospectus, and they have not been scrutinised or approved by the CSSF.

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. The Issuer does not represent that it will maintain any level of credit rating, or any credit rating at all, with any credit rating agency.

Each credit rating agency referred to above is established in the EU and is listed on the "List of Registered and Certified CRAs" as published by ESMA on its website (at https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation) in accordance with Article 18(3) of Regulation (EC) No. 1060/2009 on credit

rating agencies, as amended (the "**CRA Regulation**"). This document is not incorporated by reference into, and does not form part of, this Base Prospectus, and has not been scrutinised or approved by the CSSF.

These credit ratings relate to the Issuer's overall creditworthiness and its general ability to meet financial commitments and do not relate to any specific financial commitment such as the Notes. If an issue-specific credit rating is specified in the applicable Final Terms, then those Final Terms will also specify the regulatory status of the relevant credit rating agency under the CRA Regulation and/or the UK CRA Regulation, including whether it is (i) registered, (ii) has applied for registration but such registration has not yet been granted, (iii) neither registered nor has applied for registration, in each case under the applicable regulation, or (iv) not established in the EU or the UK but is endorsed by, or certified under, the CRA Regulation or the UK CRA Regulation, or neither endorsed nor certified thereunder.

Litigation

In May 2008, the Issuer issued five-year notes linked to a basket of five government bonds. The notes contained a “first to default” clause, meaning that if a credit event occurred with respect to any of the five government bonds, it would trigger certain consequences under the notes. In early 2011, the Issuer unilaterally decided it would compensate noteholders if a credit event occurred.

On 9 March 2012, a credit event occurred in relation to the Greek government bonds, triggering the Issuer’s decision to compensate the noteholders. Despite this compensation, Investor Protection, acting on behalf of a group of 104 former noteholders, initiated legal proceedings against the Issuer and the Guarantor before the Brussels Court on 8 October 2012. The claim amounted to EUR 1,903,411 and was formally contested by both the Issuer and the Guarantor.

On 20 January 2016, the Brussels Court denied the collective nature of the claim and suspended the procedure due to procedural issues. The individual claimants have not subsequently taken steps to pursue their individual claims.

On 8 March 2017, Investor Protection re-joined the (still suspended) proceedings with an additional claim of EUR 1,214,514. This new claim was also formally contested by the Issuer and the Guarantor and again, the individual claimants took no action to progress their claims.

On 4 January 2023, Investor Protection filed a collective appeal with the Brussels Court of Appeal against the judgment of 20 January 2016. This appeal was formally contested by the Issuer and the Guarantor. Following a preliminary hearing on 23 February 2023, the Court of Appeal placed the case on the docket, pending the exchange of written arguments between the parties. However, neither Investor Protection nor the individual claimants have taken further steps to reactivate this suspended procedure.

Based on the information available, the directors of the Issuer and the Guarantor believe it is unlikely that either the Issuer or the Guarantor will incur a loss. Accordingly, no provision has been made in the accounts for this litigation.

DESCRIPTION OF THE GUARANTOR

This section provides a description of the Guarantor's business activities as well as certain financial information in respect of the Guarantor.

KBC BANK

1. Corporate Structure, share capital and credit ratings

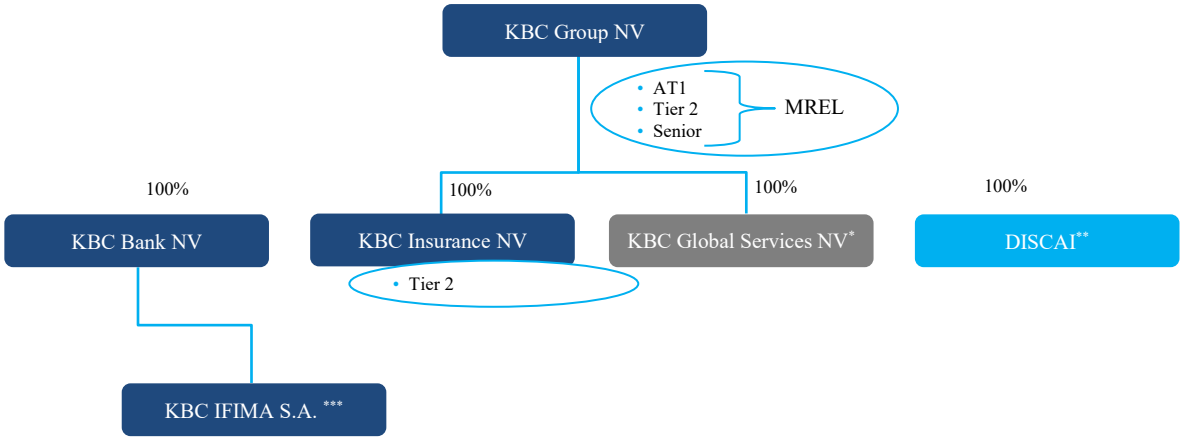
General information

The Guarantor was established in Belgium in 1998 as a bank in the form of a limited liability company (*naamloze vennootschap / société anonyme*) for an unlimited duration and operates under the laws of Belgium. The Guarantor's Belgian enterprise number is 0462.920.226 and its LEI code is 6B2PBRV1FCJDMR45RZ53. The Guarantor is registered in the register of legal entities (*rechtspersonenregister (RPR) / registre des personnes morales (RPM)*) of the Dutch-speaking enterprise court of Brussels. The Guarantor's registered office is at Havenlaan 2, B-1080 Brussels, Belgium, its telephone number is (+32) (0) 78 152 153 and its website is www.kbc.com. The information on the Guarantor's website does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF, except to the extent that such information is explicitly incorporated by reference in this Base Prospectus (see Section "*Documents Incorporated by Reference*"). The Guarantor is registered as a credit institution with the National Bank of Belgium.

The Guarantor is a wholly-owned subsidiary of the KBC Group NV and is part of the KBC Group, on which it depends for certain group functions and because of the integrated regulatory and solvency supervision. A simplified schematic of the KBC Group's legal structure is provided below.

In compliance with the minimum requirements for own funds and eligible liabilities ("**MREL**") subordination requirements (as determined by the Single Resolution Board), KBC Group NV was converted into a clean holding company, whose main operations involve financing activities and group-wide control activities and functions. The clean holding company facilitates the Single Point of Entry strategy in the event of settlement of KBC Group NV. As a result of this project, only a number of control functions, the financial holding activities and the issue of equity and MREL instruments remained at the level of the financial holding company KBC Group NV. All other activities of KBC Group NV (other group functions, shared services & IT) were transferred to KBC Global Services NV, a new wholly-owned subsidiary of KBC Group NV, from 1 June 2022.

Simplified schematic (this schematic only shows debt instruments that count for capital purposes and does not show retail securities issued by various entities of the KBC Group):



* To ensure that KBC Group's HoldCo senior debt is eligible for the subordinated MREL target (i.e., to make sure that no excluded liabilities ranking *pari passu* with or junior to HoldCo senior debt are present in KBC Group NV), the KBC Group Executive Committee decided to make KBC Group NV a clean holding company for the purpose of resolution. All the activities of KBC Group NV were transferred (as at 1 June 2022) to KBC Global Services NV, a new subsidiary of KBC Group NV (with the exception of the group controlling functions, the financial holding activities and issuing own funds and MREL instruments that remain at the level of KBC Group NV).

** DISCAI (Discovering AI) is a separate fully owned subsidiary, grouping the in-house developed artificial intelligence solutions for commercialisation to third parties (as of 7 March 2022).

*** All debt obligations of KBC IFIMA S.A. are unconditionally and irrevocably guaranteed by KBC Bank NV.

The other major subsidiary of KBC Group NV is KBC Insurance NV. The Guarantor co-operates closely with KBC Insurance NV, amongst others, in relation to the distribution of insurance products and depends on it for the further implementation of the bank-insurance model.

The Guarantor and KBC Insurance NV each have a number of subsidiaries. The Guarantor's subsidiaries are mainly banking and other financial entities in Belgium and in Central and Eastern Europe. The Guarantor also acts as funding provider for a number of its subsidiaries.

A list of the main subsidiaries of the Guarantor can be found on page 252 of the Guarantor's 2025 Annual Report. A complete list of group companies (included in or excluded from the scope of consolidation) is provided at https://www.kbc.com/en/about-us/our-structure.html. The information on this website is not incorporated by reference into, and does not form part of, this Base Prospectus, and has not been scrutinised or approved by the CSSF.

Share capital and shareholder

As at the date of this Base Prospectus, the Guarantor's share capital amounts to EUR 9,732 million and consists of 995,371,469 ordinary shares, which are all held by KBC Group NV. The share capital is fully paid up.

The shares of the Guarantor's parent company, KBC Group NV, are listed on Euronext Brussels. An overview of the shareholding of KBC Group NV is available on the KBC Group website www.kbc.com. The core shareholders of KBC Group NV are KBC Ancora, CERA, MRBB and a group of legal entities and individuals referred to as "Other core shareholders", which, together, as at the date of this Base Prospectus, hold approximately 42% of total shares. These shareholders act in concert, thereby ensuring shareholder stability in the KBC Group. The overview of shareholding is not incorporated into, and does not form part of, this Base Prospectus, and has not been scrutinised or approved by the CSSF.

Credit ratings

As at the date of this Base Prospectus, the following long term credit ratings have been assigned to the Guarantor with the cooperation of the Guarantor in the rating process:

Fitch: AA-

According to Fitch's Rating Definitions, an "AA" ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

Standard and Poor's: A+

According to Standard and Poor's Global Ratings Definitions, an obligor rated "A" has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. The addition of a plus (+) or minus (-) sign shows relative standing within the rating categories.

More information regarding the Guarantor's long term credit ratings can be found in the latest credit opinion from the relevant credit rating agencies, available at https://www.kbc.com/en/credit-ratings and in the applicable rating methodologies published by the relevant credit rating agencies. None of that website, those credit opinions or those rating methodologies are incorporated by reference in, or form part of, this Base Prospectus, and they have not been scrutinised or approved by the CSSF.

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. The Guarantor does not represent that it will maintain any level of credit rating, or any credit rating at all, with any credit rating agency.

Each credit rating agency referred to above is established in the EU and is listed on the "List of Registered and Certified CRAs" as published by ESMA in accordance with Article 18(3) of Regulation (EC) No. 1060/2009 on credit rating agencies, as amended from time to time (the "**CRA Regulation**").

These credit ratings relate to the Guarantor's overall creditworthiness and its general ability to meet financial commitments and do not relate to any specific financial commitment such as the Notes. If an issue-specific credit rating is specified in the applicable Final Terms, then those Final Terms will also specify the regulatory status of the relevant credit rating agency under the CRA Regulation and/or Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK CRA Regulation**"), including whether it is (i) registered, (ii) has applied for registration but such registration has not yet been granted, (iii) neither registered nor has applied for registration, in each case under the applicable regulation, or (iv) not established in the EU or the UK but is endorsed by, or certified under, the CRA Regulation or the UK CRA Regulation, or neither endorsed nor certified thereunder.

2. Administrative, Management and Supervisory Bodies

Board of Directors and Executive Committee

The Guarantor is managed by a Board of Directors and an Executive Committee in accordance with the Belgian Companies and Associations Code and the Belgian law of 25 April 2014 on the legal status and supervision of credit institutions (the "**Belgian Banking Law**").

The Guarantor's Board of Directors is empowered to determine the company's general policy and strategy and to perform all acts which, by law, are reserved specifically for it. The Board of Directors is responsible for supervising the Executive Committee.

The Guarantor's Executive Committee is empowered to perform all acts that are necessary or useful in achieving the company's object, apart from those that the General Meeting of Shareholders is empowered to perform by law and those reserved for the Board of Directors by law.

The Guarantor's object is set out in Article 2 of its articles of association. It includes the execution of all banking operations in the widest sense, as well as the exercise of all other activities which banks are or shall be permitted to pursue and all acts that contribute directly or indirectly thereto.

To the extent these laws and regulations apply to the Guarantor, the Guarantor complies with the laws and regulations of Belgium regarding corporate governance. As at the date of this Base Prospectus, the members of the Board of Directors are the following:

Name and business address	**Position**	**Expiry date of current term of office**	**External offices**
Debackere Koenraad A. Stesselstraat 8 3012 Leuven	Non-executive director, Chairman of the Board of Directors	2028	KBC Insurance NV, non-executive director and Chairman of the Board of Directors KBC Group NV, non-executive director and Chairman of the Board of Directors KBC Global Services NV, Chairman of the Supervisory Board Thor Park NV, non-executive director Mo-Thor, non-executive director Umicore NV, non-executive director
Andronov Peter KBC Bank NV Havenlaan 2 1080 Brussels	Executive director (CEO International Markets Business Unit)	2029	KBC Insurance NV, executive director KBC Group NV, member of the Executive Committee KBC Global Services NV, member of the Management Board KBC Asset Management NV, Chairman of the Board of Directors Ceskoslovenska Obchodna Banka a.s. (SR), non-executive director, Chairman of the Supervisory Board 365.bank, Chairman of the Supervisory Board DZI General Insurance EAD, non-executive director, Chairman of the Supervisory Board DZI Life Insurance JSC, non-executive director, Chairman of the Supervisory Board K&H Bank Zrt., non-executive director, Chairman of the Board of Directors K&H Biztosító Zrt., Chairman of the Supervisory Board United Bulgarian Bank AD, non-executive director, Chairman of the Supervisory Board
Blažek Aleš KBC Bank NV Havenlaan 2 1080 Brussels	Executive director (CEO Czech Republic Business Unit)	2030	KBC Insurance NV, executive director KBC Group NV, member of the Executive Committee

Name and business address	Position	Expiry date of current term of office	External offices
			KBC Global Services NV, member of the Management Board Československá Obchodní Banka (CR), CEO CSOB Pojistovna, Chairman of the Supervisory Board
Luts Erik KBC Bank NV Havenlaan 2 1080 Brussels	Executive director (CIO)	2029	KBC Focus Fund NV, non-executive director KBC Insurance NV, executive director KBC Group NV, member of the Executive Committee KBC Global Services NV, member of the Management Board DISCAI NV, non-executive director EPI Company SE, non-executive director
Moucheron David KBC Bank NV Havenlaan 2 1080 Brussels	Executive director (CEO Belgium Business Unit)	2029	KBC Insurance NV, executive director KBC Group NV, member of the Executive Committee KBC Global Services NV, member of the Management Board CBC Banque SA, non-executive director, Chairman of the Board of Directors
Puelinckx Bartel KBC Bank NV Havenlaan 2 1080 Brussels	Executive director (CFO)	2029	KBC Insurance NV, executive director KBC Group NV, member of the Executive Committee KBC Securities NV, Chairman of the Board of Directors KBC Focus Fund NV, Chairman of the Board of Directors KBC Global Services NV, member of the Management Board
Thijs Johan KBC Bank NV Havenlaan 2 1080 Brussels	Executive director (CEO)	2029	KBC Insurance NV, executive director and CEO KBC Group NV, executive director and CEO KBC Global Services NV, Chairman of the Management Board DISCAI NV, non-executive director
Van Rijsseghem Christine KBC Bank NV Havenlaan 2	Executive director (CRO)	2030	KBC Group NV, executive director KBC Insurance NV, executive director K&H Bank Zrt., non-executive director

Name and business address	Position	Expiry date of current term of office	External offices
1080 Brussels			Československá Obchodní Banka a.s. (CR), non-executive director Ceskoslovenska Obchodna Banka a.s. (SR), non-executive director United Bulgarian Bank AD, non-executive director KBC Global Services NV, member of the Management Board
Depickere Franky KBC Bank NV Havenlaan 2 1080 Brussels	Non-executive director	2027	Cera CV, executive director Cera Beheersmaatschappij NV, executive director Euro Pool System International BV, non-executive director KBC Group NV, non-executive director KBC Insurance NV, non-executive director Almancora Beheersmaatschappij NV, executive director Československá Obchodní Banka a.s. (CR), member of the Supervisory Board CBC Banque SA, non-executive director United Bulgarian Bank AD, non-executive director KBC Global Services NV, member of the Supervisory Board
De Becker Sonja KBC Bank NV Havenlaan 2 1080 Brussels	Non-executive director	2028	M.R.B.B. BV – Maatschappij voor Roerend Bezit van de Boerenbond, Chair of the Board of Directors SBB Gecertificeerde Accountants en Adviseurs BV, Chair of the Board of Directors SBB Bedrijfsdiensten BV, Chair of the Board of Directors Aktiefinvest BV, Chair of the Board of Directors Agri Investment Fund BV, Chair of the Board of Directors Arvesta BV, Chair of the Board of Directors Acerta BV, non-executive director

