

Mitteilung an alle Anteilseigner der UBS AG London Fonds:

Anbei finden Sie die Information der Gesellschaft, folgende Wertpapiere sind betroffen:

XS2451281344 UBS AG London (Causeway) -17% 2022-07.04.27 on a Basket of Equities GBP

Details können Sie der beigefügten Anlage entnehmen.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 ("THE PROSPECTUS REGULATION") FOR THE ISSUE OF NOTES DESCRIBED BELOW.

MiFID II product governance / Retail investors, professional investors and eligible counterparties target market

– Solely for the purposes of the 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**") and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer'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 target market assessment) and determining appropriate distribution channels subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

AMENDED AND RESTATED PRICING SUPPLEMENT

The Amended and Restated Pricing Supplement dated 20 May 2022

**UBS AG,
acting through its London branch**

Issue of GBP 3,000,000 Automatic Early Redeemable Notes linked to Barclays PLC, Credit Suisse Group AG and HSBC Holdings PLC shares due 2027 under the Euro Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Listing Particulars dated 21 May 2021, the supplemental Base Listing Particulars dated 17 June 2021, the supplemental Base Listing Particulars dated 30 July 2021, the supplemental Base Listing Particulars dated 18 November 2021, the supplemental Base Listing Particulars dated 23 December 2021, the supplemental Base Listing Particulars dated 11 February 2022 and the supplemental Base Listing Particulars dated 15 March 2022, which together constitute a base listing particulars for the purposes of the issue of unlisted Notes; and a technical annex of Equity Linked Conditions and Risk Factors (Version 4, September 2016) including adjustment and disruption provisions (the "**Equity Linked Conditions**"), which form part of this Pricing Supplement. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with such Base Listing Particulars as so supplemented and the Equity Linked Conditions.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of this Pricing Supplement and the Base Listing Particulars as so supplemented. The Base Listing Particulars and the supplemental Base Listing Particulars are available for viewing at <https://live.euronext.com/> and copies may be obtained from the offices of The Bank of New York Mellon, acting through its London Branch, One Canada Square, London E14 5AL, The Bank of New York Mellon SA/NV Luxembourg Branch, Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg and The Bank of New York Mellon SA/NV Dublin Branch, 4th Floor, Hanover Building, Windmill Lane, Dublin 2, Ireland.

This document is the Amended and Restated Pricing Supplement for the issue of the Notes described herein and supersedes the Pricing Supplement dated 07 April 2022 in respect of the Notes. The purpose of this Amended and Restated Pricing Supplement is to correct a manifest error in: 1) Mandatory Early Redemption Event as defined in point 2 of Schedule 1 on page 10 and 2) Observation Dates as specified in point 4 of Schedule 1 on page 12.

An investment in the Notes involves certain risks. Noteholders should read and understand the risk factors in the Base Listing Particulars as so supplemented and the Equity Linked Conditions. Noteholders should understand that such risk factors are not exhaustive.

The Notes have not and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States and are being offered and sold outside the United States to non-US persons in off-shore transactions (as such terms are defined in Regulation S under the Securities Act ("**Regulation S**")) in reliance on the exemption from registration provided pursuant to Regulation S. The Notes may not be offered, sold or otherwise transferred within the United States or to, or for the account of, any US Person (as defined in Regulation S under the Securities Act). Notes sold in reliance on Regulation S will initially be represented by one or more permanent global notes in registered form without interest coupons (each, a "**Regulation S Global Note**"), deposited with or on behalf of a common depository for Euroclear or Clearstream. Beneficial interests in a Regulation S Global Note may be held only through Euroclear or Clearstream, except in the limited circumstances described in the Base Listing Particulars. Investors may hold their interests in a Regulation S Global Note directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations which are participants in such systems.

Issue Price and Commissions

The Issue Price in respect of the Notes may not be an accurate reflection of the market value of the Notes as at the Issue Date. The price at which the Notes may be sold in secondary market transactions may be lower or higher than the Issue Price. In particular, the Issue Price in respect of the Notes may take into account, amongst other things, any commissions, fees or other compensation payable in connection with the Notes. More generally, fees and commissions may be paid to third parties in respect of the Notes – further details can be requested from the Issuer.

No Secondary Market

No secondary market for the Notes currently exists, nor is one likely to develop. Noteholders should have the ability and intent to hold the Notes until their Maturity Date. It is the current practice (but not the legal obligation) of UBS AG and/or its affiliates ("**UBS**"), in respect of notes for which UBS is the Arranger, to quote on request a live price, which it might pay/charge for early termination of any note of this type that it issues. A live unwind price may be affected by, amongst other things, then-current market conditions, including but not limited to, liquidity and market standard denomination. UBS is under no obligation to hold a price quoted for any length of time unless this is agreed at the time of giving the quote.

Hedging Activities

UBS' hedging activities related to the Notes may have an impact on the price of the underlying Shares and may affect the likelihood that any relevant level is crossed. UBS has policies and procedures designed to minimise the risk that officers and employees are influenced by any conflicting interest or duty and that confidential information is improperly disclosed or made available.

- | | | |
|----|--|--|
| 1. | Issuer: | UBS AG, acting through its London branch |
| 2. | (i) Series Number: | 20590/22 |
| | (ii) Tranche Number: | 1 |
| | (iii) Date on which the Notes become fungible: | Not Applicable |
| 3. | Specified Currency: | Pound Sterling (" GBP ") |

4. Aggregate Nominal Amount:
 - (i) Series: GBP 3,000,000
 - (ii) Tranche: GBP 3,000,000
5. Issue Price: 100 per cent. of the Aggregate Nominal Amount
6. (i) Specified Denominations: GBP 5,000 and integral multiples of GBP 1,000 in excess thereof.

No Notes in definitive form will be issued with a denomination below the minimum Specified Denomination.

A Noteholder who holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a nominal amount of Notes such that its holding amounts to the minimum Specified Denomination.

 - (ii) Calculation Amount: GBP 1,000
 - (iii) Calculation Agent: UBS AG, London Branch
7. (i) Trade Date: 31 March 2022
 - (ii) Issue Date: 07 April 2022
 - (iii) Interest Commencement Date: Issue Date
8. Maturity Date: 5 (five) Business Days following the Final Valuation Date. The Maturity Date is scheduled to be 07 April 2027.
9. Interest Basis: Fixed (**contingent** – see Schedule 1 and item 16 below)
10. Redemption/Payment Basis: Other: Equity Linked Redemption (see Schedule 1)

Knock-in Event: Applicable – see Redemption Amount and the Equity Linked Conditions.

Final Valuation Knock-in Basis: Applicable – see Redemption Amount and the Equity Linked Conditions.

Continuous Observation Knock-in Basis: Not Applicable

Closing Level Observation Knock-in Basis: Not Applicable
11. Put/Call Options: Not Applicable
12. Status of the Notes: Senior
13. Date approval for issuance of Notes obtained: Not Applicable
14. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions:	Applicable
		Interest will only be paid on the Notes in the circumstances set out in Schedule 1 and in the event that those circumstances do not exist, Noteholder(s) will not receive any interest and interest will be deemed not to have accrued on the Notes.
		For the purposes of Condition 9(e), "principal" shall not include any amount of interest.
	(i) Rate of Interest:	See Schedule 1
	(ii) Interest Payment Date(s):	5 (five) Business Days following (a) the Observation Date _(n) on which a Mandatory Early Redemption Event occurs or (b) otherwise, the Maturity Date. See Schedule 1
	(iii) Fixed Coupon Amount(s):	Not Applicable
	(iv) Broken Amount:	Not Applicable
	(v) Day Count Fraction:	Not Applicable
	(vi) Other terms relating to the method of calculating interest for Fixed Rate Notes:	See Schedule 1
16.	Floating Rate Note Provisions:	Not Applicable
17.	Fixed Rate/Floating Rate Note Provisions:	Not Applicable
18.	Benchmark Replacement (Condition 6(f)):	Not Applicable
19.	Zero Coupon Note Provisions:	Not Applicable
20.	Equity-linked Note Provisions:	Not Applicable
21.	Dual Currency Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

22.	Early Redemption Amount:	See Schedule 1
	Early Redemption Amount(s) of each Note payable on event of default or other early redemption and/or the method of calculating the same:	Condition 7(i)(ii) will apply and the Early Redemption Amount will be, in respect of each nominal amount of Notes equal to the Calculation Amount, the fair market value of such Notes, less a pro rata share of the costs of unwinding any related underlying hedging arrangements, as determined by the Calculation Agent on a day selected by the Calculation Agent which such day must be at least 5 (five) Business Days prior to the due date for early redemption. For the purposes of determining the fair market value of the Notes in the case of an event of default, the Issuer will be deemed to be able to meet its obligations in full as these fall due. In no circumstances will any amount of interest be payable in respect of the Notes on an early redemption of the Notes and interest will be deemed to have ceased to accrue as of the previous Interest Payment Date on which an amount of interest was payable (or, if none, the Issue Date).