Name and business address	Position	Expiry date of current term of office	External offices
			Acerta Consult BV, non-executive director Acerta Services BV, non-executive director Acerta Verzekeringen BV, non-executive director Shéhérazade Developpement BV, non-executive director KBC Group NV, non-executive director KBC Insurance NV, non-executive director KBC Global Services NV, member of the Supervisory Board K&H Bank Zrt., non-executive director
De Ceuster Marc KBC Bank NV Havenlaan 2 1080 Brussels	Non-executive director	2027	KBC Group NV, non-executive director KBC Insurance NV, non-executive director KBC Global Services NV, member of the Supervisory Board Cera Beheersmaatschappij NV, executive director Almancora Beheersmaatschappij NV, executive director KBC Ancora NV, non-executive director Cera CV, executive director CBC Banque SA, non-executive director
Magnusson Bo KBC Bank NV Havenlaan 2 1080 Brussels	Independent director	2028	Advisense Group AB, non-executive director Greeniron H2 AB, non-executive director
Okkerse Liesbet KBC Bank NV Havenlaan 2 1080 Brussels	Non-executive director	2027	KBC Group NV, non-executive director KBC Insurance NV, non-executive director KBC Global Services NV, member of the Supervisory Board Cera Beheersmaatschappij NV, non-executive director Almancora Beheersmaatschappij NV, non-executive director
Reyes Revuelta Alicia KBC Bank NV Havenlaan 2 1080 Brussels	Non-executive director	2030	KBC Group NV, non-executive director KBC Global Services NV, member of the Supervisory Board Energias de Portugal S.A., non-executive director

Name and business address	Position	Expiry date of current term of office	External offices
			Ardonagh Europe Services Limited, non-executive director
Rádl Rogerová Diana KBC Bank NV Havenlaan 2 1080 Brussels	Non-executive director	2028	KBC Group NV, non-executive director KBC Global Services NV, member of the Supervisory Board Behind Inventions a.s., executive director
de Groot Elisabeth Ariane (Els) KBC Bank NV Havenlaan 2 1080 Brussels	Independent director	2029	Enexis Holding NV Havenbedrijf Rotterdam NV, non-executive director Neoposine BV, executive director

Audit Committee

The Audit Committee has been set up by the Board of Directors and has – with some limited exceptions – an advisory role. The Audit Committee, among other things, monitors the financial reporting process and submits recommendations or proposals to ensure its integrity, and monitors the effectiveness of the internal control and the risk management in place.

The powers and composition of the Audit Committee, as well as its way of functioning, are extensively dealt with in the Corporate Governance Charter of the Guarantor which is published on https://wcmassets.kbc.be/content/dam/kbccom/doc/investor-relations/9-Bank-info/20260115-corp-gov-charter-bnk.pdf.cdn.res/last-modified/1768461693720/20260115-corp-gov-charter-bnk.pdf. The Corporate Governance Charter is not incorporated by reference and does not form part of this Base Prospectus, and it has not been scrutinised or approved by the CSSF.

As at the date of this Base Prospectus, the members of the Guarantor's Audit Committee are:

- Marc De Ceuster (chairman);
- Bo Magnusson (independent director);
- Els de Groot (independent director).

Risk and Compliance Committee

The Risk and Compliance Committee has been set up by the Board of Directors and has an advisory role. The Risk and Compliance Committee, among other things, provides advice to the Board of Directors about the current and future risk appetite and risk strategy.

The powers and composition of the Risk and Compliance Committee, as well as its way of functioning, are extensively dealt with in the Guarantor's Corporate Governance Charter, which is available on https://wcmassets.kbc.be/content/dam/kbccom/doc/investor-relations/9-Bank-info/20260115-corp-gov-charter-bnk.pdf.cdn.res/last-modified/1768461693720/20260115-corp-gov-charter-bnk.pdf. The Corporate Governance Charter is not incorporated by reference into, and does not form part of, this Base Prospectus, and it has not been scrutinised or approved by the CSSF.

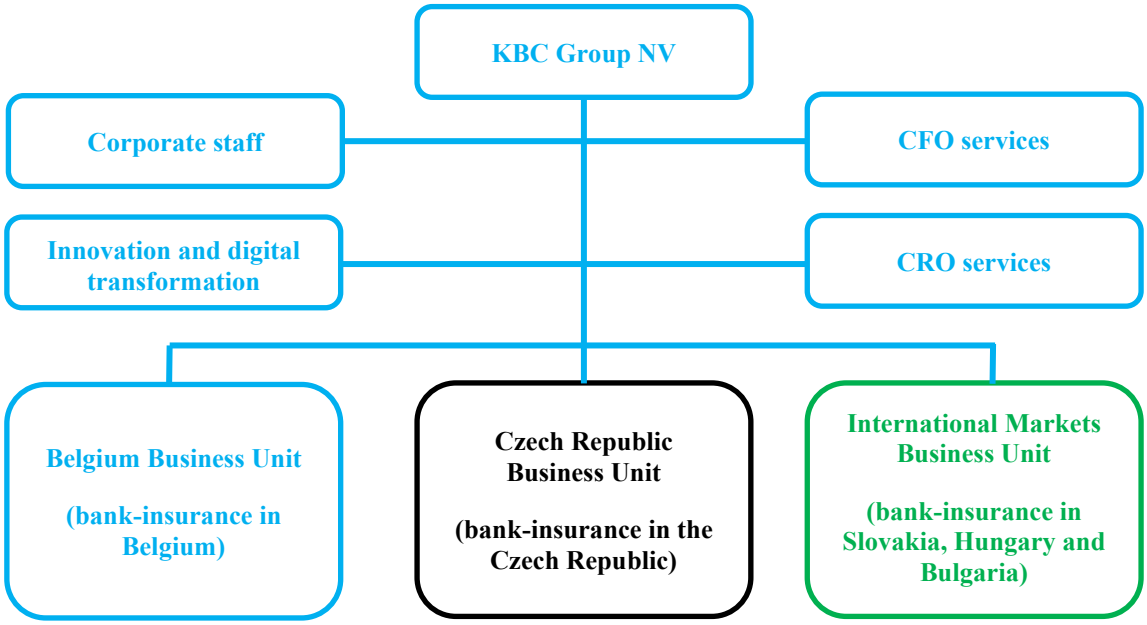
As at the date of this Base Prospectus, the members of the Guarantor's Risk and Compliance Committee are:

- Franky Depickere (chairman);

- Bo Magnusson (independent director);
- Els de Groot (independent director).

Management structure

KBC Group NV's strategic choices are fully reflected in the KBC Bank Group structure. The KBC Bank Group structure consists, as at the date of this Base Prospectus, of a number of business units and support services and which are presented in simplified form as follows:



The management structure of both KBC Group NV and the Guarantor essentially comprises:

- the three business units, which focus on local business and are expected to contribute to sustainable profit and growth:
  - Belgium Business Unit;
  - Czech Republic Business Unit; and
  - International Markets Business Unit: this encompasses the other core countries in Central and Eastern Europe (the Slovak Republic, Hungary and Bulgaria) and all asset management activities;
- the pillars 'CRO Services' and 'CFO Services' (which act as internal regulators, and are intended to support the business units), 'Corporate Staff' (which is a competence centre for strategic know-how and best practices in corporate organisation and communication) and 'Innovation and digital transformation'.

Each business unit is headed by a Chief Executive Officer. These CEOs, together with the global CEO, the Chief Risk Officer ("**CRO**"), the Chief Innovation Officer ("**CIO**") and the Chief Financial Officer ("**CFO**") of the Guarantor, make up the Executive Committee of the Guarantor, the composition of which is identical to the composition of the Executive Committee of KBC Group NV.

Conflicts of interests

The Guarantor is not aware of any potential conflicts of interests between the duties to the Guarantor of the members of the Board of Directors and the Executive Committee detailed above and their private interests or other duties.

3. Information relating to the Guarantor's Business

The strategy of the KBC Group

The Guarantor's strategy is fully embedded in the strategy of its parent company, KBC Group NV. A summary is given below of the strategy of the KBC Group, where the Guarantor is essentially responsible for the banking business and KBC Insurance NV for the insurance business.

The KBC Group strategy rests on a number of principles:

- The KBC Group places its clients at the centre of everything it does.
- The KBC Group looks to offer its clients a unique bank-insurance experience.
- The KBC Group focuses on its long-term development and aim to achieve sustainable and profitable growth.
- The KBC Group assumes its role in society and local economies.
- The KBC Group implements its strategy within a strict risk, capital and liquidity management framework.
- As part of its PEARL+ business culture, the KBC Group focuses on jointly developing solutions, initiatives and ideas within the KBC Group ("PEARL+" stands for "Performance", "Empowerment", "Accountability", "Responsiveness" and "Local Embeddedness"). For further information on PEARL+ see page 10 of the Guarantor's 2025 annual report.

A summary of the Guarantor's strategy is set out on pages 18 to 24 of the Guarantor's 2024 Annual Report, which is incorporated by reference into this Base Prospectus, as set out in the section entitled "*Documents Incorporated by Reference*".

More detailed information regarding the KBC Group's strategy can be found on pages 18 to 25 of KBC Group NV's 2025 annual report, which is available at https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/jvs-2025/jvs-2025-grp-en.pdf. KBC Group NV's 2025 Annual Report is not incorporated by reference into, and does not form part of, this Base Prospectus, and it has not been scrutinised or approved by the CSSF.

General description of the Guarantor's activities

The KBC Bank Group is a multi-channel banking group that caters primarily to private persons, small and medium-sized enterprises ("**SMEs**") and mid-cap clients. Its geographic focus is on Europe. In its "home" (or "core") markets (Belgium, the Czech Republic, the Slovak Republic, Hungary and Bulgaria) the KBC Bank Group has important and (in some cases) even leading positions (based on internal data). The KBC Bank Group is also present in other countries where the primary focus is on supporting the corporate clients of the home markets.

The KBC Bank Group's core business is retail and private bank-insurance (including asset management), although it is also active in providing services to corporations and market activities. Across most of its home markets, the KBC Bank Group is active in a large number of products and activities, ranging from the plain vanilla deposit, credit, asset management and insurance businesses (via the Guarantor's sister company, KBC Insurance) to specialised activities such as, but not exclusively, payments services, dealing room activities (money and debt market activities), brokerage and corporate finance, foreign trade finance, international cash management and leasing.

Activities in Belgium

Market position of the bank network in Belgium

Market share (estimates by the Guarantor), end of 2025	Banking products* 21% Investment funds 27%

Market position of the bank network in Belgium

Bank branches, end of 2025	424

* Average of the share in credits and the share in deposits.

The KBC Bank Group had, at the end of 2025, a network of 424 (staffed) bank branches in Belgium: KBC Bank branches in Flanders, CBC Banque branches in Wallonia and KBC Brussels branches in the Brussels area. The branches focus on providing clients with a broad range of credit (including mortgage loans), deposit, investment fund and other asset management products, insurance products (in cooperation with the Guarantor's sister company, KBC Insurance) and other specialised financial banking products and services. The KBC Bank Group's bricks-and-mortar networks in Belgium are supplemented by electronic channels, such as ATMs, telephones and the internet (including a mobile banking app and Kate, the group's digital assistant). KBC Bank, CBC Banque and KBC Brussels serve, based on their own estimates, approximately 3.8 million banking clients. Including insurance business, the number of clients (of the KBC Group) rises to 4.1 million.

KBC Group NV, the parent company of the Guarantor, considers itself to be an integrated bank-insurer. Certain shared and support services are organised at KBC Group level, serving the entire KBC Group and not just the bank or insurance businesses separately. It is KBC Group NV's aim to continue to actively encourage the cross-selling of bank and insurance products. The success of KBC Group NV's integrated bank-insurance model is in part due to the cooperation that exists between the bank branches and the insurance agents of KBC Insurance (including CBC Assurances), whereby the branches sell standard insurance products to retail customers and refer their customers to the insurance agents for non-standard products. Claims-handling is the responsibility of the insurance agents, the call centre and the head office departments at KBC Insurance.

At the end of 2025, the KBC Bank Group had, based on the Guarantor's own estimates (see table above), a 21% share of traditional banking activities in Belgium (the average of the share of the lending market and the deposit market). Over the past few years, the KBC Bank Group has built up a strong position in investment funds too, with an estimated market share of approximately 27%.

The KBC Bank Group believes in the power of a physical presence through a branch network that is close to its clients. At the same time, however, it expects the importance of online and mobile bank-insurance to grow further and it is constantly developing new applications in these areas. That includes the various mobile banking apps for smartphones and tablets, as well as a digital assistant called "Kate", which are being continuously improved and expanded.

Client expectations have shifted enormously in recent years, with efficient and user-friendly products and services becoming the norm, powered by technology. For that reason, the KBC Bank Group has been engaged for several years now in the digitalisation of processes that allow simple, high-quality products to be brought to clients in a smooth and rapid manner. For a few years now, it has been designing products, services and processes from a 'digital-first' perspective. This implies that they were modified before being digitalised to make them simpler, more user-friendly and scalable and that they allow a fast and appropriate response to its clients' questions and expectations. For clients who so desire, the KBC Bank Group will use the available data in an intelligent and appropriate manner. As it has seen that clients increasingly demand more proactive and personal products and services in addition to speed and simplicity. In addition to a digital product range, it will offer clients digital advice and develop all processes and products as if they were sold digitally. For clients who so wish, Kate – its personal digital assistant – plays an important role in digital sales and advisory, so that personalised and relevant solutions can be offered proactively. Clients can personally ask Kate questions regarding their basic financial transactions. They also receive regular discrete and proactive proposals at appropriate times in their mobile app to ensure maximum convenience. Clients are entirely free to choose whether or not to accept a proposal. If they do, the solution will be offered and processed completely digitally.

In 2022, the KBC Bank Group introduced the Kate Coin. Since the start of 2023, KBC clients have been able to acquire Kate Coins when purchasing certain products or services from the KBC Bank

Group or from certain commercial partners of the KBC Bank Group. They can use those Kate Coins to save money by exchanging them for additional benefits. In 2025, Kate Coins underwent an important upgrade. Whereas Kate Coins used to be tied to a single brand or service, they are now more flexible. Clients can earn Kate Coins at one partner and use them at another. When using Kate Coins, they are often worth more than EUR 1, providing extra value. If the client cannot find anything to its liking in the extensive range available, its Kate Coins will be automatically paid out at the end of the year at a rate of one Kate Coin to EUR 1.

Over the past few years, the KBC Bank Grouphas thus launched a number of concepts and building blocks such as Digital First, Bank-insurance+, Kate and Kate Coins, which create added value when they interact. The KBC Bank Groupis now bringing these components together in 'ecosystems', in which it will offer its clients a new type of service, supporting them every step of the way in their search for solutions to housing, mobility and other issues, using its own products and services as well as those of KBC's partners and suppliers. This enables its clients to save and earn money in and beyond the traditional banking and insurance environment. Employees in the branch network and contact centres continue to function as a beacon of trust for the clients. The human touch is particularly important in more complex services and solutions and in matters requiring emotional intelligence. The KBC Bank Group's employees will also support, encourage and monitor use of digital processes, assisted by artificial intelligence, data and data analysis. To guarantee the clients maximum ease of use and to be able to offer a growing number of possibilities via Kate, the KBC Bank Group will also change its internal processes, the way it supplies its products and services, and how it organises itself internally. At the same time, this will require a further change in mentality and in-service training for staff. For instance, Kate automates certain administrative acts, helping clients as well as employees save time. The KBC Bank Group's employees use this extra time to connect with clients and speak with them about anything that might be on their minds. Kate also helps prepare for appointments, which again saves employees time.

In the Guarantor's financial reporting, the Belgian activities are combined into a single Belgium Business Unit. The results of the Belgium Business Unit essentially comprise the activities of the Guarantor, and its Belgian subsidiaries, the most important of which are CBC Banque, KBC Asset Management, KBC Lease Group (Belgium) and KBC Securities. The strategy of the Guarantor is embedded in that of the KBC Group. A summary is given below of the strategy of the KBC Group in Belgium, where the Guarantor (KBC Bank) is essentially responsible for the banking business and KBC Insurance for the insurance business.

The aim of the KBC Group in Belgium is:

- To continue pursuing its strategy of putting the client at the heart of all the products and services it develops and at the centre of everything it does. The focus here is on a 'digital first' approach with a human touch, and on investing in the seamless integration of the various distribution channels. The KBC Group is working on the further digitalisation of its banking, insurance and asset management services and exploiting new technologies and data to provide clients with more personalised and proactive solutions, when appropriate.

- Its digital assistant 'Kate' features prominently in this regard. It allows the KBC Group to help its clients save time and earn money, in which Kate Coins play a vital role.

- To support these activities, the KBC Group is also fully engaged in introducing end-to-end straight-through processing into all commercial processes, making full use of all technological capabilities such as (generative) artificial intelligence. In this way, the KBC Group increases efficiency, allowing it to invest in a strong network, boasting more expertise.

- To work tirelessly on the ongoing optimisation of its bank-insurance model in Belgium.

- To grow bank-insurance at CBC in specific market segments and to expand the accessibility in Wallonia, again with a strong focus on 'Digital first with a human touch'.

- The KBC Group collaborates with partners through 'eco-systems' that enable it to offer clients comprehensive solutions in every step of their journey. It is also integrating a range of selected partners into its own mobile app and making products and services available in the distribution channels of third parties.

- To express its commitment to Belgian society by leading the way in the sustainability revolution. It is making its banking, insurance and asset management products more sustainable to create financial leverage in achieving global climate targets. It aims to be more than a provider of pure bank-insurance services: as a partner in the climate transition, it is working with other partners on developing housing and mobility solutions. The KBC Group also continues to focus on financial literacy, entrepreneurship and population ageing.

Activities in Central and Eastern Europe

Market position of the bank network in the home countries of Central and Eastern Europe, at the end of 2025		**Czech Republic**	**Slovak Republic**	**Hungary**	**Bulgaria**
Market share (estimates by the Guarantor)	Banking products*	20%	12%	11%	19%
	Investment funds	23%	8%	11%	15%
Bank branches	Total	197*	97	191	170

* Average of the estimated market share for loans and deposits

In the Central and Eastern European region, the KBC Bank Group focuses on four home countries, being the Czech Republic, the Slovak Republic, Hungary and Bulgaria. The main Central and Eastern European entities of the KBC Bank Group in those home markets are United Bulgarian Bank in Bulgaria, ČSOB in the Slovak Republic, ČSOB in the Czech Republic, and K&H Bank in Hungary.

In its four home countries (excluding the acquisitions that were finalised in early 2026, see below), the KBC Group serves roughly 7 million customers, or 9 million including the insurance business. This customer base makes the KBC Group one of the larger financial groups in the Central and Eastern European region.

The KBC Bank Group's companies focus on providing clients with a broad range of credit (including mortgage loans), deposit, investment fund and other asset management products, insurance products (in co-operation with the KBC Group's insurance companies in the region) and other specialised financial products and services. As is the case in Belgium, the bricks-and-mortar networks in Central and Eastern Europe are supplemented by electronic channels, such as ATMs, telephone and the internet. As regards the digital first strategy including the digital assistant Kate, please refer to the previous section entitled "*Activities in Belgium*".

The KBC Group's bank-insurance concept has, over the past few years, been exported to its Central and Eastern European entities. In order to be able to do so, the KBC Group has built up a second home market in Central and Eastern Europe in insurance (via KBC Insurance). The KBC Group has an insurance business in every Central and Eastern European home country: in the Czech Republic, the KBC Group's insurer is ČSOB Pojist'ovňa, in the Slovak Republic it is ČSOB Poist'ovňa, in Hungary it is K&H Insurance and in Bulgaria it is DZI Insurance. Contrary to the situation of the KBC Bank Group in Belgium, the KBC Group's insurance companies in Central and Eastern Europe operate not only via tied agents and bank branches but also via other distribution channels, such as insurance brokers and multi-agents.

The KBC Bank Group's estimated market share as at 31 December 2025 (being the average of the share of the lending market and the deposit market, see table above) amounted to 20% in the Czech Republic, 12% in the Slovak Republic, 11% in Hungary and 19% in Bulgaria (rounded figures). The KBC Bank Group also has a strong position in the investment fund market in Central and Eastern Europe (estimated at 23% in the Czech Republic, 8% in the Slovak Republic, 11% in Hungary and 15% in Bulgaria).

Recent acquisitions:

- In July 2022, the KBC Group completed the acquisition of Raiffeisen Bank Bulgaria, a universal bank in Bulgaria offering private individuals, SMEs and corporate entities a full range of banking, asset management, leasing and insurance services. In April 2023, UBB and the former Raiffeisen Bank Bulgaria legally merged, which allowed the KBC Group to bolster its position in the Bulgarian banking market even further. The acquisition also created ample opportunity for insurance cross-selling with DZI.

- In May 2025, the KBC Group reached an agreement to acquire 98.45% of 365.bank in Slovakia. This investment is intended to further strengthen its position in the Slovak market. 365.bank is a retail-focused bank with subsidiaries in asset management and consumer finance and is very complementary to the business of KBC's existing Slovak subsidiary ČSOB, which is expected to generate significant cost, revenue (cross-selling) and funding synergies. The transaction closed in January 2026.

- Furthermore, the KBC Group reached an agreement to acquire Business Lease in the Czech Republic and Slovakia. This transaction will enable KBC to significantly expand its leasing activities in Central Europe and strengthen its market position in both countries. The transaction closed in February 2026.

In this respect, please refer to the section "*Recent events*" below.

In the Guarantor's financial reporting, the Czech activities are separated in a single Czech Republic Business Unit, whereas the activities in the other Central and Eastern European countries are combined into the International Markets Business Unit. The Czech Republic Business Unit hence comprises all activities of the Guarantor in the Czech Republic, consisting primarily of the activities of the ČSOB group (under the ČSOB Bank, ČSOB Postal Savings Bank, ČSOB Hypotecni banka, Patria and ČSOB Stavební sporitelna brands) The International Markets Business Unit comprises the activities conducted by entities in the other (non-Czech) Central and Eastern European core countries, namely ČSOB in the Slovak Republic, K&H Bank in Hungary and UBB in Bulgaria. The strategy of the Guarantor is embedded in that of the KBC Group. A summary is given below of the strategy of the KBC Group in Central and Eastern Europe, where the Guarantor's subsidiaries are essentially responsible for the banking business and the KBC Insurance subsidiaries for the insurance business.

The focus of the KBC Group in the future is the following:

- In relation to the Czech Republic Business Unit:

    - To retain its reference position in banking and insurance services by offering its retail, SME and mid-cap clients a hassle-free, no-frills client experience, both through its digital channels and in person.

    - To further increase the active client base and further strengthen its market position, especially in insurance and investment services and home loans.

    - To cultivate and strengthen relationships with its clients by offering them services that go beyond banking and partnerships, by means of housing and mobility ecosystems.

    - To continue the further digitalisation of its services and to introduce new and innovative products and services.

    - To use data and AI proactively to offer personalised solutions to its clients, including via Kate, its personalised digital assistant.

    - To concentrate on rolling out straight-through processing and further simplifying products, head office, distribution model, and the widespread use of AI, in order to enable it to operate even more cost-effectively.

- To further strengthen its corporate culture, with a strong focus on results, clients, innovation, the ability to adapt and cooperation.
- To become the reference in advisory services in terms of climate change and sustainable lending and investments. To also express its social engagement by focusing on financial literacy, entrepreneurship, population ageing and cybersecurity.

- In relation to the International Markets Business Unit:
  - The KBC Groupstrategy presents a number of opportunities for all countries in the business unit, including:
    - To further develop unique bank-insurance propositions.
    - To continue digitally upgrading its distribution model.
    - To drive up the volume of straight-through and scalable processing.
    - To increase the capacity in relation to data and AI to enable them to proactively offer relevant and personalised solutions.
    - To selectively continue to expand the client base and market position with a view to securing a top-three position in banking and insurance.
    - To use data to proactively offer personalised solutions. Its digital assistant Kate, which was launched a couple of years ago, has advanced significantly in recent years and in 2026 the KBC Group will continue to focus intensively on the introduction of Kate Coins and Sustainable Mobility Ecospheres.
    - To implement a socially responsible approach in all countries, with a particular focus on environmental awareness, financial literacy, entrepreneurship and health.

- Country-specific:
  - In Bulgaria, the KBC Group aims to further strengthen its position as a leading integrated financial services provider and to continue the expansion of its core activities (banking, insurance, leasing, pension funds and asset management). It also seeks to offer market-leading digital services, including when it comes to services that go beyond pure bank-insurance.
  - In Hungary, the KBC Group is focusing on vigorous client acquisition for the bank, with the ambition of becoming a market leader in the area of innovation and to substantially expand its insurance activities, primarily through sales at bank branches for life insurance and both online and via agents, brokers and bank branches for non-life insurance.
  - In Slovakia, the KBC Group has strengthened its local presence through the acquisition of 365.bank and Business Lease (see above). At the same time, it aims to maintain KBC's robust organic growth in strategic products (i.e. current accounts, mortgages, consumer finance, business loans, leasing and insurance), partly through cross-selling to group clients and via digital channels. Other priorities include the sale of funds and increased fee income.

Activities in the rest of the world

A number of companies belonging to the KBC Group are also active in, or have outlets in, countries outside the home markets, among which the Guarantor, which has a network of foreign branches.

KBC Bank Ireland

In February 2022, KBC Bank Ireland sold nearly all of its non-performing mortgage loan assets, valued at approximately EUR 1.1 billion, in a transaction financed by funds managed by CarVal Investors. In October 2021, KBC Bank Ireland confirmed that it had entered into a legally binding agreement with Bank of Ireland relating to the sale of substantially all of KBC Bank Ireland's performing loan assets and its deposit book to Bank of Ireland Group. As part of the transaction, the latter also acquired a small non-performing mortgage loan portfolio. The Irish Competition and Consumer Protection Commission (CCPC) approved the transaction in May 2022, and the Irish Minister for Finance gave his approval in early December 2022. The transaction was finalised in early February 2023. On 1 December 2023, KBC Bank Ireland transferred the vast majority of the remaining assets and liabilities to KBC Bank Dublin branch. On 30 April 2024, Exicon DAC (formerly KBC Bank Ireland) returned its banking licence to the Central Bank of Ireland. The legal liquidation process of Exicon DAC was subsequently initiated and was finalised on 1 October 2025.

Foreign branches of the KBC Bank Group

The foreign branches of the KBC Bank Group are located mainly in Western Europe, Southeast Asia and the U.S. and focus on serving customers that already do business with the KBC Bank Group's Belgian or Central and Eastern European network.

In the Guarantor's financial reporting, the foreign branches of the KBC Bank Group are part of the Belgium Business Unit.

Competition

All of the KBC Bank Group operations face competition in the sectors they serve. Depending on the activity, competitor companies include other commercial banks, saving banks, loan institutions, consumer finance companies, investment banks, brokerage firms, specialised finance companies, asset managers, private bankers, investment companies, fintech and e-commerce companies, etc.

In both Belgium and Central and Eastern Europe, the KBC Bank Group has an extensive network of branches and the Guarantor believes most of its companies have strong brand recognition in their respective markets.

In Belgium, the KBC Bank Group is perceived as belonging to the top three financial institutions. For certain products or activities, the Guarantor believes that the KBC Bank Group has a leading position (e.g. in the area of investment funds). The main competitors in Belgium are BNP Paribas Fortis, Belfius and ING, although for certain products, services or markets, other financial institutions may also be important competitors.

In its Central and Eastern European home markets, the Guarantor is one of the important financial groups, occupying significant positions in banking. In this respect, the Guarantor competes, in each of these countries, against local financial institutions, as well as subsidiaries of other large foreign financial groups (such as Erste Bank, Unicredit and others).

Staff

In 2025, the Guarantor had, on average and on a consolidated basis, about 28,000 employees (in full time or equivalent-numbers), the vast majority of whom were located in Belgium and Central and Eastern Europe. In addition to consultations, at works council meetings and at meetings with union representatives and with other consultative bodies, the Guarantor also works closely in other areas with employee associations. There are various collective labour agreements in force.

Risk management

Mainly active in banking and asset management, the KBC Bank Group is exposed to a number of typical risks, including but not limited to, credit risk, market risks, movements in interest rates and exchange rates, currency risk, liquidity risk, operational risk, exposure to emerging markets, changes in regulations and customer litigation as well as the economy in general. The material risk

factors affecting the Guarantor and the KBC Bank Group are mentioned in the section entitled "*Risk Factors*" on page 6 and following of this Base Prospectus.

Risk management in the KBC Group is implemented on a group-wide basis. An overview of the KBC Bank Group's risk management approach is set out in the "*Risk management*" section on pages 37 to 63 of KBC Bank's 2025 annual report. As set out in the section entitled "*Documents Incorporated by Reference*", the Guarantor's 2025 Annual Report is incorporated by reference into this Base Prospectus, except for this "*Risk management*" section of the report.

Banking supervision and regulation

Introduction: supervision by the European Central Bank

The Guarantor, a credit institution governed by the laws of Belgium, is subject to detailed and comprehensive regulation in Belgium, and is supervised by the European Central Bank (the "**ECB**"), acting as the supervisory authority for prudential supervision of significant financial institutions. The ECB exercises its prudential supervisory powers by means of application of EU rules and national (Belgian) legislation. The supervisory powers conferred to the ECB include, amongst others, the granting and withdrawal of authorisations to and from credit institutions, the assessment of acquisitions and disposals of qualifying holdings in credit institutions, ensuring compliance with the rules on equity, liquidity, statutory ratios and the carrying out of supervisory reviews (including stress tests) for credit institutions.

Since November 2014, the ECB holds certain supervisory responsibilities which were previously handled by the National Bank of Belgium ("**NBB**") pursuant to Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions ("**Single Supervision Mechanism**"). Pursuant to Regulation (EU) No 468/2014 of 16 April 2014 establishing a framework for cooperation within the Single Supervisory Mechanism between the ECB and national competent authorities, a joint supervisory team has been established for the prudential supervision of the Guarantor (and of KBC Group NV). This team is composed of staff members from the ECB and from the national supervisory authority (*in casu* the NBB) and working under the coordination of an ECB staff member.

The Belgian Financial Services and Markets Authority (the "**Belgian FSMA**"), an autonomous public agency, is in charge of the supervision of conduct of business rules for financial institutions and financial market supervision.

EU directives (as implemented through legislation adopted in each EU Member State, including Belgium) and regulations have had and will continue to have a significant impact on the regulation of the banking business in the EU. The general objective of these EU directives and regulations is to promote the realisation of a unified internal market for banking services and to improve standards of prudential supervision and market efficiency through harmonisation of core regulatory standards and mutual recognition among EU Member States of regulatory supervision and, in particular, licensing.

Supervision and regulation in Belgium

The banking regime in Belgium is governed by the Belgian Banking Law. The Belgian Banking Law sets forth the conditions under which credit institutions may operate in Belgium and defines the regulatory and supervisory powers of the ECB and the NBB. The main objective of the Belgian Banking Law is to protect public savings and the stability of the Belgian banking system in general.