23.	Redemption at the option of the Issuer:	Not Applicable
24.	Redemption at the option of the Noteholders:	Not Applicable
25.	Tax Redemption Amount:	If the Notes are redeemed as a result of the Issuer being required to pay Additional Amounts then the Redemption Amount will be an amount equal to the Early Redemption Amount.
26.	Optional Redemption Amount:	Not Applicable
27.	Optional Redemption Date:	Not Applicable
28.	Notice period for notice to the Noteholders in the case of redemption at the option of the Issuer:	Not Applicable
29.	Notice period for redemption at the option of the Noteholders	Not Applicable
30.	Minimum/Higher Redemption Amount:	Not Applicable
31.	Make-Whole Redemption:	Not Applicable
32.	Other Redemption details:	See Schedule 1
33.	Final Redemption Amount of each Note:	The Redemption Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

34.	Form of Notes:	Registered Notes: Unrestricted Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg.
35.	New Global Note:	No
36.	New Safekeeping Structure:	Not Applicable
37.	Business Days:	London Pound Sterling
	Business Day Convention:	Following Business Day Convention
38.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	Not Applicable
39.	Details relating to Partly Paid Notes:	Not Applicable
40.	Amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
41.	Redenomination applicable:	No

42.	Exchangeability applicable:	No
43.	Condition 14(c):	Not Applicable
44.	Other final terms or special conditions:	See Schedule 1 and the Annex (<i>Equity Linked Conditions and Risk Factors</i>)
45.	Relevant Benchmarks:	Not Applicable

LISTING AND ADMISSION TO TRADING APPLICATION

Not Applicable

GOVERNING LAW

English law

PLACE OF JURISDICTION

England

Signed on behalf of the Issuer

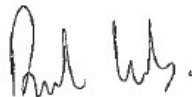
By:



Melisa MacDonagh
Executive Director
Sales & Trading Legal

Duly authorised

By:



Richard Lamb
Managing Director
Sales & Trading Legal

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- | | | |
|-------|-----------------------|----------------|
| (i) | Listing: | None |
| (ii) | Admission to trading: | Not Applicable |
| (iii) | Minimum trading size: | Not Applicable |

2. RATINGS

Ratings: The Notes shall not be rated.

3. DISTRIBUTION

If syndicated, names and addresses of Managers and underwriting commitments: Not Applicable

If non-syndicated, name and address of Purchaser: UBS Europe SE, Bockenheimer Landstraße 2-4, 60306, Frankfurt am Main, Germany

Total commission and concession: Not Applicable

U.S. Selling Restrictions: Reg. S Compliance Category 2. TEFRA Not Applicable

Withholding under Section 871(m): Not Applicable

Prohibition of Sales to EEA Retail Investors: Not Applicable

Prohibition of Sales to UK Retail Investors: Not Applicable

Additional Selling Restrictions: Not Applicable

4. RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

5. SHARE LINKED NOTES - PERFORMANCE OF SHARE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Details of past performance and volatility of the underlying can be obtained on Bloomberg pages: “BARC LN Equity”, “CSGN SE Equity” and “HSBA LN Equity” respectively.

The Issuer does not intend to provide post-issuance information.

Please also refer to the Equity Linked Conditions.

6. OPERATIONAL INFORMATION

ISIN Code: XS2451281344

Common Code: 245128134

Intended to be held in a manner which would allow Eurosystem eligibility: No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, 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 (and registered in the name of a nominee of one of the ICSDs acting 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 intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

Any clearing system(s) and the relevant identification number(s): Euroclear Bank SA/NV / Clearstream Banking S.A.

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

SCHEDULE 1

Terms used in this Schedule 1 and not otherwise defined have the meaning given in the Equity Linked Conditions; and the provisions of this Pricing Supplement (including Schedule 1) are subject to and should be read together with the Equity Linked Conditions. *Certain specified payment and, if applicable, delivery dates may be delayed in accordance with the provisions of the Equity Linked Conditions.*

1. Contingent Interest Amount

Provided that the Notes have not previously been redeemed or purchased and cancelled:

- (a) if a Mandatory Early Redemption Event (as defined below) has occurred then, in respect of each Note of a nominal amount equal to the Calculation Amount, an amount of interest equal to the Interest Amount will be payable on the relevant Interest Payment Date; or
- (b) if the Calculation Agent determines that, on the Final Valuation Date, the Share Closing Price of each of the Shares is equal to or greater than its respective Mandatory Early Redemption Level then, in respect of each Note of a nominal amount equal to the Calculation Amount, an amount of interest equal to the Interest Amount will be payable on the Interest Payment Date; and
- (c) otherwise, no amount of interest will be payable in respect of the Notes.

Rate of Interest means 4.2500 per cent.

Interest Amount means (i) in respect of a determination made by reference to an Observation Date_(n), an amount equal to Calculation Amount x Rate of Interest x n; or (ii) in respect of a determination made by reference to the Final Valuation Date, an amount equal to Calculation Amount x Rate of Interest x 20.

2. Mandatory Early Redemption

Provided that the Notes have not previously been redeemed or purchased and cancelled, if a Mandatory Early Redemption Event has occurred with respect to an Observation Date_(n):

- (a) the Notes will redeem early on the Mandatory Early Redemption Date;
- (b) the Mandatory Early Redemption Amount will be paid, in respect of each Note of a nominal amount equal to the Calculation Amount, on the Mandatory Early Redemption Date; and
- (c) no amount of interest will be payable in respect of the Notes following the Interest Payment Date immediately following such Observation Date.

Mandatory Early Redemption Amount means the Calculation Amount.

Mandatory Early Redemption Date means the day that is 5 (five) Business Days following the relevant Observation Date_(n) on which a Mandatory Early Redemption Event occurs.

A **Mandatory Early Redemption Event** will be deemed to occur if the Calculation Agent determines that, on any Observation Date_(n), other than the first three Observation Dates and the Final Valuation Date, the Share Closing Price of each of the Shares is equal to or greater than its respective Mandatory Early Redemption Level.

3. Redemption Amount

Provided that the Notes have not previously been redeemed or purchased and cancelled, a Redemption Amount in respect of each Note of a nominal amount equal to the Calculation Amount will be payable on the Maturity Date and will be equal to the amount determined by the Calculation Agent in accordance with the following provisions as:

either

(a) if a Knock-in Event has not occurred, the Calculation Amount;

or

(b) if a Knock-in Event has occurred:

$$\text{Calculation Amount} \times \text{Min}_{i=1 \text{ to } 3} (\text{ShareFinal}_i / \text{StrikeLevel}_i)$$

A "Knock-in Event" will occur if the Calculation Agent determines that, on the Final Valuation Date (the "Knock-in Determination Date"), the Share Closing Price of any Share is less than its respective Knock-in Level.

4. Reference levels and dates

Share Currency, **Initial Level**, **Mandatory Early Redemption Level**, **Strike Level** and **Knock-in Level** mean, in respect of a Share_i, the level specified for such Share under the appropriate heading in the "Underlyings and Levels" table below.

ShareFinal_i means, in respect of a Share_i, the Share Closing Price of such Share on the Final Valuation Date.

StrikeLevel_i means, in respect of a Share_i, the level specified for such Share under the heading "Strike Level" in the "Underlyings and Levels" table below.

Underlyings and Levels

<i>Share_i</i>	<i>Share Currency</i>	<i>Initial Level</i>	<i>Mandatory Early Redemption Level</i>	<i>Strike Level</i>	<i>Knock-in Level</i>
<i>Barclays PLC (Bloomberg: BARC LN Equity) ("Share₁")</i>	<i>GBP</i>	<i>148.3000</i>	<i>148.3000</i>	<i>148.3000</i>	<i>96.3950</i>
<i>Credit Suisse Group AG (Bloomberg: CSGN SE Equity) ("Share₂")</i>	<i>CHF</i>	<i>7.3400</i>	<i>7.3400</i>	<i>7.3400</i>	<i>4.7710</i>
<i>HSBC Holdings PLC (Bloomberg: HSBA LN Equity) ("Share₃")</i>	<i>GBP</i>	<i>525.4000</i>	<i>525.4000</i>	<i>525.4000</i>	<i>341.5100</i>

Observation Date⁽ⁿ⁾
means each of the
following dates and
subject to adjustment
in accordance with the
Equity Linked
Conditions:

n	Observation Date	
1	30 June 2022	11 03 January 2025
2	30 September 2022	12 31 March 2025
3	03 January 2023	13 30 June 2025
4	31 March 2023	14 30 September 2025
5	30 June 2023	15 05 January 2026
6	02 October 2023	16 31 March 2026
7	03 January 2024	17 30 June 2026
8	02 April 2024	18 30 September 2026
9	01 July 2024	19 04 January 2027
10	30 September 2024	20 Final Valuation Date

Initial Valuation Date means 31 March 2022.

Final Valuation Date means 31 March 2027.

Related Exchange means, in respect of each Share, All Exchanges.

5. Tender Offer and Additional Disruption Events

Tender Offer will not apply to the Notes.

The following Additional Disruption Events apply to the Notes: (i) Change in Law; (ii) Exchange-traded Contract Event; (iii) FX Disruption; (iv) Hedging Disruption; (v) Increased Cost of Hedging; and (vi) Insolvency Filing.

ANNEX
EQUITY LINKED CONDITIONS AND RISK FACTORS

EQUITY LINKED CONDITIONS AND RISK FACTORS

PART 1

EQUITY LINKED CONDITIONS

1. Interpretation

- 1.1 If these additional terms and conditions for equity linked Notes (the "**Equity Linked Conditions**") are annexed to any Pricing Supplement (the "**applicable Pricing Supplement**") in relation to a Series of Notes (the "**Equity Linked Notes**"), the Conditions (as completed and/or amended by the applicable Pricing Supplement) will be subject to these Equity Linked Conditions. The "Conditions" will have the meaning given in the applicable Pricing Supplement. In the event of any inconsistency between the Conditions of the Equity Linked Notes and the Equity Linked Conditions, the Equity Linked Conditions shall prevail. In the event of any inconsistency between (i) the Conditions of the Equity Linked Notes and/or the Equity Linked Conditions and (ii) the other provisions of the applicable Pricing Supplement, the applicable Pricing Supplement shall prevail. The Equity Linked Conditions set out below may also be annexed to any term sheet for information.
- 1.2 The Conditions (as completed and/or amended by the applicable Pricing Supplement) will be subject to the provisions in paragraphs 17 to 21 (the "**Physical Delivery Conditions**") of these Equity Linked Conditions only where Physical Delivery is specified as applying in the applicable Pricing Supplement.
- 1.3 Terms not otherwise defined in these Equity Linked Conditions will have the meaning given in the Conditions.

2. Definitions

For the purposes of these Equity Linked Conditions:

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

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Pricing Supplement or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day:

- (a) if "**Omission**" is specified as applying in the applicable Pricing Supplement, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant price; provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant price on the final Averaging Date, as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if "**Postponement**" is specified as applying in the applicable Pricing Supplement, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(c) if "**Modified Postponement**" is specified as applying in the applicable Pricing Supplement then:

- (i) where the Equity Linked Notes relate to a single Share, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the originally designated Averaging Date (the "**Scheduled Averaging Date**"), then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below; and
- (ii) where the Equity Linked Notes relate to a Basket of Shares, the Averaging Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date and the Averaging Date for each Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Share. If the first succeeding Valid Date in relation to such Share has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Share, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "Valuation Date" below,

For the purposes of these Equity Linked Conditions "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is deemed not to occur.

If an Averaging Date is deemed to fall after the Scheduled Averaging Date and any date specified in the applicable Pricing Supplement for payment or delivery of any amount calculated by reference to a value determined in respect of such Averaging Date would thereby fall before the second Business Day immediately following that delayed Averaging Date, such relevant date for payment or delivery will be delayed until the second Business Day immediately following such delayed Averaging Date.

"**Basket of Shares**" means, subject to adjustment in accordance with these Equity Linked Conditions, the Shares specified in the applicable Pricing Supplement.

"**Disrupted Day**" means 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.

"**Early Closure**" means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day, and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time, the Knock-in Valuation Time, the Knock-out Valuation Time, the Trigger Event Valuation Time or the Mandatory Early Redemption Valuation Time, as the case may be, on such Exchange Business Day.

"Exchange" means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Pricing Supplement or, where not so specified, the primary exchange(s) or quotation system(s) on which the Shares are listed any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange), each as determined by the Calculation Agent.

"Exchange Business Day" means (i) in the case of Equity Linked Notes relating to a single Share, Exchange Business Day (Single Share Basis) or (ii) in the case of Equity Linked Notes relating to a Basket of Shares, (a) Exchange Business Day (All Shares Basis) or (b) Exchange Business Day (Per Share Basis), as specified in the applicable Pricing Supplement or otherwise applicable in accordance with these Equity Linked conditions, provided that, if no such specification is made in the applicable Pricing Supplement or Exchange Business Day (Per Share Basis) is not otherwise applicable in accordance with these Equity Linked Conditions, Exchange Business Day (All Shares Basis) will apply, .

"Exchange Business Day (All Shares Basis)" means, in respect of a Basket of Shares, any Scheduled Trading Day on which the Exchange and each Related Exchange, if any, in respect of all such Shares comprised in the Basket of Shares are open for trading during their respective regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time.

"Exchange Business Day (Per Share Basis)" means in respect of a Share included in the Basket of Shares, any Scheduled Trading Day on which the relevant Exchange and each Related Exchange, if any, in respect of such Share are open for trading during their regular trading session(s), notwithstanding any such relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Business Day (Single Share Basis)" means any Scheduled Trading Day on which the Exchange and each Related Exchange, if any, in respect of such Share are open for trading during their respective regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

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

"Extraordinary Event" means any Merger Event, De-listing, Nationalisation, Insolvency or Tender Offer.

"Observation Cut-Off Date" means, in respect of each Scheduled Observation Date, the eighth Scheduled Trading Day immediately following the relevant Scheduled Observation Date.

"Observation Date" means each date specified as such in the applicable Pricing Supplement, or if such date is not a Scheduled Trading Day the first Scheduled Trading Day thereafter unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) where the Equity Linked Notes relate to a single Share, that Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to and

including the Observation Cut-Off Date is a Disrupted Day. In that case, (i) the Observation Cut-Off Date shall be deemed to be that Observation Date (notwithstanding the fact that such day is a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Observation Cut-Off Date; or

- (b) where the Equity Linked Notes relate to a Basket of Shares, that Observation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date and that Observation Date for each Share affected (each an "**Affected Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Share, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to and including the Observation Cut-Off Date is a Disrupted Day relating to the Affected Share. In that case, (i) the Observation Cut-Off Date shall be deemed to be that Observation Date for the Affected Share (notwithstanding the fact that such day is a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to the Affected Share, a price determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, using its good faith estimate of the price for the Affected Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions.