The Belgian Banking Law implements various EU directives, including, without limitation:

(i) Directive (EU) No 2013/36/EU of the European Parliament and of the Council of 26 June 2013, as amended from time to time and as may be further amended and/or replaced from time to time ("**CRD**") and, where applicable, Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, as amended and/or replaced from time to time and as may be further amended and/or replaced from time to time ("**CRR**"), which implementing the revised regulatory framework of Basel III in the European Union;

(ii) Directive (EU) No 2014/59 of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms , as amended, i.a., by Directive (EU) No 2024/1174 of 11 April 2024 and as may be further amended or replaced from time to time ("**BRRD**"), which establishes by setting up a new recovery and resolution regime for credit institutions which and introduced certain tools and powers with a view to addressing banking crises in a pre-emptive manner with the aim of in order to safeguarding financial stability and minimising taxpayers' exposure to losses. The BRRD has been implemented into Belgian law through amendments to the Belgian Banking Law.;

On 27 October 2021, the European Commission adopted a review of the CRR and the CRD (the "Basel IV post-financial crisis reforms") in order, among other things, to ensure that European banks become more resilient to potential future economic shocks, while contributing to the transition to climate neutrality. These Basel IV post-financial crisis reforms have now been implemented in the CRR and the CRD through the publication, on 19 June 2024, in the EU Official Journal of Regulation (EU) 2024/1623 (CRR III)) amending the CRR and Directive (EU) 2024/1619 amending the CRD ("**CRD VI**"). The amendments to the CRR include, among other things, new rules for the calculation of risk-weighted assets for credit risk, market risk, credit valuation adjustment (CVA) risk and operational risk, as well as for the calculation of the leverage ratio, and the introduction of a so-called output floor, which sets a lower limit to the capital requirements generated by institutions' internal models, calculated as a percentage of the own funds requirements that would apply on the basis of standardised approaches. The amendments to the CRD include, among other things, new rules on the management of ESG risks by credit institutions.

The new rules since of CRR entered into effect on 1 January 2025, with certain elements of the regulation phasing in gradually, while CRD VI had to be transposed by Member States by 10 January 2026. A draft law transposing CRD VI into Belgian law was introduced to parliament on 12 May 2026 and is, as at the date of this Base Prospectus, pending parliamentary approval.

Supervision of credit institutions

All Belgian credit institutions must obtain a license from the ECB before they may commence operations. In order to obtain a license and maintain it, each credit institution must fulfil numerous conditions, including certain minimum paid-up capital requirements.

In addition, any shareholder holding, directly or indirectly, individually or acting in concert with another person or persons, a "qualifying holding" in the credit institution (i.e. a direct or indirect holding which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that institution) must be of "fit and proper" character to ensure proper and prudent management of the credit institution. Prior notification to the NBB and non- opposition by the ECB is required each time a person decides to acquire a qualifying holding in a credit institution or to further increase such qualifying holding as a result of which the proportion of the voting rights or of the capital held would reach or exceed 20%, 30% or 50%, or so that the credit institution would become its subsidiary. If the ECB considers that the influence of such a shareholder in a credit institution jeopardises its sound and prudent management, it may suspend the voting rights attached to such participation and, if necessary, request that the shareholder transfers to a third party its participation in the credit institution.

Furthermore, a shareholder who decides to dispose, directly or indirectly, of a qualifying holding or to reduce it so that the proportion of the voting rights or of the capital held would fall below 10%, 20%, 30% or 50% or so that the credit institution would cease to be its subsidiary, must notify the ECB and NBB thereof.

The Belgian credit institution itself is obliged to notify the NBB and ECB of any such transfer when it becomes aware thereof.

Moreover, every shareholder acquiring a holding or increasing its holding (directly or indirectly, individually or acting in concert with third parties) to 5% or more of the voting rights or of the capital without acquiring a qualifying holding, must notify the ECB and NBB thereof within ten

working days. The same shall apply to a shareholder who no longer holds, directly or indirectly, more than 5% of the voting rights or capital in a credit institution.

The above-mentioned obligations are also triggered when a threshold is crossed due to a situation other than an acquisition or a transfer.

The Belgian Banking Law requires credit institutions to provide detailed periodic financial information to the ECB and, under certain circumstances, the Belgian FSMA.

The ECB also supervises the enforcement of laws and regulations with respect to the accounting principles applicable to credit institutions.

The ECB sets the minimum capital adequacy ratios applicable to credit institutions. The ECB may also set other ratios, for example, with respect to the liquidity and gearing of credit institutions. It also sets the standards regarding solvency, liquidity, risk concentration and other limitations applicable to credit institutions and the publication of this information. The NBB may in addition impose capital requirements for capital buffers (including countercyclical buffer rates and any other measures aimed at addressing systemic or macro-prudential risks).

In order to exercise its prudential supervision, the ECB may require that all information with respect to the organisation, the functioning, the position and the transactions of a credit institution be provided to it. Further, the ECB supervises, among other things, the management structure, the administrative organisation, the accounting and the internal control mechanisms of a credit institution. In addition, the ECB may conduct on-site inspections (with or without the assistance of NBB staff).

The comprehensive supervision of credit institutions is also exercised through statutory auditors who cooperate with the supervisor in its prudential supervision. A credit institution selects its statutory auditor from the list of auditors or audit firms accredited by the NBB.

Within the context of the European System of Central Banks, the NBB issues certain recommendations regarding monetary controls. The Guarantor needs to comply with many of these requirements (on a consolidated basis).

The Belgian Banking Law has introduced a prohibition in principle on proprietary trading as from 1 January 2015. Certain proprietary trading activities are, however, excluded from this prohibition. Permitted proprietary trading activities (including certified market-making, hedging, treasury management, and long-term investments) are capped, and these types of activities must comply with strict requirements on reporting, internal governance and risk management.

Bank governance

The Belgian Banking Law also puts a lot of emphasis on the solid and efficient organisation of credit institutions and introduces to that effect a dual governance structure at management level, specialised advisory committees within the Board of Directors (Audit Committee, Risk Committee, Remuneration Committee and Nomination Committee), independent control functions, and strict remuneration policies (including limits on the amount of variable remuneration, the form and timing for vesting and payment of variable remuneration, as well as claw-back mechanics).

The Belgian Banking Law makes a fundamental distinction between the management of banking activities, which is within the competence of the Executive Committee, and the supervision of management and the definition of the credit institution's general strategy and risk policy, which is entrusted to the Board of Directors. In accordance with the Belgian Banking Law, the Guarantor has an Executive Committee, each member of which is also a member of the Board of Directors.

Pursuant to the Belgian Banking Law, the members of the Executive Committee and the Board of Directors need to permanently have the required professional reliability and appropriate experience. The same goes for the responsible persons of the independent control functions.

The NBB Governance Manual for the Banking Sector (the "**Governance Manual**") contains recommendations to assure the suitability of shareholders, management and independent control functions and the appropriate organisation of the business.

As required by the Belgian Banking Law and the Governance Manual, the KBC Group Internal Governance Memorandum (the "**Governance Memorandum**") sets out the corporate governance policy applying to KBC Group and of which the governance memorandum of the Guarantor forms part. The corporate governance policy of a credit institution must meet the principles set out in the law and the Governance Manual. The most recent version of the Governance Memorandum was approved on 18 December 2025 by the Board of Directors of KBC Group NV, the Guarantor and KBC Insurance NV.

The Guarantor also has a Corporate Governance Charter which is published on www.kbc.com. This document is not incorporated by reference into, and does not form part of, this Base Prospectus, and it has not been scrutinised or approved by the CSSF.

Solvency supervision

Capital requirements and capital adequacy ratios are provided for in the CRR, transposing the Basel framework. The CRR requires that credit institutions comply with several minimum solvency ratios. These ratios are defined as Common Equity Tier 1 ("**CET1**"), Tier 1 capital and total capital divided by risk weighted assets. Risk-weighted assets for credit risk are the sum of all assets and off-balance sheet items weighted according to the degree of credit risk inherent in them. The solvency ratios also take into account market risk and counterparty risk with respect to the bank's trading book (including interest rate and foreign currency exposure), operational risk, credit valuation adjustment risk and settlement risk in the calculation of the risk-weighted assets. On top of the capital requirements defined by the solvency ratios, the CRR imposes a combined buffer requirement (see below).

Solvency is also limited by the leverage ratio, which compares Tier 1 capital to the total exposure measure (non-risk weighted).

The minimum solvency ratios required under CRR are 4.5% for the CET1 ratio, 6.0% for the tier 1 capital ratio and 8.0% for the total capital ratio (i.e., the pillar 1 minimum ratios). As a result of its supervisory review and evaluation process ("**SREP**") or its examination of internal approaches, the competent supervisory authority (in the Guarantor's case, the ECB):

- can require the Guarantor to maintain higher minimum ratios (i.e., the pillar 2 requirements which in 2016 have been split by the ECB in a pillar 2 requirement ("**P2R**") and a pillar 2 guidance ("**P2G**", as further described below)) because, for instance, not all risks are properly reflected in the regulatory pillar 1 calculations;

- can take other measures such as imposing the reservation of distributable profits in whole or in part, requiring that variable remuneration be limited to a percentage of the profits and requiring the Guarantor to limit the risk associated with certain activities or products or with its organisation, where appropriate by imposing the total or partial transfer of its business or network.

On top of this, a number of additional buffers have to be put in place, including a capital conservation buffer of 2.5%, a buffer for systemically important banks ("**O-SII buffer**", to be determined by the national competent authority), a systemic risk buffer to address systemic risks of a long-term, non-cyclical nature (determined by the national competent authority) and a countercyclical buffer (between 0% and 2.5%, likewise to be determined by the national competent authority). These buffers constitute the "combined buffer requirements" applicable to the Guarantor.

In addition to the pillar 1 requirement, the P2R and the combined buffer requirements, the ECB can also set a "Pillar 2" capital guidance ("**P2G**"). The Guarantor is expected to meet the P2G with CET1 capital on top of the level of binding capital requirements. P2G is not directly binding and a failure to meet it does not automatically trigger legal action, even though the ECB expects credit institutions or holding companies to meet the P2G. However, the CRD provides that when an institution repeatedly fails to meet the P2G, the competent authority should be entitled to take supervisory measures and, where appropriate, to impose additional own funds requirements.

The following table provides an overview of the fully loaded CET1 ratio requirement at the level of the Guarantor as at 31 December 2025:

KBC Bank Group (consolidated)	Actual	Fully loaded
Pillar 1 minimum requirement (P1 min)	4.50%	4.50%
Pillar 2 requirement (P2R)	0.98%	1.10%
Conservation buffer	2.50%	2.50%
O-SII buffer	1.50%	1.50%
Systemic risk buffer	0.10%	0.00%
Countercyclical buffer*	1.17%	1286%
Overall capital requirement	10.76%	10.88%
CET1 requirement for MDA**	10.76%	10.88%

* The fully loaded countercyclical buffer of the Guarantor takes into account all known buffer rates of the national authorities as at 31 December 2025.

** Maximum Distributable Amount under CRD. Shortfall re. AT1 and T2 pillar 1 and pillar 2 buckets is satisfied by CET1.

The Guarantor exceeds these targets: on 31 December 2025, the fully loaded CET1 ratio for the Guarantor came to 13.9% (14.4% at 31 December 2024) which represented a capital buffer of EUR 3,708 million relative to the fully loaded CET1 requirement for MDA of 10.88%.

The leverage ratio (Basel III, fully loaded) at 31 December 2025 stood at 5.1% (5.0% at 31 December 2024) relative to the minimum requirement of 3%.

The payment of dividends by Belgian credit institutions is not limited by Belgian banking regulations, except indirectly through capital adequacy and solvency requirements when capital ratios fall below certain thresholds. The pay-out is further limited by the general provisions of Belgian company law.

For completeness, in the course of 2024, the Guarantor paid a final dividend for 2023 of EUR 806 million and an interim dividend for 2024 of EUR 975 million to its parent company, KBC Group NV (intragroup payments). A final dividend for 2024 of EUR 498 million was paid by the Guarantor to KBC Group NV in May 2025. In the course of 2025 the Guarantor paid a final dividend regarding 2024 of EUR 498 million to its parent company KBC Group NV (intragroup payments); no interim dividend regarding 2025 was paid in 2025. A final dividend regarding 2025 of EUR 1,881 million was paid by the Guarantor to its parent company KBC Group NV in May 2026.

Large exposure supervision

European regulations ensure the solvency of credit institutions by imposing limits on the concentration of risk in order to limit the impact of failure on the part of a large debtor. For this purpose, credit institutions must limit the amount of risk exposure to any single counterparty to 25% of the total Tier 1 capital. European regulations also require that the credit institutions establish procedures to contain concentrations on economic activity sectors and geographic areas.

Anti-Money laundering

The legal framework regarding the prevention of money laundering and terrorist financing applicable in Belgium consists of (i) the Belgian law of 18 September 2017 on the prevention of money laundering and terrorist financing and on the limitation of the use of cash, as amended from time to time (the "**AML Law**"), (ii) Regulation (EU) No 1624/2024 of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (the "**Anti-Money Laundering Regulation, AMLR**"), (iii) Regulation (EU) No

1620/2024 of 31 May 2024 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (the "AML Authority Regulation, **AMLAR**") and (iv) Directive (EU) No 2024/1640 of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (the "**Sixth Anti-Money Laundering Directive, AMLD6**"). The AMLD6 must be transposed into national law by 10 July 2027, while the AMLR will have direct application as from the same date. This legislation contains a preventive system imposing a number of obligations in relation to the prevention of money laundering and the financing of terrorism. These obligations are related, among other things, to the identification of the client, its ultimate beneficiaries and their agents, special attention for unusual transactions, internal reporting, processing and compliance mechanisms with the appointment of a compliance officer, and employee training requirements. A risk-based approach assumes that the risks of money laundering and terrorism financing may take various forms. Accordingly, businesses/individuals subject to the AML Law have to proceed to a global assessment of the risks they are facing and formulate efficient and adequate measures. Enhanced customer due diligence measures are required when dealing with politically exposed people, which encompasses not only national persons who are or who have been entrusted with prominent public functions residing abroad, but also those residing in the country. Member States have to set up a central register which identifies the ultimate beneficial owner of companies and other legal entities. Payments/donations in cash are capped at EUR 3,000. Member States must also provide for enhanced customer due diligence for the obliged entities to apply when dealing with natural persons or legal entities established in high-risk third countries.

When, after investigation, a credit or financial institution suspects money laundering to be the purpose of a transaction, it must promptly notify an independent administrative authority, the Financial Intelligence Unit. This Unit is designated to receive reports on suspicious transactions, to investigate them and, if necessary, to report to the criminal prosecutors to initiate proceedings. The NBB has issued guidelines for credit and financial institutions and supervises their compliance with the legislation. Belgian criminal law specifically addresses criminal offences of money-laundering.

Consolidated supervision – supplementary supervision

The Guarantor is subject to consolidated supervision by the ECB on the basis of the consolidated financial situation of KBC Group NV, which covers, among other things, solvency as described above, pursuant to Articles 165 and following of the Belgian Banking Law. As a subsidiary of a Belgian mixed financial holding company (KBC Group NV) and part of a financial conglomerate, the Guarantor is also subject to the supplementary supervision by the ECB, according to Directive (EU) 2011/89 of 16 November 2011 amending Directives (EC) No 98/78, (EC) No 2002/87, (EC) No 2006/48 and (EC) No 2009/138 as regards the supplementary supervision of financial entities in a financial conglomerate (implemented in Articles 185 and following of the Belgian Banking Law). The supplementary supervision relates to, among other things, solvency, risk concentration and intra-group transactions and to enhanced reporting obligations.

The consolidated supervision and the supplementary supervision will be aligned as much as possible, as described in Article 170 of the Belgian Banking Law.

Bank recovery and resolution

The Belgian Banking Law establishes a range of instruments to tackle potential crises of credit institutions at three stages:

(i) Preparation and prevention

KBC Group NV has to draw up a group recovery plan, setting out the measures which would be taken to stabilise the KBC Group as a whole or each credit institution in the KBC Group if it is in a difficult financial situation, and which seek to address or remove the causes of difficulties and to restore the financial situation of the group or credit institution, having regard also to the financial situation of other group entities to restore their financial position in the event of a significant deterioration to their financial position. This group recovery plan must, in principle, be updated at least annually or after a change to the legal or organisational structure of the institution, its business or its financial

situation, which could have a material effect on, or necessitates a change to, the group recovery plan. In its review of the recovery plan, the ECB pays particular attention to the appropriateness of the capital and financing structure of the credit institutions, of the group, and of group entities in relation to the degree of complexity of their organisational structure and their risk profile.

The Single Resolution Board ("**SRB**") will have to prepare a resolution plan for each significant Belgian credit institution, laying out the actions it may take if it were to meet the conditions for resolution. The resolution college of the NBB has the same powers with regard to the non-significant Belgian credit institutions. If the SRB or the resolution college identifies material impediments to resolvability during the course of this planning process, it can require a credit institution or parent undertaking to take appropriate measures, including changes to corporate and legal structures.

(ii) Early intervention

The ECB/NBB disposes of a set of powers to intervene if credit institutions or certain parent undertakings face financial distress (e.g. when a credit institution is not operating in accordance with the provisions of the Belgian Banking Law, the CRR and the CRD (as transposed into Belgian law)), but before its financial situation deteriorates irreparably. These powers include the ability to dismiss the management and appoint a special commissioner, to convene a meeting of shareholders to adopt urgent reforms, to suspend or prohibit all or part of the credit institution's activities (including a partial or complete suspension of the execution of current contracts), to order the disposal of all or part of the credit institution's shareholdings or the transfer of all or part of the net worth, and finally, to revoke the license of the credit institution.

(iii) Resolution

Pursuant to the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Bank Resolution Fund and amending the Regulation (EU) No 1093/2010 of the European Parliament and of the Council, as amended by Regulation (EU) 2019/877 of 20 May 2019 and most recently by Regulation (EU) 2026/808 of 30 March 2026, and as may be further amended from time to time (the "**Single Resolution Mechanism**" or "**SRM**") entered into force on 19 August 2014. The SRM applies to credit institutions which fall under the supervision of the ECB. It established a Single Resolution Board (SRB), a resolution decision-making authority replacing national resolution authorities (such as the resolution college of the NBB) for resolution decisions with regard to significant credit institutions. The SRB is responsible since 1 January 2016 for vetting resolution plans and carrying out any resolution in cooperation with the national resolution authorities (the SRB together with the resolution college of the NBB is hereinafter referred to as the "**Resolution Authority**").

The Guarantor and KBC Group NV fall within the scope of the Single Supervisory Mechanism.

The Resolution Authority can decide to take resolution measures if it considers that all of the following circumstances are present: (i) the determination has been made by the Resolution Authority, after consulting the competent authority, that a credit institution is failing or is likely to fail, (ii) there is no reasonable prospect that any alternative private sector measures or supervisory action can be taken to prevent the failure of the institution, and (iii) resolving the credit institution is necessary from a public interest perspective. The resolution tools are: (i) the sale of (a part of) the assets/liabilities or the shares of the credit institution without the consent of shareholders, (ii) the transfer of business to a temporary structure ("bridge bank"), (iii) the separation of clean and toxic assets and the transfer of toxic assets to an asset management vehicle and (iv) bail-in. In addition, the Resolution Authority can exercise certain resolution powers, pursuant to Articles 63 to 71 of the BRRD.

Bail-in is a mechanism to write down the bail-inable liabilities of an institution (including capital instruments such as such as Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Tier 2 (T2) instruments) or to convert such debt instruments into equity, as a means of restoring the institution's capital position. The Resolution Authority is also empowered (and in certain circumstances required) to write down or convert eligible liabilities, before the conditions (i) to (iii) mentioned in the above paragraph are fulfilled, or together with the use of any resolution tools.

The applicability of the resolution tools and measures to credit institutions that are part of a cross-border group are regulated by the SRM and the Belgian Royal Decree of 26 December 2015 amending the Belgian Banking Law.

4. Material contracts

As at the date of this Base Prospectus, the Guarantor has not entered into any material contracts outside the ordinary course of its business which could result in any member of the KBC Bank Group being under an obligation or entitlement that is material to the Guarantor's ability to meet its obligations under the Notes.

5. Recent events

Other than as set out in the sections "Corporate structure, share capital and credit ratings", "Activities in Belgium", "Activities in Central and Eastern Europe", "Activities in the rest of the world", "Banking supervision and regulation" and "Litigation", there are no recent events particular to the Guarantor and which are to a material extent relevant to an evaluation of the Guarantor's solvency.

6. Trend information

Overall global economic growth in 2025 was moderate. Real growth was 2.3% in the US, 1.5% in the euro area and 4.9% in China.

In the United States, uncertainty about the new administration's economic policies weighed on the labour market, especially in the second half of the year. Both weaker demand and supply-side factors played a role. Even so, US economic growth proved surprisingly resilient, despite the temporary closure of a number of government departments in the fourth quarter. This resilience was driven mainly by private consumption and private investment, including in technology and AI.

In the euro area, growth remained subdued throughout 2025. Growth was relatively strong only in the first quarter, largely due to a one-off boost from net exports as firms front-loaded trade ahead of the announced US import tariffs. In the following quarters, growth stayed at or below potential. The combination of a weak manufacturing industry due to the difficult international trade environment and weak domestic demand weighed on growth in the euro area. More expansionary fiscal policies, especially in Germany, were announced but are not expected to have a visible impact. Finally, China continued to face the structural problem of overcapacity and related deflationary trends in 2025. This was compounded by the trade dispute with the US, which put additional pressure on China's export-led growth model.

Inflation trends in 2025 diverged slightly between the US and the euro area. Overall annual average inflation in 2025 was 2.7% and 2.1%, respectively. Underlying core inflation (excluding food and energy prices) remained stubbornly high in both economies, mainly driven by service price inflation. Specifically in the US, import duties also provided additional inflationary momentum. The impact on US inflation is likely to be temporary, thus amounting to a one-off increase in the price level, with no lasting effect on inflation. In contrast, the absence of meaningful retaliation in the trade dispute with the US created disinflationary pressures in the euro area. The strong appreciation of the euro in 2025 also dampened inflation via a slower rise in import prices.

The ECB continued its easing path in 2025 and reached the end point with a 2% deposit rate in June. Since the beginning of 2025, the ECB has completely stopped reinvestments in both its APP and PEPP portfolios and intends to continue with that policy until both portfolios are fully phased out.

The US Federal Reserve (Fed) resumed its easing cycle in September 2025, which it had interrupted in December 2024, fearing the inflationary impact of the new US trade policy. The Fed also took a wait-and-see approach for a long time in 2025, as its two policy objectives (price stability and maximum employment) were at odds. There were downside risks to the labour market on the one hand, but at the same time upside risks to inflation. Eventually, the Fed cut its policy rate to its current level of 3.625% (mid-range target rate). Since December 2025, the Fed also stopped its policy of quantitative tightening. At the same moment, it launched a "Reserve Management" programme in December 2025, which aims to prevent liquidity shortages through short-term government bond purchases by the Fed if necessary.

During 2025, US and German 10-year interest rates experienced opposite trends on balance. US 10-year rates fell partly due to fears about the impact of the new US trade policy. In contrast, German ten-year rates rose sharply following the German parliamentary elections and the new government's fiscal expansion plans. On balance, this reduced the long-term interest rate differential between the US and Germany. This led to a sharp weakening of the dollar against the euro, especially in the first half of 2025.

The start of 2026 largely continued the pattern of risks seen in 2025. Despite rulings by the United States Supreme Court on several tariffs, the administration maintained its intention to reintroduce tariffs on trading partners under an alternative legal framework. Geopolitical risks also remained elevated. The US intervention in Venezuela, unrest in Iran in January, the ongoing war in Ukraine and the debate over Greenland all underlined the persistence of geopolitical tensions.

From 28 February, the situation escalated significantly with the outbreak of war in Iran. From an economic point of view, this led to a significant adverse energy price shock, which is particularly being felt in energy-importing Europe.

On 11 June 2026, the ECB raised its deposit rate by 25 basis points (to 2.25%) in response to elevated inflationary pressures, particularly stemming from higher energy prices linked to geopolitical developments. This increase was widely anticipated by markets and economists, with the move largely priced in ahead of the decision.

The risk is that the current extreme uncertainty will gradually undermine economic confidence and investment sentiment and thus eventually economic growth in the euro area. The sustainability of public finances across a range of Eurozone member states also remains a key concern for 2026, with the risk of rising risk premia on their public debt.

7. Litigation

This section sets out material litigation to which the Guarantor or any of its companies (or certain individuals in their capacity as current or former employees or officers of the Guarantor or any of its companies) are party. It describes all claims, quantified or not, that could lead to the impairment of the company's reputation or to a sanction by an external regulator or governmental authority, or that could present a risk of criminal conviction for the company, the members of the board or the management.

Although the outcome of these matters is uncertain and some of the claims concern relatively substantial amounts in damages, the management does not believe that the liabilities arising from these claims will adversely affect the Guarantor's consolidated financial position or results, given the provisions that, where necessary, have been set aside for these disputes.

Lazare Kaplan International Inc.

Lazare Kaplan International Inc. is a U.S. based diamond company ("**LKI**"). Lazare Kaplan Belgium NV is LKI's Belgian affiliate ("**LKB**"). LKI and LKB together are hereinafter referred to as "**LK**". The merger between the Guarantor and Antwerpse Diamantbank NV ("**ADB**") on 1 July 2015 entails that the Guarantor is now a party to the proceedings below, both in its own name and in its capacity as legal successor to ADB.

However, for the sake of clarity, further reference is made to ADB on the one hand and the Guarantor on the other hand as they existed at the time of the facts described.

Fact summary

Since 2008, LKB has been involved in a serious dispute with its former business partners, DD Manufacturing NV and KT Collection BVBA ("**Daleyot**"), Antwerp based diamond companies belonging to Mr. Erez Daleyot. This dispute relates to a joint venture LK and Daleyot set up in Dubai (called "**Gulfdiam**").

LKB and Daleyot became entangled in a complex litigation in Belgium, each claiming that the other party is their debtor. Daleyot initiated proceedings before the Company Court of Antwerp for payment of commercial invoices for an amount of (initially) approximately USD 9 million. LKB launched separate proceedings for payment of commercial invoices for (initially) an amount of approximately USD 38 million.

At the end of 2009, ADB terminated LK's credit facilities. After LK failed to repay the amount outstanding of approximately USD 45,000,000, ADB started proceedings before the Company Court of Antwerp, section Antwerp for the recovery of said amount. In a bid to prevent having to pay back the amount owed, LK in turn initiated several legal proceedings against ADB and/or the Guarantor in Belgium and the USA. These proceedings, which are summarised below, relate to, *inter alia*, the dispute between ADB and LKI with regard to the termination of the credit facility and the recovery of all the monies LKI owes under the terminated credit facility as well as allegations that LK was deprived out of circa USD 140 million by DD Manufacturing and other Daleyot entities in cooperation with ADB.

Overview legal proceedings

Company Court of Antwerp, section Antwerp

On 16 March 2010, proceedings were initiated by ADB against LKI in order to recover the monies owed to it under the terminated credit facility (approximately USD 45 million in principal). LKB voluntarily intervened in this proceeding and claimed an amount of USD 350 million from ADB. LKI launched a counterclaim of USD 500 million against ADB (from which it claims any amount awarded to LKB must be deducted).

LKI and /or LKB started numerous satellite proceedings with the sole aim to delay the decision of the Company Court of Antwerp, section Antwerp regarding ADB's recovery claim (please also refer to the proceedings described below).

Numerous times LKI and/or LKB were convicted for reckless and vexatious legal actions and were ordered to pay the Guarantor damages for a total amount of EUR 495,000 and legal expenses (including the legal representation costs) of EUR 204,015.51 (including the amounts granted by the decisions described below).

All decisions (45) regarding these proceedings rejected LKI's and /or LKB's claims and legal actions. Only three decisions were rendered in favour of LKI. The first was a decision of the United States Court of Appeal for the Second Circuit in 2013 whereby the RICO case was reversed and remanded back to the District Court on legal technical grounds. The second decision was the ruling of Court of Cassation dated 19 December 2019 which only partially annulled the Antwerp Court of Appeal decision of 13 December 2018 regarding the lack of reasoning in relation to the order of LKI and LKB to pay damages the Guarantor for vexatious reckless proceedings. The case was only sent to the Brussels Court of Appeal on this aspect. The third decision was the ruling of the Court of Cassation dated 25 January 2021 annulling the decision of the Antwerp Court of Appeal dated 28 February 2019 but only on technical legal grounds (see below).

As at the date of this Base Prospectus, after more than ten years of litigation, the Company Court of Antwerp, section Antwerp has still not been able to decide on the merits of the case. On 6 October 2020, the Company Court of Antwerp ordered a briefing schedule inviting parties to take a position on the procedural objections invoked by LK regarding the handling of the Guarantor's claim by the Court.

On 3 June 2021, the Company Court of Antwerp, section Antwerp declared that it has jurisdiction to rule on all claims and dismissed the procedural objections invoked by LK. A court hearing was set for 8 September 2022.

On 3 June 2021, the Company Court of Antwerp, section Antwerp declared that it has jurisdiction to rule on all claims and dismissed the procedural objections invoked by LK. A court hearing was set for 8 September 2022.

LKB and LKI lodged separate appeals against the decision of 3 June 2021. The Antwerp Court of Appeal merged the two appeals. Both these cases were set for hearing at 15 June 2023. However, the day before, LKB filed two petitions for withdrawal. Thereupon, the Court adjourned both these cases to the hearing of 30 November 2023.

By two judgments dated 19 October 2023, the Court of Cassation dismissed the aforementioned petitions for withdrawal and ordered LKB for the two applications each to pay EUR 10,000 in damages for vexatious reckless litigation.

On 8 February 2024 the Antwerp Court of Appeal rendered an interlocutory judgment deciding to suspend the proceedings pending the outcome of the criminal inquiries.

Company Court of Antwerp, section Antwerp

On 28 July 2014, LK launched proceedings against ADB and certain Daleyot entities. This claim is aimed at having certain transactions of the Daleyot entities declared null and void or at least not opposable against LK.

LK also filed a damage claim against ADB for a provisional amount of USD 60 million based on the alleged third-party complicity of ADB. This case is still pending. The court postponed the case *sine die*.

Company Court of Antwerp, section Antwerp

On 10 December 2014, LKB filed a proceeding against ADB and the Guarantor claiming an amount of approximately USD 77 million, based on the allegedly wrongful grant and maintenance of credit facilities by ADB and the Guarantor to the Daleyot entities. In its last court brief LK claims an additional amount of approximately USD 5 million.

By decision of 7 February 2017, the Company Court of Antwerp, section Antwerp dismissed LKB's claim. Moreover, the court decided that the proceedings initiated by LKB were reckless and vexatious and ordered LKB to pay EUR 250,000 in damages, as well as the maximum legal representation cost of EUR 72,000.

LKB appealed against the decision of 7 February 2017. On 28 February 2019, the Antwerp Court of Appeal dismissed LKB's appeal. LKB was ordered to pay the legal representation cost for the appeal proceedings of EUR 18,000. On 18 June 2019, LKB initiated proceedings before the Court of Cassation against the decision of the Antwerp Court of Appeal dated 28 February 2019. On 25 January 2021, the Court of Cassation annulled the decision of the Antwerp Court of Appeal, but only on technical legal grounds relating to the Court of Appeal’s assessment of the limitation period for LKB's liability claims. The case is sent to the Ghent Court of Appeal.

LKI – which was not a party to the first instance proceedings – commenced third-party opposition proceedings against the decision of 7 February 2017 with the Company Court of Antwerp, section Antwerp. By decision of 7 May 2019, the Company Court dismissed the third-party opposition proceedings initiated by LKI. The court ordered LKI to pay the legal representation cost of EUR 1,440.

Criminal complaint

On 13 October 2016, LK filed a criminal complaint with the Investigating Magistrate at the Dutch speaking Court of First Instance of Brussels against the Guarantor.