If an Observation Date is deemed to fall after the Scheduled Observation Date and any date specified in the applicable Pricing Supplement for payment or delivery of any amount calculated by reference to a value determined in respect of such Observation Date would thereby fall before the second Business Day immediately following that delayed Observation Date, such relevant date for payment or delivery will be delayed until the second Business Day immediately following such delayed Observation Date.

"Observation Period" means the period or periods specified as such in the applicable Pricing Supplement.

"Related Exchange" means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange in the applicable Pricing Supplement, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share.

"Scheduled Averaging Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Averaging Date.

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

"Scheduled Observation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

"Scheduled Trading Day" means (i) in the case of Equity Linked Notes relating to a single Share, Scheduled Trading Day (Single Share Basis) or (ii) in the case of Equity Linked Notes relating to a Basket of Shares: (a) Scheduled Trading Day (All Shares Basis) or (b) Scheduled Trading Day (Per Share Basis), as specified in the applicable Pricing Supplement or otherwise applicable in accordance with these Equity Linked Conditions, provided that, if no such specification is made in the applicable Pricing Supplement or Scheduled Trading Day (Per Share Basis) is not otherwise applicable in accordance with these Equity Linked Conditions, Scheduled Trading Day (All Shares Basis) will apply.

"Scheduled Trading Day (All Shares Basis)" means, in respect of a Basket of Shares, any day on which the Exchange and Related Exchange(s), if any, in respect of all such Shares comprised in the Basket of Shares are scheduled to be open for trading during their respective regular trading sessions(s).

"Scheduled Trading Day (Per Share Basis)" means (i) in respect of a Share included in the Basket of Shares, any day on which the relevant Exchange and each Related Exchange, if any, in respect of such Share is scheduled to be open for trading for their respective regular trading session(s). If Scheduled Trading Day (Per Share Basis) is specified in the applicable Pricing Supplement or otherwise applicable in accordance with these Equity Linked Conditions, where any date for payment or delivery is determined by reference to any Averaging Date (the **"Relevant Averaging Date"**), Observation Date (the **"Relevant Observation Date"**) or Valuation Date (the **"Relevant Valuation Date"**), such Relevant Averaging Date, Relevant Observation Date or Relevant Valuation Date, as applicable, will be deemed to be the last such Relevant Averaging Date, Relevant Observation Date or Relevant Valuation Date to occur in respect of any Share taking into account the adjustments in the definition of Averaging Date, Observation Date or Valuation Date, as applicable.

"Scheduled Trading Day (Single Share Basis)" means any day on which the Exchange and each Related Exchange, if any, in respect of such Share are scheduled to be open for trading during their respective regular trading session(s).

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"Shares" and **"Share"** mean, subject to adjustment in accordance with these Equity Linked Conditions, the shares or a share or other securities specified in the applicable Pricing Supplement and related expressions shall be construed accordingly.

"Share Closing Price" means, in respect of a Share and subject to these Equity Linked Conditions and to "Valuation Date", "Knock-in Determination Date", "Knock-out Determination Date", "Trigger Event Observation Date" and "Mandatory Early Redemption Valuation Date" below and "Averaging Date" or "Observation Date" above, as the case may be, an amount equal to the official closing price of such Share quoted on the relevant Exchange as determined by the Calculation Agent on (A) if Averaging is not specified in the applicable Pricing Supplement, the Valuation Date, a Knock-in Determination Date, a Knock-out Determination Date, a Trigger Event Observation Date or a Mandatory Early Redemption Valuation Date, or an Observation Date, as the case may be, or (B) if Averaging is specified in the applicable Pricing Supplement, an Averaging Date.

"Share Company" means, in respect of a Share, the company that has issued such Share.

"Share Price" means, in respect of a Share and a time on a Scheduled Trading Day and subject to these Equity Linked Conditions, the price of such Share at such time on such day as determined by the Calculation Agent.

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

"Valuation Cut-Off Date" means, in respect of a Scheduled Valuation Date, the eighth Scheduled Trading Day immediately following the relevant Scheduled Valuation Date.

"Valuation Date" means each Valuation Date (including any Initial Valuation Date or Final Valuation Date) specified in the applicable Pricing Supplement or if that is not a Scheduled Trading Day the first Scheduled Trading Day thereafter unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) where the Equity Linked Notes relate to a single Share, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is a Disrupted Day. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day is a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date; or
- (b) where the Equity Linked Notes relate to a Basket of Shares, the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Share affected (each an **"Affected Share"**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Share, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Share. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for the Affected Share (notwithstanding the fact that such day is a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to the Affected Share, a price determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, using its good faith estimate of the price for the Affected Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions.

If a Valuation Date is deemed to fall after the Scheduled Valuation Date and any date specified in the applicable Pricing Supplement for payment or delivery of any amount calculated by reference to a value determined in respect of such Valuation Date would thereby fall before the second Business Day immediately following that delayed Valuation Date, such relevant date for payment or delivery will be delayed until the second Business Day immediately following such delayed Valuation Date.

"Valuation Time" means the Valuation Time specified in the applicable Pricing Supplement or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Share 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, where the Share Price is to be determined during any period, each relevant time at which the Share Price is so determined.

3. **Market Disruption**

"Market Disruption Event" means, in relation to a Share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, any time during the one hour period that ends at the Valuation Time, Knock-in Valuation Time, Knock-out Valuation Time, Trigger Event Valuation Time or Mandatory Early Redemption Valuation Time, as the case may be, for such Share or (iii) an Early Closure.

4. **Correction to Share Prices**

If the price of a Share published on any Valuation Date, Knock-in Valuation Date, Knock-out Valuation Date, Observation Date, Averaging Date or any other date for Share valuation or observation, as the case may be, by the relevant Exchange and which is utilised for any calculation or determination made for the purposes of the Equity Linked Notes (a **"Relevant Calculation"**) is subsequently corrected and the correction (the **"Corrected Share Price"**) published by the relevant Exchange no later than two Business Days prior to the date of payment of any amount to be calculated by reference to the Relevant Calculation then such Corrected Share Price shall be deemed to be the relevant price for such Share on such Averaging Date, Observation Date, Valuation Date, Knock-in Valuation Date, Knock-out Valuation Date or other relevant date, as the case may be, and the Calculation Agent shall use such Corrected Share Price in determining the relevant price.

5. **Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency**

(a) **"Potential Adjustment Event"** means any of the following:

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

(vii) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

- (b) Following the declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will make the corresponding adjustment, if any, to any one or more of the terms of the Conditions and/or the applicable Pricing Supplement as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends stock loan rate or liquidity relative to the relevant Share) and determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.
- (c) Upon the making of any such adjustment, the Issuer shall give notice as soon as reasonably practicable to the Noteholders in accordance with Condition 13 stating the adjustment to the terms of the Conditions and/or the applicable Pricing Supplement and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.
- (d) **Extraordinary Events**

"De-listing" means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or, if Tender Offer is specified as applying in the applicable Pricing Supplement, a Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (A) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or (B) an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

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

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

"Merger Event" means, in respect of any relevant Shares, any (A) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (B) consolidation, amalgamation, merger or binding share exchange of a Share Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Company is the continuing entity and which does not result in a reclassification or change of all of such Shares 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 Shares of the Share Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (D) consolidation, amalgamation,

merger or binding share exchange of the Share Company or its subsidiaries with or into another entity in which the Share Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the Maturity Date or any earlier date on which the Equity Linked Notes are due to be redeemed in full.