On 9 April 2019, LK filed an additional complaint with the same Investigating Magistrate against the Guarantor and certain of its (former) employees. The criminal complaints are based, *inter alia*, on: embezzlement, theft and money-laundering.

On 29 September 2021, the Guarantor received notification that the chambers section of the Criminal Court of Brussels will decide on the closure of the criminal investigation and on the regulation of procedure (either dismissal of charges or referral to the criminal court). On 16 November 2021, the chambers section of the Criminal Court decided to postpone the proceedings indefinitely because of LKI and LKB's request for additional investigation. On 16 December 2021, the Investigating Magistrate denied the request, except for one investigative measure. LKI and LKB appealed this decision. On 22 February 2024, the chamber for indictments rejected the LKI and LKB's appeal against the decision of the Investigation Magistrate of 16 December 2021. On 20 August 2024, pleadings were held before the chambers section of the Criminal Court of Brussels on the closure of the criminal investigation and dismissal or referral to the Criminal Court of Brussels. On 17 September 2024, the chambers section decided to postpone the proceedings indefinitely because certain electronic documents in the criminal file could not be accessed.

Bernard L. Madoff Investments Securities LLC and Bernard L. Madoff

On 6 October 2011, Irving H. Picard, trustee for the substantively consolidated SIPA (Securities Investor Protection Corporation Act) liquidation of Bernard L. Madoff Investments Securities LLC and Bernard L. Madoff, sued KBC Investments Ltd (a wholly-owned subsidiary of the Guarantor) before the bankruptcy court in New York to recover approximately USD 110 million worth of transfers made to KBC entities. The basis for this claim were the subsequent transfers that KBC Investments Ltd had received from Harley International, a Madoff feeder fund established under the laws of the Cayman Islands. This claim is one of a whole set made by the trustee against several banks, hedge funds, feeder funds and investors. In addition to the issues addressed by the district court, briefings were held on the applicability of the Bankruptcy Code's 'safe harbor' and 'good defenses' rules to subsequent transferees (as is the case for KBC Investments Ltd). KBC Investments Ltd, together with numerous other defendants, filed motions for dismissal. District court Judge Jed Rakoff has made several intermediate rulings in this matter, the most important of which are the rulings on extraterritoriality and good faith defences.

On 27 April 2014, Judge Rakoff issued an opinion and order regarding the 'good faith' standard and pleading burden to be applied in the Picard/SIPA proceeding based on sections 548(b) and 559(b) of the Bankruptcy Code. As such, the burden of proof that lies on Picard/SIPA is that KBC Investments Ltd should have been aware of the fraud perpetrated by Madoff. On 7 July 2014, Judge Rakoff ruled that Picard's/SIPA's reliance on section 550(a) does not allow for the recovery of subsequent transfers received abroad by a foreign transferee from a foreign transferor (as is the case for KBC Investments Ltd). Therefore, the trustee's recovery claims have been dismissed to the extent that they seek to recover purely foreign transfers. In June 2015, the trustee filed a petition against KBC Investments Ltd to overturn the ruling that the claim fails on extraterritoriality grounds. In this petition, the trustee also amended the original claim including the sum sought. The amount has been increased to USD 196 million.

On 21 November 2016, Judge Bernstein issued a memorandum decision regarding claims to recover foreign subsequent transfers, including the transfers which the trustee seeks to recover from KBC Investments Ltd. In this memorandum decision, Judge Bernstein concluded that the trustee's claims based on foreign transfers should be dismissed out of concern for international comity and ordered a dismissal of the action against KBC Investments Ltd. On 3 March 2017, the Bankruptcy Court issued an order denying Madoff trustee's request for leave to amend his complaint and dismissing the complaint. On 16 March 2017, trustee Picard filed an appeal of dismissal, on 27 September 2017 the Second Circuit granted trustee Picard's petition for a direct appeal and on 10 January 2018 trustee Picard filed his opening brief in appeal to the Second Circuit.

Briefing in the appeal was completed on 8 May 2018, and the Second Circuit held oral argument on 16 November 2018.

On 28 February 2019, the Second Circuit reversed the Bankruptcy Court's dismissal of the actions against KBC Investments Ltd on extraterritoriality and international comity grounds. The action against KBC Investments Ltd has therefore been remanded back to the Bankruptcy Court for further proceedings. KBC believes it has substantial and credible defences to this action and will continue to defend itself vigorously.

In April 2019, a request for rehearing was denied.

On 30 August 2019, a petition for writ of Certiorari was filed with the U.S. Supreme Court to consider the appeal and reverse the Second Circuit decision by the joint defence group.

On 10 December 2019, the U.S. Supreme Court entered a brief order inviting the U.S. Solicitor General to file a brief expressing the views of the United States Government.

On 10 April 2020, the United States Solicitor General filed a brief recommending that the Supreme Court deny the Madoff defendants' petition for a writ of certiorari.

On 2 June 2020, the U.S. Supreme Court denied the petition. As a consequence, the merits of the case will be handled by the Bankruptcy Court.

On 1 August 2022, the Bankruptcy Court judge issued a stipulation and order regarding the filing of an amended complaint and subsequent scheduling of proceedings. As a result, the trustee amended his complaint on 5 August 2022 by reducing his claim to USD $86,000,000, consisting of subsequent transfers received by KBC Investments Ltd from Harley (a feeder fund).

On 18 November 2022, KBC Investments Ltd. filed a motion to dismiss the amended complaint for lack of specific jurisdiction of the US court. On 26 April 2023, the court dismissed this motion contesting jurisdictional and proceeded to establish a case management plan for the proceedings, which provides for a term for the investigation of the facts that will end on 21 August 2026. In the meantime, both parties have released the first factual documents. The next step is to select certain persons named in the disclosures already made and who are likely to be heard by one or both parties in the proceedings. KBC Investments Ltd still believes, although the burden of proof has been increased, it has good and credible defences, both procedurally and on the merits including demonstrating its good faith. The procedure may still take several years.

8. Financial Information of the Guarantor

Financial statements

The Guarantor's 2025 Annual Report and the Guarantor's 2024 Annual Report contain:

- the Guarantor's audited consolidated financial statements drawn up in accordance with International Financial Reporting Standards ("**IFRS**") for the last two financial years (2025 and 2024); and

- the Guarantor's audited non-consolidated financial statements drawn up in accordance with Belgian Generally Accepted Accounting Principles ("**GAAP**") for the last two financial years (2025 and 2024).

The Guarantor's 2025 annual report and the Guarantor's 2024 annual report are incorporated by reference into this Base Prospectus, as set out in the section entitled "*Documents Incorporated by Reference*".

Audit and review by the Guarantor's statutory auditors

PricewaterhouseCoopers Bedrijfsrevisoren BV (*erkend revisor/réviseur agréé*), represented by Damien Walgrave and Jeroen Bockaert, with offices at Culliganlaan 5, 1831 Diegem, Belgium ("**PwC**"), was appointed as auditor of the Guarantor for the financial years 2016-2024. KPMG Bedrijfsrevisoren BV (*erkend revisor/réviseur agréé*), represented by Kenneth Vermeire and Stéphane Nolf, with offices at Luchthaven Brussel Nationaal 1K, 1930 Zaventem, Belgium ("**KPMG**"), was appointed as auditor of the Guarantor for the financial years 2025-2027. The financial statements of the Guarantor have been audited in accordance with International Standards on Auditing by PwC for the financial year ended 31 December 2024 and by KPMG for the financial year ended 31 December 2025 and resulted, in each case, in an unqualified audit opinion.

The reports of the Guarantor's auditor on (i) the audited consolidated annual financial statements of the Guarantor and its consolidated subsidiaries for the financial years ended 31 December 2025 and 31 December 2024 and (ii) the audited non-consolidated annual financial statements of the Guarantor for the financial years ended 31 December 2025 and 31 December 2024 are incorporated by reference in this Base Prospectus (as set out in the section entitled "*Documents Incorporated by*

Reference"), with the consent of, respectively, KPMG (for the financial year ended 31 December 2025) and PwC (for the financial year ended 31 December 2024).

PwC and KPMG are members of the *Instituut der Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*.

Expected financing and material changes in the Guarantor's borrowing and funding structure

Please refer to Note 2.3 (Balance-sheet information by segment) on page 206 of the Guarantor's 2025 annual report for a description of the expected financing of the Guarantor's activities. The Guarantor's 2025 annual report is incorporated by reference into this Base Prospectus, as set out in the section entitled "*Documents Incorporated by Reference*".

Other than as disclosed in this Base Prospectus, there have been no material changes in the Guarantor's borrowing or funding structure since 31 December 2025.

TAXATION

This section sets out an overview of certain taxation considerations relating to the Notes.

Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Notes.

Prospective purchasers of the Notes are advised to consult their own tax advisers as to the tax consequence of purchasing, holding or selling the Notes under the tax laws of the country of which they are resident, including, without limitation, the consequences of receipt of Interest Amounts and premium, if any, on and sale or redemption of, the Notes or any Interest Amounts therein. The discussions that follow do not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase, hold or sell Notes. In particular, these discussions do not consider any specific facts or circumstances that may apply to a purchaser of the Notes. The discussions that follow for each jurisdiction are based upon the applicable laws and interpretations thereof as in effect as of the date of this Base Prospectus. These tax laws and interpretations are subject to change, possibly with retroactive or retrospective effect.

Belgium

The following overview describes the principal Belgian tax considerations with respect to the holding of Notes. This information is of a general nature based on the Issuer's understanding of current law and practice and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Notes. In some cases, different rules can be applicable. This overview does not describe the tax consequences for a holder of Notes that are redeemable in exchange for, or convertible into assets, of the exercise, settlement or redemption of such Notes or any tax consequences after the moment of exercise, settlement or redemption. The overview is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this Base Prospectus, all of which can be amended in the future and possibly implemented with retroactive effect. Furthermore, the interpretation of the tax rules may change. Investors should appreciate that, as a result of evolutions in law or practice, the eventual tax consequences may be different from what is stated below. In particular, Noteholders should note that the Belgian federal government announced further tax measures in its governmental agreement that have not yet been implemented but may potentially impact the tax overview set out below.

Each prospective holder of Notes should consult a professional adviser with respect to the tax consequences of an investment in the Notes, taking into account the influence of each regional, local or national law.

For the purpose of this overview, a Belgian tax resident is an individual subject to Belgian personal income tax (*"Personenbelasting"/"Impôt des personnes physiques"*) (that is, an individual who is domiciled in Belgium or has their seat of wealth in Belgium or a person assimilated to a resident for the purposes of Belgian tax law), a company subject to Belgian corporate income tax (*"Vennootschapsbelasting"/"Impôt des sociétés"*) (that is, a corporate entity that has its main establishment or place of effective management in Belgium and which is not excluded by law from the application of Belgian corporate income tax; a company having its registered seat in Belgium shall be presumed, unless the contrary is proved, to have its principal establishment or place of effective management in Belgium), an Organisation for Financing Pensions subject to Belgian corporate income tax (that is, a Belgian pension fund incorporated under the form of an Organisation for Financing Pensions (an "**OFP**")), or a legal entity subject to Belgian income tax on legal entities (*"Rechtspersonenbelasting"/"Impôt des personnes morales"*) (that is, a legal entity other than a company subject to Belgian corporate income tax, that has its main establishment or place of effective management in Belgium). A Belgian non-resident is any person or entity that is not a Belgian resident.

In accordance with Belgian tax law, the following amounts are qualified and taxable as "interest": (i) periodic interest income, (ii) amounts paid by, or on behalf of, the Issuer in excess of the issue price (upon full or partial redemption whether or not on the maturity date, or upon purchase by the Issuer), and (iii) if the Notes qualify as "fixed income securities" (in the meaning of article 2, §1, 8° of the Belgian Income Tax Code), in case of a disposal of the Notes between two interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the holding period. "**Fixed income securities**" are defined as bonds, specific debt certificates issued by banks (*"kasbon"/"bon de caisse"*) and other similar securities, including securities where income is capitalised or securities which do not generate

a periodic payment of income, but are issued with a discount corresponding to the capitalised interest up to the maturity date of the security.

Withholding Tax and Income Tax

Tax rules applicable to individuals resident in Belgium

Individuals who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax (*"Personenbelasting"/"Impôt des personnes physiques"*) and who hold the Notes as a private investment, are subject to the following tax treatment in Belgium with respect to the Notes. Other tax rules apply to Belgian resident individuals hold the Notes in the framework of their professional activity.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 30 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided withholding tax was levied on these interest payments.

Nevertheless, Belgian resident individuals may elect to declare interest on the Notes in their personal income tax return. Also, if interest is paid outside Belgium without the intervention of a Belgian paying agent, no Belgian withholding tax will apply and the interest must be declared in the Noteholder's personal income tax return. Interest income which is declared in this way will be taxed at a flat rate of 30 per cent. or at the progressive personal tax rate taking into account the taxpayer's other declared income, whichever is more beneficial. No local surcharges will be due. If the interest is declared, any Belgian withholding tax levied is creditable in accordance with the applicable legal provisions.

Pursuant to the new Belgian federal government agreement (2025-2029), the Belgian federal parliament recently approved a bill of law providing that capital gains realised by private individuals and certain non-profit legal entities on the transfer for consideration of "financial assets" on or after 1 January 2026 are taxable at a rate of 10 per cent. The Notes constitute in-scope financial assets. An exemption for the first EUR 10,000 per annum (possibly increased to EUR 15,000 over a five-year period, subject to conditions) can be claimed. Capital losses on financial assets are deductible from capital gains realised in the same taxable year on the same type of financial assets, subject to certain conditions. The new tax will, as a general rule, be levied by the relevant financial intermediary via withholding on the gross capital gain. Noteholders may, however, expressly elect to opt out of this withholding tax mechanism on a per-securities-account basis. If no withholding is applied, the Noteholder will be required to declare the capital gains in its annual personal income tax return. Noteholders should note that a transitional timeline applies for the 2026 income year: capital gains realised before 31 May 2026 are not subject to mandatory withholding, although Noteholders may voluntarily opt-in to pay an equivalent amount. From 1 June 2026, the standard withholding tax applies subject to the aforementioned opt-out right but with withholdings deferred for remittance until 30 November 2026, and the permanent withholding regime will become fully operational as of 1 September 2026.

By way of exception, capital gains realised on the Notes outside the scope of the normal management of the taxpayer's private estate must be declared in the Noteholder's annual personal income tax return and will be taxed at a rate of 33 per cent. (to be increased with local surcharges). In that case, capital losses realised upon the transfer of the Notes are in principle not tax deductible.

Belgian resident companies

Companies that are Belgian residents for tax purposes, i.e., that are subject to Belgian corporate income tax (*"Vennootschapsbelasting"/"Impôt des sociétés"*), are subject to the following tax treatment in Belgium with respect to the Notes. Different rules apply to companies subject to a special tax regime, such as investment companies within the meaning of article 185bis of the Belgian Income Tax Code 1992 (*"Wetboek van de inkomstenbelastingen 1992"/"Code des impôts sur les revenus 1992"*).

Interest payments on the Notes (except Zero Coupon Notes and other Notes which provide for the capitalisation of interest) made through a paying agent in Belgium to Belgian resident companies will in principle be subject to a 30 per cent. withholding tax (calculated on the interest received after deduction of any non-Belgian withholding taxes). However, the interest can, under certain circumstances, be exempt from withholding tax, provided a special certificate is delivered.

Belgian corporate income tax will in principle apply at the ordinary rate of 25 per cent. to interest earned on the Notes (on an accrual basis) and capital gains realised on the Notes by Belgian resident companies. Subject to certain conditions, a reduced corporate income tax rate of 20 per cent. applies for small enterprises (as defined by Article 1:24, §1 to §6 of the Belgian Companies and Associations Code (*"Wetboek van vennootschappen en verenigingen"/"Code des sociétés et associations"*)) on the first EUR 100,000 of taxable profits.