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

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

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

If (x) a Merger Event, De-listing, Nationalisation or Insolvency occurs in relation to a Share and/or (y) if Tender Offer is specified as applicable in the applicable Pricing Supplement, a Tender Offer occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Conditions and/or the applicable Pricing Supplement 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 Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency made by any options exchange to options on the Shares traded on that options exchange and the relevant adjustments may 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 Shares; or
- (ii) where the Equity Linked Notes relate to a Basket of Shares on giving notice to the Noteholders in accordance with Condition 13, redeem or cancel, as the case may be, each Equity Linked Note in part. If an Equity Linked Note is so redeemed or cancelled in part the portion (the **"Partial Amount"**) of each such Equity Linked Note representing the affected Share(s) shall be redeemed or cancelled, as the case may be, and the Issuer will (x) pay to each Noteholder in respect of each Equity Linked Note held by him an amount equal to the fair market value of the Partial Amount, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and (y) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the terms of the Conditions and/or the applicable Pricing Supplement to account for such redemption or cancellation in part. For the avoidance of doubt the remaining part of each such Equity Linked Note after redemption or cancellation and adjustment shall remain outstanding with full force and effect. Payments

will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14; or

- (iii) give notice to the Noteholders in accordance with Condition 13 and redeem all, but not some only, of the Equity Linked Notes, each nominal amount of Equity Linked Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
 - (iv) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of the terms of the Conditions and/or the applicable Pricing Supplement which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the terms of the Conditions and/or the applicable Pricing Supplement as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.
- (e) Upon the occurrence of a Merger Event, De-listing, Nationalisation, Insolvency or, if applicable, Tender Offer, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 13, stating the occurrence of the Merger Event, De-listing, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be.

6. Non-euro Quoted Shares

In respect of Equity Linked Notes relating to Shares 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, if such Shares are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange or, where no Exchange is specified in the applicable Pricing Supplement, the principal market on which those Shares are traded, then the Calculation Agent will adjust any of the terms of the Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Equity Linked Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this provision will affect the currency denomination of any payment obligation arising out of the Equity Linked Notes.

7. Additional Disruption Events

- (a) "**Additional Disruption Event**" means any of Change in Law, Exchange-traded Contract Event, FX Disruption, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Loss of Stock Borrow and/or Insolvency Filing, in each case if specified in the applicable Pricing Supplement.

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Pricing Supplement) (i) due to the adoption of or any change (including a future change) in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change (including a future change) in the interpretation by any court, tribunal

or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant Share or any transaction(s) or other asset(s) that the Issuer and/or any of its Affiliates or agents deems necessary or desirable to hedge the equity or other price risk of the Issuer in connection with the Equity Linked Notes; and/or (B) the Issuer and/or any of its Affiliates or agents will incur a materially increased cost in performing its obligations in relation to the Equity Linked Notes and/or, as applicable, in acquiring, entering into and/or maintaining any transaction(s) that the Issuer and/or any of its Affiliates or agents deems necessary or desirable to hedge the equity or other price risk of the Issuer in connection with the Equity Linked 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); and/or (2) the Issuer and/or any of its Affiliates or agents carrying out relevant hedging arrangements in respect of the Equity Linked Notes is or will be required to be regulated by any additional jurisdiction or regulatory authority or is or will be subject to any additional legal requirement or regulation considered by the Calculation Agent to be materially onerous.

"Exchange-traded Contract Event" means, in relation to a Share, (i) the official settlement price of any Exchange-traded Contract does not reflect the Share Price or Share Closing Price in a way that is necessary or desirable for the purposes of the Issuer and/or any of its Affiliates hedging the Issuer's exposure under the Equity Linked Notes; (ii) the official settlement price of any relevant Exchange-traded Contract is unavailable for any reason or is amended or corrected; (iii) the terms of any Exchange-traded Contract are changed or modified in any way; and/or (iv) any Valuation Date, Averaging Date or any other date for valuation of a Share in respect of the Equity Linked Notes is not a day on which an official settlement price is published in respect of any relevant Exchange-traded Contract.

"Exchange-traded Contract" means, in relation to any Share, any futures or options contract(s) relating to that Share as selected by the Calculation Agent from time to time.

"FX Disruption" means the occurrence or existence of any event or circumstance, as determined by the Calculation Agent in its sole and absolute discretion, with respect to any currency in which any Share is traded, quoted or settled (each an **"Event Currency"**) that has the effect of preventing or delaying the Issuer and/or any of its Affiliates or agents directly or indirectly from: (i) converting the Event Currency into the Specified Currency through customary legal channels; (ii) converting the Event Currency into the Specified Currency at a rate at least as favourable as the rate for domestic institutions located in any jurisdiction which uses the Event Currency as its primary currency (an **"Event Currency Jurisdiction"**); (iii) delivering the Specified Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction; (iv) delivering the Event Currency between accounts inside the Event Currency Jurisdiction or to an entity that is a non-resident of the Event Currency Jurisdiction; or (v) effectively realising in the Specified Currency the value of any hedging arrangement in respect of the Equity Linked Notes at any time.

"Hedging Disruption" means that the Issuer and/or any of its Affiliates or agents is unable, after using commercially reasonable efforts, to (i) 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 Equity Linked Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s). Without limitation such transaction(s) or assets may include any Exchange-traded Contract(s).

"Hedging Shares" means the number of Shares 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 Equity Linked Notes.

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates or agents acting on its behalf would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Equity Linked Notes, or (ii) 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 or agents 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 Shares that is greater than the Initial Stock Loan Rate.

"Initial Stock Loan Rate" means, in respect of a Share, the Initial Stock Loan Rate specified in relation to such Share in the applicable Pricing Supplement.

"Insolvency Filing" means that a Share Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company 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 Share in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

"Maximum Stock Loan Rate" means in respect of a Share, the Maximum Stock Loan Rate specified in the applicable Pricing Supplement.

- (b) If Additional Disruption Events are specified as applicable in the applicable Pricing Supplement, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the terms of the Conditions and/or the applicable Pricing Supplement to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii) give notice to Noteholders in accordance with Condition 13 and redeem all, but not some only, of the Equity Linked Notes, each nominal amount of Equity Linked 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 13 stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

8. Knock-in Event, Knock-out Event

(AA) Knock-in Event and Final Valuation Knock-in Basis

If "Knock-in Event" and "Final Valuation Knock-in Basis" are specified as applicable in the Pricing Supplement, then the payment and/or delivery obligations under the Equity Linked Notes relating to the occurrence of a Knock-in Event shall be as set out in the applicable Pricing Supplement. **(BB)**

Knock-in Event and Continuous Observation Knock-in Basis

If "Knock-in Event" and "Continuous Observation Knock-in Basis" are specified as applicable in the Pricing Supplement, then the payment and/or delivery obligations under the Equity Linked Notes relating to the occurrence of a Knock-in Event shall be as set out in the applicable Pricing Supplement; and unless otherwise specified in the applicable Pricing Supplement, subject to the following provisions:

"Knock-in Determination Date Cut-off Date" means, in respect of each Scheduled Knock-in Determination Date, the eighth Scheduled Trading Day immediately following the relevant Scheduled Knock-in Determination Date.

"Knock-in Determination Date" means each Scheduled Trading Day, provided that if any such day is a Disrupted Day then that Knock-in Determination Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Knock-in Determination Date and, save as provided in the following paragraphs, that Knock-in Determination Date for each Share affected (each an **"Affected Share"**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Share, unless each of the Scheduled Trading Days immediately following the Scheduled Knock-in Determination Date up to and including the Knock-in Determination Date Cut-Off Date is a Disrupted Day relating to the Affected Share. In that case and save as provided in the following paragraph, (i) the Knock-in Determination Date Cut-Off Date shall be deemed to be that Knock-in Determination Date for the Affected Share (notwithstanding the fact that such day is a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to the Affected Share, the price of the Affected Share as of the Knock-in Valuation Time on the Knock-in Determination Date Cut-Off Date as determined by the Calculation Agent by reference to such source(s) and/or methodology(ies) as it deems appropriate in its sole discretion which may include, without limitation, applying (subject to paragraphs 4 and 5 of these Equity Linked Conditions) the formula for and method of calculating the Affected Share last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Knock-in Valuation Time on the Knock-in Determination Date Cut-Off Date of the Affected Share (or, if an event giving rise to a Disrupted Day has occurred in respect of the Affected Share on the Knock-in Determination Date Cut-Off Date, its good faith estimate of the value for the Affected Share as of the Knock-in Valuation Time on the Knock-in Determination Date Cut-Off Date).

If as a result of the previous paragraph a Knock-in Determination Date for an Affected Share would fall on or after the Final Valuation Date for such Affected Share, such date will be deemed not to be a Knock-in Determination Date for the purposes hereof and no price will be determined for the Affected Share in respect of the Knock-in Valuation Time on the related Scheduled Knock-in Determination Date.

If the price of any Share is observed at any time on a Scheduled Knock-in Determination Date during the Knock-in Period which is a Disrupted Day, a Knock-in Event will occur if such price is less than the Knock-in Level at such time for the respective Share, notwithstanding (i) that such Scheduled Knock-in Determination Date is a Disrupted Day and/or (ii) that a Market Disruption Event or other circumstance giving rise to a Disrupted Day may have occurred in respect of such time (for the purposes of determining whether a Market Disruption Event or Disrupted Day has occurred in respect of any time, references in the definition of "Market Disruption Event" and related definitions to the "Knock-in Valuation Time" are deemed to be references to "any time for determination of an Share price for the purposes of determining whether a Knock-in Event has occurred").

"Knock-in Period" shall have the meaning specified in the applicable Pricing Supplement.

"Knock-in Valuation Time" means the Scheduled Closing Time on the relevant Exchange(s) or Related Exchange(s) on the relevant Knock-in Determination Date, in relation to each Share to be valued. If the relevant Exchange(s) or Related Exchange(s) closes prior to its Scheduled Closing Time then the Knock-in Valuation Time shall be the actual closing time for its regular trading session.

"Scheduled Knock-in Determination Date" means the relevant original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Knock-in Determination Date.

For all purposes (including for the purposes of determining whether a Knock-in Event occurs on the Final Valuation Date or any Observation Date, and whether a Disrupted Day (including in relation to Disrupted Day related provisions) has occurred on the Final Valuation Date), **"Scheduled Trading Day"** means Scheduled Trading Day (All Shares Basis), provided that, references to "Scheduled Trading Day" (x) in the definitions of "Knock-in Determination Date", "Knock-in Determination Date Cut-off Date" and related provisions and (y) in the definition of "Scheduled Closing Time" and (z) in "Disrupted Day" and related provisions solely for the purposes of determining whether a Disrupted Day has occurred on any Scheduled Trading Day in the Knock-in Period mean Scheduled Trading Day (Per Share Basis).

For all purposes (including for the purposes of determining whether a Knock-in Event occurs on the Final Valuation Date or any Observation Date,

and whether a Disrupted Day (including in relation to Disrupted Day related provisions) has occurred on the Final Valuation Date), **"Exchange Business Day"** means Exchange Business Day (All Shares Basis), provided that, references to "Exchange Business Day" in the definition of "Early Closure" and related provisions mean, solely for the purposes of determining whether a Disrupted Day has occurred on any Scheduled Trading Day in the Knock-in Period mean Exchange Business Day (Per Share Basis).

(CC) Knock-in Event and Closing Level Observation Knock-in Basis

If "Knock-in Event" and "Closing Level Observation Knock-in Basis" are specified as applicable in the Pricing Supplement, then the payment and/or delivery obligations under the Equity Linked Notes relating to the occurrence of a Knock-in Event shall be as set out in the applicable Pricing Supplement; and unless otherwise specified in the applicable Pricing Supplement, subject to the following provisions:

"Knock-in Determination Date Cut-off Date" means, in respect of each Scheduled Knock-in Determination Date, the eighth Scheduled Trading Day immediately following the relevant Scheduled Knock-in Determination Date.

"Knock-in Determination Date" means each Scheduled Trading Day, provided that if any such day is a Disrupted Day then that Knock-in Determination Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Knock-in Determination Date and, save as provided in the following paragraph, that Knock-in Determination Date for each Share affected (each an **"Affected Share"**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Share, unless each of the Scheduled Trading Days immediately following the Scheduled Knock-in Determination Date up to and including the Knock-in Determination Date Cut-Off Date is a Disrupted Day relating to the Affected Share. In that case and save as provided in the following paragraph, (i) the Knock-in Determination Date Cut-Off Date shall be deemed to be that Knock-in Determination Date for the Affected Share (notwithstanding the fact that such day is a Disrupted Day) and (ii) the Calculation

Agent shall determine the relevant price using, in relation to the Affected Share, the price of that Share as of the Knock-in Valuation Time on the Knock-in Determination Date Cut-Off Date as determined by the Calculation Agent by reference to such source(s) and/or methodology(ies) as it deems appropriate in its sole discretion which may include, without limitation, applying (subject to paragraphs 4 and 5 of these Equity Linked Conditions) the formula for and method of calculating that Affected Share last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Knock-in Valuation Time on the Knock-in Determination Date Cut-Off Date of the Affected Share (or, if an event giving rise to a Disrupted Day has occurred in respect of the Affected Share on the Knock-in Determination Date Cut-Off Date, its good faith estimate of the value for the Affected Share as of the Valuation Time on the Knock-in Determination Date Cut-Off Date).

If as a result of the previous paragraph a Knock-in Determination Date for an Affected Share would fall on or after the Final Valuation Date for such Affected Share, such date will be deemed not to be a Knock-in Determination Date for the purposes hereof and no price will be determined for the Affected Share in respect of the related Scheduled Knock-in Determination Date.

"Knock-in Period" shall have the meaning specified in the applicable Pricing Supplement.

"Knock-in Valuation Time" means the Scheduled Closing Time on the relevant Exchange(s) or Related Exchange(s) on the relevant Knock-in Determination Date, in relation to each Share to be valued. If the relevant Exchange(s) or Related Exchange(s) closes prior to its Scheduled Closing Time then the Knock-in Valuation Time shall be the actual closing time for its regular trading session.

"Scheduled Knock-in Determination Date" means the relevant original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Knock-in Determination Date.

For all purposes (including for the purposes of determining whether a Knock-in Event occurs on the Final Valuation Date or any Observation Date, and whether a Disrupted Day (including in relation to Disrupted Day related provisions) has occurred on the Final Valuation Date), **"Scheduled Trading Day"** means Scheduled Trading Day (All Shares Basis), provided that, references to "Scheduled Trading Day" (x) in the definitions of "Knock-in Determination Date", "Knock-in Determination Date Cut-off Date" and related provisions and (y) in "Disrupted Day" and related provisions solely for the purposes of determining whether a Disrupted Day has occurred on any Scheduled Trading Day in the Knock-in Period mean Scheduled Trading Day (Per Share Basis).

For all purposes (including for the purposes of determining whether a Knock-in Event occurs on the Final Valuation Date or any Observation Date, and whether a Disrupted Day (including in relation to Disrupted Day related provisions) has occurred on the Final Valuation Date), **"Exchange Business Day"** means Exchange Business Day (All Shares Basis), provided that, references to "Exchange Business Day" in the definition of "Early Closure" and related provisions mean, solely for the purposes of determining whether a Disrupted Day has occurred on any Scheduled Trading Day in the Knock-in Period mean Exchange Business Day (Per Share Basis).