Any Belgian withholding tax that has been levied is in principle creditable against any corporate income tax due and any excess amount will in principle be refundable, all in accordance with the applicable legal provisions. Any non-Belgian withholding tax could form the object of a Belgian foreign tax credit, within certain limits.

Capital losses realised upon the transfer of the Notes are in principle tax deductible.

Belgian legal entities

Legal entity Noteholders who are Belgian residents for tax purposes, i.e. who are subject to Belgian tax on legal entities (*"Rechtspersonenbelasting"/"Impôt des personnes morales"*) are subject to the following tax treatment in Belgium with respect to the Notes.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 30 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid either outside Belgium without the intervention of a Belgian paying agent or without the deduction of the Belgian withholding tax due, the legal entity itself is required to declare and pay the 30 per cent. withholding tax to the Belgian tax authorities.

The new 10 per cent. tax on capital gains realized upon the transfer for consideration of financial assets on or after 1 January 2026 (as described above), generally applies to legal entities. However, certain legal entities benefit from an exemption, such as those entitled to receive gifts with the benefit of a tax reduction for the donor.

Capital gains realised on the transfer of the Notes within the scope of the normal management of the taxpayer's private estate are in principle tax exempt. In that case, capital losses are in principle not tax deductible.

Organisations for Financing Pensions

Belgian pension fund entities that have the form of an OFP within the meaning of the Belgian law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision are subject to Belgian corporate income tax (*"Vennootschapsbelasting"/"Impôt des sociétés"*). OFPs are subject to the following tax treatment in Belgium with respect to the Notes.

Interest derived from the Notes and capital gains realised on the Notes by OFP Noteholders will not be subject to Belgian corporate income tax. Subject to certain conditions, any Belgian withholding tax that has been levied on interest income received by an Organisation for Financing Pensions by, for example, an intervening Belgian paying agent, can be credited against any corporate income tax due and any excess amount is in principle refundable.

Capital losses are not tax deductible.

Belgian non-residents

Interest income on the Notes paid through a professional intermediary in Belgium will, in principle, be subject to a 30 per cent. withholding tax (calculated on the interest received after deduction of any non-Belgian withholding taxes), unless the Noteholder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested attestation, or unless a domestic exemption applies. If the income is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax should generally be due.

Non-residents who use the Notes to exercise a professional activity in Belgium through a permanent establishment are in principle subject to the same tax rules as Belgian resident companies (see above). Non-

resident Noteholders who do not allocate the Notes to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, for tax applied in the form of withholding tax on interest.

Common Reporting Standard

Pursuant to the law of 16 December 2015 implementing into Belgian national law the provisions of the Directive 2014/107/EU on administrative cooperation in direct taxation (see the section "*Common Reporting Standard – Exchange of information*" below), Belgian financial institutions are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities with fiscal residence in another EU Member State.

In addition to the aforementioned Belgian withholding tax of 30 per cent., interest amounts and gross proceeds derived from Notes held on or through accounts with, for example, a Belgian financial institution may therefore be subject to a system of automatic exchange of information between the relevant tax authorities.

Tax on stock exchange transactions

A tax on stock exchange transactions ("*taks op de beursverrichtingen"/"taxe sur les opérations de bourse"*) will be levied on the purchase and sale of the Notes on the secondary market if (i) entered into or carried out in Belgium through a professional intermediary, or (ii) deemed to be entered into or carried out in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence ("*gewone verblijfplaats"/ "residence habituelle*") in Belgium, or legal entities for the account of their seat or establishment in Belgium (both referred to as a "**Belgian Investor**").

The tax is due at a rate 0.12 per cent. for transactions in bonds and similar debt instruments with a maximum amount per transaction and per party of EUR 1,300. For other instruments, the standard rate of 0.35 per cent. applies, with a maximum amount per transaction and per party of EUR 1,600. The tax is due separately from each party to any such transaction (i.e., the seller (transferor) and the purchaser (transferee)), both collected by the professional intermediary. No tax will be due on the issuance of the Notes (primary market transaction).

If the professional intermediary is established outside of Belgium, the tax on stock exchange transactions will in principle be due by the Belgian Investor (who will be responsible for the filing of a stock exchange tax return and for the timely payment of the amount of stock exchange tax due), unless the Belgian Investor can demonstrate that the tax on stock exchange transactions has already been paid by the professional intermediary established outside Belgium. In such case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement ("*bordereau"/"borderel"*), at the latest on the business day after the day on which the relevant transaction was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the professional intermediary. The duplicate can be replaced by a qualifying day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities ("**Stock Exchange Tax Representative**"). Such Stock Exchange Tax Representative will then be jointly and severally liable toward the Belgian Treasury for the tax on stock exchange transactions due and will need to comply with the reporting obligations and the obligations relating to the order statement ("*bordereau"/"borderel"*) in relation thereto If such Stock Exchange Tax Representative has paid the tax on stock exchange transactions, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

However, the tax on stock exchange transactions will not be payable by exempt persons acting for their own account including Noteholders who are not Belgian residents provided they deliver an attestation to the professional intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 1261/1,2° of the Code of Miscellaneous Duties and Taxes ("*Wetboek diverse rechten en taksen"/"Code des droits et taxes divers"*).

The EU Commission has published on 14 February 2013 a proposal for a Directive (the "**Draft Directive**") on a financial transactions tax ("**FTT**"). This Draft Directive currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions would thus need to be abolished if the FTT entered into force. However, in its work programme for 2026, the European Commission indicated that it intends to withdraw the Draft Directive. **Annual tax on securities accounts**

An annual tax on securities accounts ("*Jaarlijkse taks op de effectenrekeningen"/"Taxe annuelle sur les comptes-titres"*) (the "**Annual Tax on Securities Accounts**") is levied on securities accounts of which the average value during the reference period (i.e. a period of twelve consecutive months beginning on 1 October and ending, in principle, on 30 September of the next year), exceeds EUR 1 million.

The Annual Tax on Securities Accounts may also apply to securities accounts on which the Notes are held, if the average value during the reference period exceeds EUR 1 million. The Annual Tax on Securities Accounts is applicable to securities accounts that are held by resident individuals, companies and legal entities, irrespective as to whether these accounts are held with a financial intermediary which is established or located in Belgium or abroad. The Annual Tax on Securities Accounts also applies to securities accounts held by non-resident individuals, companies and legal entities with a financial intermediary established or located in Belgium. Belgian establishments of Belgian non-residents are however treated as Belgian residents for the purposes of the Annual Tax on Securities Accounts. Note that pursuant to certain double tax treaties, Belgium has no right to tax capital. Hence, to the extent the tax on securities accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty protection may, subject to certain conditions, be claimed. Certain exemptions from the Annual Tax on Securities Accounts may apply, such as for securities accounts held by specific types of regulated entities in the context of their own professional activity and for their own account, subject to conditions and formalities.

Each securities account is assessed separately. When multiple holders hold a securities account, each holder is jointly and severally liable for the payment of the tax and each holder may fulfil the declaration requirements for all holders.

The applicable tax rate is equal to the lowest amount of either 0.15 per cent. of the average value of the financial instruments and funds held on the account or 10 per cent. of the difference between the average value of the financial instruments and funds held on the account and EUR 1,000,000. It should be noted that, in the framework of its budgetary agreement reached in November 2025, the Belgian government has announced its intention to double the rate of the annual tax on securities accounts to 0.30 per cent. The tax base is the sum of the values of the taxable financial instruments at the different reference points in time (i.e., 31 December, 31 March, 30 June and 30 September) divided by the number of those reference points in time.

The Annual Tax on Securities Accounts is in principle due by the financial intermediary established or located in Belgium. A financial intermediary is defined as (i) the National Bank of Belgium, the European Central Bank and foreign central banks performing similar functions, (ii) a central securities depository included in Article 198/1, §6, 12° of the Belgian Income Tax Code, (iii) a credit institution or a stockbroking firm as previously defined by Article 1, §3 of the Belgian law of 25 April 2014 on the status and supervision of credit institutions (currently defined by, respectively, Article 1, §3 of the Belgian law of 25 April 2014 on the status and supervision of credit institutions and Article 2 of the Belgian law of 20 July 2022 on the status and supervision of stockbroking firms and containing various provisions) and (iv) the investment companies as defined by Article 3, §1 of the Belgian law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

Otherwise, the Annual Tax on Securities Accounts needs to be declared and is due by the holder of the securities accounts itself, unless the holder provides evidence that the annual tax on securities accounts has already been withheld, declared and paid by an intermediary which is not established or located in Belgium. In that respect, intermediaries located or established outside of Belgium could appoint an annual tax on securities accounts representative in Belgium approved by or on behalf of the Minister of Finance (the "**Annual Tax on Securities Accounts Representative**"). Such a representative is then jointly and severally liable towards the Belgian Treasury (*Thesaurie*/*Trésor*) for the Annual Tax on Securities Accounts due and for complying with certain reporting obligations in that respect. In cases where a Belgian financial

intermediary is responsible for the tax – i.e., either incorporated under Belgian law, established in Belgium or having appointed a Belgian representative – that intermediary has to submit a return on the twentieth day of the third month following the end of the reference period at the latest. The tax must be paid by the same deadline. If the holder of the securities account itself is liable for reporting obligations (e.g. when a Belgian resident holds a securities account abroad with an average value higher than EUR 1 million), the deadline for filing the tax return for the Annual Tax on Securities Accounts is 15 July of the year following the end of the reference period. The Annual Tax on Securities Accounts must be paid by the taxpayer by 31 August of that same year.

A general anti-abuse provision applies. In addition, two specific presumptions of abuse have been (re-)introduced effective 29 July 2025, i.e. a rebuttable presumption of abuse in case of (i) conversion of dematerialised financial instruments into registered instruments (provided that, prior to the conversion, the value of the relevant securities account exceeded EUR 1 million), or (ii) transfer of (part of) the financial instruments to another securities account held (alone or jointly) by the same person (provided that, prior to the transfer, the value of the relevant securities account exceeded EUR 1 million). The taxpayer can now, however, rebut these presumptions by demonstrating that such conversion or transfer was principally justified by motives other than tax avoidance. Such operations must be reported to the tax authorities by financial intermediaries (or in some circumstances by the account holder).

Investors should consult their own tax advisers in relation to this Annual Tax on Securities Accounts.

Gift, estate or inheritance tax

Except for the gift tax payable in the case of a gift by deed made in Belgium and the inheritance tax payable in the case of a Noteholder resident in Belgium at the time of its death, no gift, estate or inheritance tax is due in Belgium in respect of Notes.

Luxembourg

The following overview is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

*Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax* (impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income taxes, municipal business tax, as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.*

Withholding Tax

Under Luxembourg tax law currently in effect and subject to the exception below, there is no Luxembourg withholding tax on payments of interest (including accrued and unpaid interest) or repayment of principal.

*In accordance with the law of 23 December 2005, as amended (the "**Relibi Law**"), interest payments made by Luxembourg paying agents to individual beneficial owners who are residents of Luxembourg are currently subject to a 20 per cent. withholding tax with respect to debt instruments listed and admitted to trading on a regulated market (within the meaning of the Relibi Law), such as the Notes. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the*

management of their private wealth. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

Income Taxation on Principal, Interest, Gains on Sales or Redemption

Luxembourg tax residency of the Noteholders

Noteholders will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Notes.

Taxation of Luxembourg non-residents

Noteholders who are non-residents of Luxembourg and who do not have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Notes is connected, will not be subject to taxes (income taxes and net wealth tax) or duties in Luxembourg with respect to payments of principal or interest (including accrued and unpaid interest), payments received upon redemption, repurchase or exchange of the Notes or capital gains realised upon disposal or repayment of the Notes.

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which or to whom such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

Taxation of Luxembourg residents

Noteholders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

Luxembourg resident individual holder of Notes

Interest received by an individual resident in Luxembourg is, in principle, reportable and taxable at the progressive rate unless the interest has been subject to withholding tax (see above "*Withholding Tax*") or to the self-applied tax, if applicable. Indeed, in accordance with the Relibi Law, as amended, Luxembourg resident individuals, acting in the framework of their private wealth, can opt to self-declare and pay a 20 per cent. tax on interest payments made by paying agents located in an EU Member State other than Luxembourg or a Member State of the European Economic Area other than an EU Member State (for the avoidance of doubt, exclusively under debt instruments listed and admitted to trading on a regulated market within the meaning of the Relibi Law, such as the Notes).

The withholding tax or self-applied tax are the final tax liability for the Luxembourg individual resident taxpayers receiving the interest payment in the framework of their private wealth. Individual Luxembourg resident Noteholders receiving the interest as business income must include this interest in their taxable basis. If applicable, the 20 per cent. Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident individual Noteholders are not subject to taxation on capital gains upon the disposal of the Notes, unless the disposal of the Notes precedes the acquisition of the Notes, or the Notes are disposed of within six months of the date of acquisition of these Notes. Speculative capital gains on the disposal of Notes equal to or exceeding in total EUR 500 in a tax year are included in the taxable ordinary income.

Upon the sale, redemption or exchange of the Notes, accrued and unpaid interest will be subject to the 20 per cent. withholding tax or the self-applied tax, if applicable. Individual Luxembourg resident Noteholders receiving the interest as business income must include the portion of the price corresponding to this interest in their taxable income. The 20 per cent. Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident corporate holder of Notes

Luxembourg resident corporate Noteholders must for income tax purposes include in their taxable income any interest (including accrued and unpaid interest) as well as the difference between the sale or redemption price and the lower of the cost or book value of the Notes sold or redeemed.

Luxembourg resident corporate Noteholders which are companies benefiting from a special tax regime (such as, (i) family wealth management companies subject to the law of 11 May 2007, as amended, (ii) undertakings for collective investment subject to the law of 17 December 2010, as amended, (iii) specialised investment funds subject to the law of 13 February 2007, as amended, or (iv) reserved alternative investment funds governed by the law of 23 July 2016, as amended, provided it is not foreseen in the incorporation documents that (a) the exclusive object is the investment in risk capital and that (b) article 48 of the law of 23 July 2016 applies) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e. corporate income tax, municipal business tax and net wealth tax) other than an annual subscription tax.

Net Wealth tax

Luxembourg net wealth tax will not be levied on the Notes held by an individual Noteholder or a corporate Noteholder, unless (a) such Noteholder is a Luxembourg resident other than a corporate Noteholder governed by (i) the laws of 17 December 2010 on undertakings for collective investment, as amended; (ii) the law of 13 February 2007 on specialised investment funds, as amended; (iii) the law of 22 March 2004 on securitisation, as amended; (iv) the law of 15 June 2004 on the investment company in risk capital, as amended; (v) the law of 11 May 2007 on family wealth management companies, as amended; (vi) the law of 23 July 2016 on reserved alternative investment funds, as amended, or (vii) the law of 13 July 2005 on pension saving companies and pension-saving associations, as amended, or (b) the Notes are attributable to an enterprise or part thereof which is carried on in Luxembourg through a permanent establishment or a permanent representative of a non-resident corporate Noteholder.

Luxembourg levies a minimum net wealth tax for corporate taxpayers, ranging from EUR 535 to EUR 4,815, depending on their balance sheet total. All Luxembourg corporate taxpayers that are subject to net wealth tax are also subject to minimum net wealth tax.

Additionally, please note that (i) securitisation companies governed by the law of 22 March 2004 on securitisation, as amended, (ii) capital companies governed by the law of 15 June 2004 on the investment company in risk capital, as amended, (iii) reserved alternative investment funds governed by the law of 23 July 2016, as amended (provided it is foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the law of 23 July 2016 applies), and (iv) pension saving companies and pension-saving associations, both governed by the law of 13 July 2005, as amended, may be subject to an annual minimum net wealth tax.

Other taxes

No stamp, registration, transfer or similar taxes or duties will be payable in Luxembourg by Noteholders in connection with the issue of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer or redemption of the Notes.

However, a fixed or *ad valorem* registration duty may be due upon the registration of the Notes in Luxembourg on a voluntary basis or if the Notes are either (i) physically attached to a public deed or to any other document subject to mandatory registration (*annexés à un acte*), or (ii) deposited in the minutes of a Luxembourg notary (*déposé au rang des minutes d'un notaire*).

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of the Notes. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

Noteholders not permanently resident in Luxembourg at the time of death will not be subject to inheritance or other similar taxes in Luxembourg in respect of the Notes. No Luxembourg gift tax is levied upon a gift

or donation of the Notes, if the gift is not passed before a Luxembourg notary or recorded in a deed registered in Luxembourg.

Common Reporting Standard – Exchange of information

The Organisation for Economic Cooperation and Development (OECD) has developed a global standard for the annual automatic exchange of financial information between tax authorities (the "**CRS**"). The CRS has been implemented into Luxembourg domestic law via the law dated 18 December 2015 concerning the automatic exchange of financial account information between EU Member States (the "**CRS Law**").

The CRS Law may impose obligations on the Issuer and its Holders if the Issuer can actually be regarded as a Reporting Financial Institution under the CRS. The Issuer would then be required to conduct due diligence and obtain (among other things) confirmation of the tax residency (through the issuance of self-certifications forms by its Holders), tax identification number and CRS classification of its Holders. The Issuer would then need to annually report to the Luxembourg tax authorities (*Administration des contributions directes*) personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain Holders qualifying as Reportable Persons as per the CRS Law and (ii) Controlling Persons of Passive Non-Financial Entities ("**NFEs**") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law, would include personal data related to the Reportable Persons. Holders qualifying as passive NFEs undertake to inform their Controlling Persons of the processing of their information by the Issuer, if applicable. Luxembourg Reporting Financial Institutions must submit CRS declarations to the Luxembourg tax authorities on an annual basis by 30 June of the year, following the reportable tax year.

Each Holder and prospective investor should consult their own tax advisors or otherwise seek professional advice regarding the above requirements under CRS.

Foreign Account Tax Compliance Act

Under the Foreign Account Tax Compliance "**FATCA**" legislation, certain non-U.S. financial institutions ("**Foreign Financial Institutions**") are required to report to the Internal Revenue Service (the "**IRS**") or to their own government financial information with respect to U.S. reportable accounts (which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in such accounts or payments made with respect to such accounts). U.S. reportable accounts are accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in the United States. FATCA also requires to look through passive entities (so-called passive Non-Financial Foreign Entities ("**NFFEs**")) to report on the U.S. Controlling Persons of such passive NFFEs.

Luxembourg and the United States have entered into an intergovernmental agreement regarding the FATCA provisions (the "**Luxembourg IGA**"), which has been implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "**Luxembourg FATCA Law**"). Provided that Luxembourg Reporting Financial Institutions adhere to any applicable terms of the Luxembourg IGA and the Luxembourg FATCA Law, they would not be subject to withholding or generally required to withhold amounts on payments they make under FATCA. Additionally, Luxembourg financial institutions would not have to enter into a Foreign Financial Institution (FFI) Agreement with the IRS and instead would be required to obtain information regarding their U.S. accountholders and report such information to the Luxembourg tax authorities who, in turn, would report such information to the IRS. Under the Luxembourg IGA, Luxembourg Reporting Financial Institutions must annually report the identity, status of all accounts and income of U.S. persons to the Luxembourg tax authorities. The Luxembourg tax authorities will then forward this information to the IRS.

To the extent the Issuer can be considered as a Reporting Foreign Financial Institution under the Luxembourg IGA, it may be required to regularly obtain and verify information on all of its Holders and report such information on an automatic and annual basis to the Luxembourg tax authorities (*Administration des contributions directes*). Holders qualifying as passive NFFEs undertake to inform their Controlling Persons of the processing of their information by the Issuer, if applicable. Luxembourg Reporting Financial Institutions must submit FATCA declarations to the Luxembourg tax authorities on an annual basis by 30 June of the year, following the reportable tax year.

Such information, which may include personal data (including, without limitation, the name, address, date and place of birth as well as tax identification number(s) of any reportable individual) and certain financial data about the relevant Notes (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Luxembourg tax authorities to the IRS in accordance with, and subject to, the relevant Luxembourg legislation and international agreements.

Each Holder and prospective investor should consult their own tax advisors or otherwise seek professional advice regarding the above requirements under FATCA.

Provision of information for reporting by the Holder

Each Holder and prospective investor agrees to provide, upon request by the Issuer (or its delegates), any such information, documents and certificates as may be required for the purposes of the Issuer's identification and reporting obligations. The Issuer reserves the right to reject any application for Notes or to redeem Notes (i) if the prospective investor or Holder does not provide the required information, documents or certificates or (ii) if the Issuer (or its delegates) has reason to believe that the information, documents or certificates provided to the Issuer (or its delegates) are incomplete or incorrect and the Holder does not provide, to the satisfaction of the Issuer (or its delegates), sufficient information to cure the situation. Prospective investors and Holders should note that incomplete or inaccurate information may lead to multiple and/or incorrect reporting. Neither the Issuer nor any other person accepts any liability for any consequences that may result from incomplete or inaccurate information provided to the Issuer (or its delegates). Any Holder failing to comply with the Issuer's information and documentation requests may be charged with any taxes and/or penalties imposed on the Issuer attributable to such Holder's failure to provide such complete and accurate information to the Issuer.

Each Holder and prospective investor acknowledges and agrees that the Issuer will be responsible to collect, store, process and transfer the relevant information, including the personal data, in accordance with the reporting obligations under this section ("Taxation"). Each individual whose personal data has been processed for the purposes of this section has a right of access to his/her personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

SUBSCRIPTION AND SALE

This section provides an overview of certain restrictions around who can purchase the Notes in certain jurisdictions.

The Issuer and the Guarantor may agree to reimburse a Dealer for certain of its expenses in connection with the issue of Notes under the Programme and to indemnify such Dealer against certain liabilities incurred by it in connection therewith.

The issue price and/or offer price of any issue of Notes may include subscription fees, placement fees, direction fees, structuring fees and/or other additional costs. Any such fees and/or other commissions and inducements will be disclosed to investors in the applicable Final Terms.

General

Each Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries. None of the Issuer, Guarantor and any other Dealer shall have any responsibility therefor.

None of the Issuer, the Guarantor nor any Dealer represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

In particular (but without limiting the generality of the above), subject to any amendment or supplement which may be agreed with the Issuer and the Guarantor in respect of the issue of any Tranche, each Dealer appointed under the Programme will be required to agree, to comply with the following provisions except to the extent that, as a result of any change in, or the official interpretation of, any applicable laws and/or regulations, non-compliance would not result in any breach of the applicable laws and/or regulations.

Prohibition of sales to EEA retail investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of sales to EEA retail investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

  (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"); and

(b) the expression an "**offer**" includes 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.

If the Final Terms in respect of any Notes specifies "Prohibition of sales to EEA retail investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(A) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(B) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(D) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (B) to (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression "**an offer of Notes to the public**" in relation to any Notes in any 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 for the Notes; and

- the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

Prohibition of sales to consumers in Belgium

Unless the Final Terms in respect of any Notes specifies the "Prohibition of sales to consumers in Belgium" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and it will not offer or sell the Notes in Belgium to any "consumer" *("consument"/"consommateur"*) within the meaning of the Belgian Code of Economic Law ("*Wetboek van economisch recht"/"Code de droit économique"*) dated 28 February 2013, as amended.

United States

The Notes have not been, and will not be, registered under the Securities Act or the securities law of any state or other jurisdiction of the United States. The Notes may not be offered, sold or delivered in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in certain transactions not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered in the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and U.S. Treasury regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer, sell or deliver the Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of any identifiable Tranche and the issue date (the "**Resale Restriction Termination Date**"), in the United States or to, or for the account or benefit of, U.S. persons. Each Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes before the Resale Restriction Termination Date a confirmation or other notice setting forth the restrictions on offers and sales of the Notes in the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Series of the Notes, an offer or sale of such Notes in the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered in the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

United Kingdom

Prohibition of sales to UK retail investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of the this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is either one (or both) of the following:

  (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended; or

  (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and

(b) the expression "**offer**" includes 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 buy or subscribe for the Notes.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer:

(A) at any time where the offer is conditional on the admission of the Notes to trading on the London Stock Exchange plc's main market (in reliance on the exception in paragraph 6(a) of Schedule 1 to the POATRs);

(B) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(C) at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer;

(D) at any time if the denomination per Note being offered amounts to at least GBP 50,000 (or equivalent); or

(E) at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes 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 buy or subscribe for the Notes and the expression "**POATRs**" means the Public Offers and Admissions to Trading Regulations 2024.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have 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 whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) 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 or the Guarantor; and

(c) 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.

GENERAL INFORMATION

This section provides certain additional general information relating to all Notes.

Authorisation

The Issuer and the Guarantor have obtained or will obtain from time to time all necessary, consents, approvals and authorisations in connection with the issue and performance of the Notes.

Approval, listing and admission to trading of Notes on the Luxembourg Stock Exchange

Application has been made to the CSSF for the approval of this document as a base prospectus for the purposes of Article 8 of the Prospectus Regulation. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme during the period of 12 months from the date of approval of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange or, if specified in the applicable Final Terms, on the specific segment of the regulated market of the Luxembourg Stock Exchange to which only qualified investors (as defined in the Prospectus Regulation) have access (the "**Professional Segment**"). The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of MiFID II.

Documents Available

Copies of the following documents will, when published, be available for inspection on the website of the Issuer and the Guarantor (www.kbc.com) (where applicable, with an English translation thereof):

(i) the constitutional documents of the Issuer and the constitutional documents of the Guarantor; and

(ii) the Agency Agreement (including (as Schedules) the forms of the Temporary Global Note, the Permanent Global Note, the Definitive Note, the Coupon, the Receipt and the Talon, the Guarantee and the Deed of Covenant).

This Base Prospectus and any document incorporated by reference herein, any future prospectuses, base prospectuses, information memoranda and supplements including Final Terms relating to Notes which are listed on the official list of the Luxembourg Stock Exchange, the Professional Segment or offered in a Member State of the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation (whether or not listed on the official list of the Luxembourg Stock Exchange or, if applicable, the Professional Segment) will be made available on the website of the Issuer and the Guarantor (https://www.kbc.com/en/investor-relations/debt-issuance/) for as long as required pursuant to the Prospectus Regulation.

Website

The website of the Issuer is: *https://www.kbc.com/en/investor-relations/debt-issuance/kbc-ifima.html*. Unless expressly incorporated by reference in this Base Prospectus, the website of the Issuer does not form part of this Base Prospectus.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms. Euroclear and Clearstream, Luxembourg are the entities in charge of keeping the records.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg.

Conditions for Determining Price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

Except as disclosed in the sections "*Description of the Issuer*" and "*Description of the Guarantor*" in this Base Prospectus, there has been:

(a) no significant change in the financial performance or the financial position of the KBC Bank Group since the end of the last financial period for which financial information has been published by the Guarantor and which is incorporated by reference into this Base Prospectus; and

(b) no material adverse change in the prospects of the Issuer or the Guarantor since the date of the last published audited financial statements of the Issuer or the Guarantor, as applicable, and which are incorporated by reference into this Base Prospectus.

Litigation

KBC IFIMA S.A.

Other than as set out in the section entitled "*Description of the Issuer*", under the subsection entitled "*Litigation*", the Issuer is not involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have or have had in the 12 months preceding the date of this Base Prospectus a significant effect on the financial position or profitability of the Issuer.

KBC Bank NV

Other than as set out in the section entitled "*Description of the Guarantor*", under the subsection entitled "*Litigation*", the Guarantor is not involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Guarantor is aware) which may have or have had in the 12 months preceding the date of this Base Prospectus a significant effect on the financial position or profitability of the Guarantor.

Statutory Auditors

The Issuer's annual accounts for the years ended 31 December 2024 and 31 December 2025 and the related audit reports are incorporated by reference in this Base Prospectus. The annual accounts of the Issuer for the year ended 31 December 2024 have been audited by PricewaterhouseCoopers, *société coopérative*, represented by Mr. Anthony Dault, with offices at 2, Rue Gerhard Mercator, L-1014 Luxembourg ("**PwC Luxembourg**") and resulted in an unqualified opinion. The annual accounts of the Issuer for the year ended 31 December 2025 have been audited by KPMG Audit S.à r.l., represented by Françoise Renard, with offices at 39 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg ("**KPMG Luxembourg**") and resulted in an unqualified opinion.

The Guarantor's financial statements for the years ended 31 December 2024 and 31 December 2025 and the related auditors' reports are incorporated by reference in this Base Prospectus. The financial statements of the Guarantor for the year ended 31 December 2024 have been audited by PricewaterhouseCoopers Bedrijfsrevisoren BV, represented by Damien Walgrave and Jeroen Bockaert, with offices at Culliganlaan 5, 1831 Diegem, Belgium ("**PwC**") and resulted in an unqualified opinion. The annual accounts of the Guarantor for the year ended 31 December 2025 have been audited by KPMG Bedrijfsrevisoren BV/Réviseurs d'Entreprises SRL, represented by Kenneth Vermeire and Stéphane Nolf, with offices at Gateway building, Luchthaven Nationaal 1 K, Zaventem, Belgium ("**KPMG**") and resulted in an unqualified opinion.

PwC Luxembourg and KPMG Luxembourg are members of the *Institut des Réviseurs d'Entreprises*. PwC and KPMG are members of the *Instituut der Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises.*

The reports of the auditors of each of the Issuer and the Guarantor are included or incorporated by reference in the form and context in which they are included or incorporated by reference, with the consent of the auditors.

Third party information

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to any issue of Notes, except if required by any applicable laws and regulations.

Investors

The Notes can be sold to retail and/or institutional investors subject to the selling restrictions set out in the section "*Subscription and sale*" of this Base Prospectus and as may be applicable for a Series of Notes.

Dealers transacting with the Issuer and the Guarantor

Certain of the Dealers and their Affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, the Guarantor and their Affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their Affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantor or their Affiliates. Certain of the Dealers or their Affiliates that have a lending relationship with the Issuer or Guarantor routinely hedge their credit exposure to the Issuer or Guarantor consistent with their customary risk management policies. Typically, such Dealers and their Affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their Affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purposes of this paragraph, "**Affiliates**" means any entity controlled, directly or indirectly, by a Dealer, any entity that controls, directly or indirectly, a Dealer or any entity directly or indirectly under common control with a Dealer. For these purposes "**control**" means ownership of a majority of the voting power of an entity.

THE ISSUER

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4 rue du Fort Wallis
L-2714 Luxembourg
Grand Duchy of Luxembourg

THE GUARANTOR

KBC Bank NV
Havenlaan 2
B-1080 Brussels
Belgium

DEALER

KBC Bank NV
Havenlaan 2
B-1080 Brussels
Belgium

ISSUING AND PAYING AGENT

Banque Internationale à Luxembourg S.A.
69, route d'Esch
L-2953 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISERS

To the Dealer as to Belgian law

DLA Piper UK LLP
Woolstraat 70
B-1000 Brussels
Belgium

To the Dealer as to Luxembourg law

DLA Piper Luxembourg SARL
58 Blvd Grande-Duchesse Charlotte, Luxembourg, L-1330, Luxembourg

To the Dealer as to English law

DLA Piper UK LLP
160 Aldersgate Street, London, EC1A 4HT
United Kingdom

INDEPENDENT AUDITORS

To the Issuer

Until the financial year ending 31 December 2024

PricewaterhouseCoopers, *société coopérative*
2, Rue Gerhard Mercator
L-1014 Luxembourg
Grand Duchy of Luxembourg

As from the financial year beginning 1 January 2025

KPMG Audit S.à r.l
39, Avenue JF Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

To the Guarantor

Until the financial year ending 31 December 2024

PricewaterhouseCoopers Bedrijfsrevisoren BV
Culliganlaan 5
1831 Diegem
Belgium

As from the financial year beginning 1 January 2025

KPMG Bedrijfsrevisoren BV / KPMG Réviseurs d'Entreprises SRL
Luchthaven Brussel Nationaal 1K
B-1930 Zaventem
Belgium

LUXEMBOURG LISTING AGENT

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