(B) Knock-out Event

If "Knock-out Event" is specified as applicable in the Pricing Supplement, then the payment and/or delivery obligations under the Equity Linked Notes relating to the occurrence of a Knock-out Event shall be as set out in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement:

"Knock-out Disrupted Day Adjustments" means:

- (a) if the Knock-out Valuation Time is a single time on each relevant day and any Knock-out Determination Date is a Disrupted Day then, if "Knock-out Determination Date consequences of a Disrupted Day" is specified in the applicable Pricing Supplement as:
 - (i) **"Omission"**, then such date will be deemed not to be a Knock-out Determination Date for the purposes of determining whether a Knock-out Event has occurred, as applicable; provided that if the Knock-out Period Ending Date is a Disrupted Day and no Knock-out Event has occurred in the Knock-out Determination Period, the Knock-out Period Ending Date, as applicable, shall be treated as a Valuation Date and the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on the Knock-out Period Ending Date, as applicable, as if such Knock-out Period Ending Date, as applicable, were a Valuation Date that was a Disrupted Day and the Calculation Agent shall determine the relevant price of the relevant Share or Shares in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Pricing Supplement, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for the purpose of determining whether a Knock-out Event shall occur; or
 - (ii) **"Postponement"**, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on that Knock-out Determination Date as if such Knock-out Determination Date, as the case may be, were a Valuation Date that was a Disrupted Day and the Calculation Agent shall determine the relevant price of the relevant Share(s) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Pricing Supplement, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for purposes of determining whether a Knock-out Event shall occur; or
- (b) if the Knock-out Valuation Time specified in the applicable Pricing Supplement is other than a single time on each relevant day and if on any Knock-out Determination Date as of any Knock-out Valuation Time a Knock-out Event has or would have occurred but the conditions for a Disrupted Day have been satisfied at such time then, if "Knock-out intraday valuation consequences of disruption" is specified in the applicable Pricing Supplement as:
 - (i) **"Omission"**, then such Knock-out Valuation Time, as the case may be, shall be ignored for purposes of determining whether a Knock-out Event has occurred, provided that if no Knock-out Event has occurred in the Knock-out Determination Period and the conditions for a Disrupted Day are satisfied as of the last occurring Knock-out Valuation Time on the Knock-out Period Ending Date, as applicable, then such day shall be treated as a Valuation Date and the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on the Knock-out Period Ending Date, as applicable, as if such Knock-out Period Ending Date, as applicable, were a Valuation Date that was a Disrupted Day and the Calculation Agent shall determine the relevant price of the relevant Share or Shares in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Pricing Supplement, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for the purpose of determining whether a Knock-out Event shall occur; or

- (ii) **"Materiality"**, then (i) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is not material for the purposes of determining the Share Price as of such time, the Knock-out Event, as applicable, may occur notwithstanding such event or occurrence, or (ii) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is material for the purposes of determining the Share Price as of such time, then the Knock-out Event shall be deemed not to have occurred at such time provided that if no Knock-out Event has occurred in the Knock-out Determination Period and the conditions for a Disrupted Day are satisfied as of the last occurring Knock-out Valuation Time on the Knock-out Period Ending Date, as applicable, then such day shall be treated as a Valuation Date and the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on the Knock-out Period Ending Date, as applicable, as if such Knock-out Period Ending Date, as applicable, were a Valuation Date that was a Disrupted Day and the Calculation Agent shall determine the relevant price of the relevant Share or Shares in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Pricing Supplement, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for the purpose of determining whether a Knock-out Event shall occur.

With respect to each of (a) and (b) above, if a Knock-out Determination Date or Knock-out Period Ending Date, as applicable, is deemed to fall after the scheduled Knock-out Determination Date or Knock-out Period Ending Date, as applicable, and any date specified in the applicable Pricing Supplement for payment or delivery of any amount calculated by reference to a value determined in respect of such Knock-out Determination Date or Knock-out Period Ending Date would thereby fall before the second Business Day immediately following such delayed Knock-out Determination Date or Knock-out Period Ending Date, such relevant date for payment or delivery will be delayed until the second Business Day immediately following such delayed Knock-out Determination Date or Knock-out Period Ending Date.

"Knock-out Determination Date" means the date(s) specified as such in the applicable Pricing Supplement, or, if any such date is not a Scheduled Trading Day, the first succeeding Scheduled Trading Day thereafter or, if not so specified, each Scheduled Trading Day during the Knock-out Determination Period, subject, in each case, as provided in Knock-out Disrupted Day Adjustments above.

"Knock-out Determination Period" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

"Knock-out Event" is as specified in the applicable Pricing Supplement.

"Knock-out Level" means, in respect of a Share, the price of the Share specified as such or otherwise determined as provided in the applicable Pricing Supplement.

"Knock-out Period Beginning Date" means the date specified as such in the applicable Pricing Supplement or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"Knock-out Period Ending Date" means the date specified as such in the applicable Pricing Supplement or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"Knock-out Valuation Time" means the time or period of time on any Knock-out Determination Date specified as such in the applicable Pricing Supplement or, if no such time is so specified, the Knock-out Valuation Time for which purposes, references in the definition of Valuation Time to "Valuation Date", shall be deemed to be to "Knock-out Determination Date".

9. Trigger Event

If "Trigger Event" is specified as applicable in the Pricing Supplement, then the payment and/or delivery provisions under the Equity Linked Notes relating to the occurrence of a Trigger Event shall be as set out in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement:

"Trigger Event" means a Trigger Event (Closing Observation), a Trigger Event (Intraday Observation) or such other event as specified in the applicable Pricing Supplement.

"Trigger Event (Closing Observation)" means, unless otherwise specified in the applicable Pricing Supplement, a determination by the Calculation Agent that, on any Trigger Event Observation Date, the Share Closing Price of any Share at the Trigger Event Valuation Time is less than or equal to the relevant Trigger Level for such Share, as determined by the Calculation Agent.

"Trigger Event Date" means a date on which a Trigger Event has occurred as determined by the Calculation Agent.

"Trigger Event Disrupted Day Adjustments" means:

- (a) if Trigger Event (Closing Observation) is specified as applying in the applicable Pricing Supplement and any Trigger Event Observation Date is a Disrupted Day then, if "Trigger Event Observation Date consequences of a Disrupted Day" is specified in the applicable Pricing Supplement as:
 - (i) **"Omission"**, then such date will be deemed not to be a Trigger Event Observation Date for the purposes of determining whether a Trigger Event has occurred; provided that if the final Trigger Event Observation Date in any Trigger Event Observation Period is a Disrupted Day and no Trigger Event has occurred in that Trigger Event Observation Period, such final Trigger Event Observation Date in such Trigger Event Observation Period shall be treated as a Valuation Date and the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on such day as if such day were a Valuation Date that was a Disrupted Day and the Calculation Agent shall determine the relevant price of the relevant Share or Shares in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Pricing Supplement, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for the purpose of determining whether a Trigger Event shall occur; or
 - (ii) **"Postponement"**, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on that Trigger Event Observation Date as if such Trigger Event Observation Date were a Valuation Date that was a Disrupted Day and the Calculation Agent shall determine the relevant price of the relevant Share(s) in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Pricing Supplement, for example but without limitation, in respect of the time at

which any subsequent valuation(s) is/are made) for purposes of determining whether a Trigger Event shall occur; or

- (b) if "Trigger Event (Intraday Observation)" is specified as applying in the applicable Pricing Supplement and if on any Trigger Event Observation Date as of any Trigger Event Valuation Time a Trigger Event has or would have occurred but the conditions for a Disrupted Day have been satisfied at such time then, if "Trigger Event intraday valuation consequences of disruption" is specified in the applicable Pricing Supplement as:
- (i) **"Omission"**, then such Trigger Event Valuation Time shall be ignored for purposes of determining whether a Trigger Event has occurred, provided that if no Trigger Event has occurred in the Trigger Event Observation Period and the conditions for a Disrupted Day are satisfied as of the last occurring Trigger Event Valuation Time on the final Trigger Event Observation Date in such Trigger Event Observation Period, then such day shall be treated as a Valuation Date and the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on such day as if such day were a Valuation Date that was a Disrupted Day and the Calculation Agent shall determine the relevant price of the relevant Share or Shares in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Pricing Supplement, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for the purpose of determining whether a Trigger Event shall occur; or
 - (ii) **"Materiality"**, then (i) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is not material for the purposes of determining the Share Price as of such time, the Trigger Event may occur notwithstanding such event or occurrence, or (ii) where the Calculation Agent determines that the relevant event or occurrence giving rise to such Disrupted Day is material for the purposes of determining the Share Price as of such time, then the Trigger Event shall be deemed not to have occurred at such time provided that if no Trigger Event has occurred in the Trigger Event Observation Period and the conditions for a Disrupted Day are satisfied as of the last occurring Trigger Event Valuation Time on the final Trigger Event Observation Date in such Trigger Event Observation Period, then such day shall be treated as a Valuation Date and the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on such day as if such day were a Valuation Date that was a Disrupted Day and the Calculation Agent shall determine the relevant price of the relevant Share or Shares in respect of such day in accordance with such provisions (as such provisions may be amended for these purposes in the applicable Pricing Supplement, for example but without limitation, in respect of the time at which any subsequent valuation(s) is/are made) for the purpose of determining whether a Trigger Event shall occur.

With respect to each of (a) and (b) above, if a Trigger Event Observation Date is deemed to fall after the scheduled Trigger Event Observation Date and any date specified in the applicable Pricing Supplement for payment or delivery of any amount calculated by reference to a value determined in respect of such Trigger Event Observation Date would thereby fall before the second Business Day immediately following such delayed Trigger Event Observation Date, such relevant date for payment or delivery will be delayed until the second Business Day immediately following such delayed Trigger Event Observation Date.

"Trigger Event (Intraday Observation)" means, unless otherwise specified in the applicable Pricing Supplement, a determination by the Calculation Agent that, on any Trigger Event

Observation Date, the Share Price of any Share is less than or equal to the relevant Trigger Level for such Share, as determined by the Calculation Agent.

"Trigger Event Observation Date" means each Scheduled Trading Day during the Trigger Event Observation Period, subject as provided in Trigger Event Disrupted Day Adjustments above.

"Trigger Event Observation Period" means the period specified as such in the applicable Pricing Supplement.

"Trigger Event Strike Level" means, in relation to a Share, the price specified as such in the applicable Pricing Supplement.

"Trigger Event Valuation Time" means the time or period of time on any Trigger Event Observation Date specified as such in the applicable Pricing Supplement or, if no such time is so specified, the Valuation Time for which purposes, references in the definition of Valuation Time to "Valuation Date", shall be deemed to be to "Trigger Event Observation Date".

"Trigger Level" means, in relation to a Share, an amount equal to the product of (i) the relevant Trigger Percentage and (ii) the Trigger Event Strike Level specified for such Share in the applicable Pricing Supplement.

"Trigger Percentage" means, in relation to a Share and, if so specified in the applicable Pricing Supplement, a Trigger Event Observation Date, the percentage specified as such in the applicable Pricing Supplement.

10. Calculations and Determinations

The Calculation Agent will make the calculations and determinations as described in these Equity Linked Conditions in such a manner as the Calculation Agent determines is appropriate acting in good faith and in a commercially reasonable manner (having regard in each case to the criteria stipulated in the Equity Linked Conditions and the hedging arrangements in respect of the Equity Linked Notes).

Notwithstanding that certain calculations, determinations and adjustments in these Equity Linked Conditions may be expressed to be on a certain date, the Calculation Agent may make such calculations, determinations and adjustments in respect of that date on a date after that date determined by it in its discretion.

Pursuant to these Equity Linked Conditions the Calculation Agent has a number of discretions. These are necessary since in certain circumstances it is not reasonably practicable or otherwise not appropriate for certain valuations to be carried out in relation to relevant reference assets and in these circumstances the Calculation Agent also may exercise certain discretions.

Any discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest error) shall be binding on the Issuer and all holders of the Equity Linked Notes.

11. GDR/ADR Linked Notes

If "GDR/ADR Linked Notes" is specified as applicable in the applicable Pricing Supplement, the provisions in paragraphs 12 to 15 inclusive of these Equity Linked Conditions shall apply (in each case subject to completion and/or amendment in the applicable Pricing Supplement).

12. General Provisions in respect of GDR/ADR Linked Notes

The provisions in paragraphs 1 to 10 inclusive of these Equity Linked Conditions shall apply to the Equity Linked Notes:

- (i) where "Partial Lookthrough" is specified as applicable in the applicable Pricing Supplement, as if references therein to the "Shares" were to the Global Depositary Receipts (**GDRs**) and/or American Depositary Receipts (**ADRs**) specified in the applicable Pricing Supplement and/or the Underlying Shares, as applicable and references to the "Exchange" were to the exchange or quotation system on which the GDRs or ADRs, as the case may be, are listed and the primary exchange or quotation system on which the Underlying Shares are listed; or
- (ii) where "Full Lookthrough" is specified as applicable in the applicable Pricing Supplement, as if references therein to "Shares" were to the Underlying Shares and references to the "Exchange" were to the primary exchange or quotation system on which the Underlying Shares are listed,

and in each case with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable to account for the relevant GDRs and/or ADRs.

13. Share Event in respect of GDR/ADR Linked Notes

A Share Event (as defined below) shall be deemed to be an Extraordinary Event to which the provisions of paragraph 5(d) of these Equity Linked Conditions shall apply and upon the occurrence of a Share Event, the Issuer may take the action described in items (i), (ii), (iii) or (iv) set out in paragraph 5(d) of these Equity Linked Conditions. The Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 13 stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto. If an event may constitute both a Share Event and an Additional Disruption Event, the Calculation Agent shall determine which of these events such event constitutes.

For these purposes:

"Depository" means the issuer of the ADRs or GDRs, as applicable.

"Deposit Agreement" means, in relation to the ADRs or GDRs, as applicable, the agreement(s) or other instrument(s) constituting the ADRs or GDRs and/or relating to the Underlying Shares as amended or supplemented from time to time.

"Replacement DRs" means depositary receipts other than the relevant ADRs or GDRs over the same Underlying Shares.

"Share Event" means each of the following events:

- (i) written instructions have been given by the Underlying Share Issuer to the depositary of the Underlying Shares to withdraw or surrender the Underlying Shares; and/or
- (ii) the termination of the Deposit Agreement in respect of the Underlying Shares.

"Underlying Shares" mean the shares or other securities underlying the ADRs or GDRs, as the case may be.

"Underlying Share Issuer" means the issuer of the Underlying Shares.

14. Additional Potential Adjustment Events and Amended Consequences of Potential Adjustment Events

- 14.1 The following additional events shall be deemed to be added to the events listed in the definition of Potential Adjustment Events set out in paragraph 5(a) of these Equity Linked Conditions:

"a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares; or

any amendment or supplement to the terms of the Deposit Agreement."

- 14.2 The words "an economic effect on the Equity Linked Notes or" shall be added to paragraph 5(b) of these Equity Linked Conditions immediately prior to the words "a diluting or concentrative effect..." therein.
- 14.3 The words "or any adjustment made by the Depository under the Deposit Agreement" shall be added to the end of paragraph 5(b) of these Equity Linked Conditions.
- 14.4 If the Calculation Agent determines that no adjustment to the Equity Linked Notes under the terms of paragraph 5(b) of these Equity Linked Conditions that it could make will produce a commercially reasonable result, the Calculation Agent may elect to treat the Potential Adjustment Event as an Extraordinary Event to which the consequences in paragraphs 5(d)(ii) and (iv) of these Equity Linked Conditions shall apply, as selected by the Calculation Agent.

15. Amended Definition of De-listing and Consequences of Extraordinary Events

- 15.1 The definition of De-listing shall be amended by the addition of the words "(A) the Depository announces that the Deposit Agreement is (or will be) terminated and/or (B)" immediately after the word "means" in the first line thereof.
- 15.2 Paragraph 5(d)(i) of these Equity Linked Conditions shall be amended by the addition of the words "or any adjustment made by the Depository under the Deposit Agreement" immediately after the words "that options exchange" therein.

16. Delivery of Entitlement

- 16.1 Where Physical Delivery applies in accordance with the applicable Pricing Supplement, the Issuer shall at the risk of the relevant Noteholder deliver the Entitlement in respect of each Equity Linked Note in such commercially reasonable manner as the Issuer shall, in its sole discretion, determine to be appropriate for such delivery, subject as provided below.

Delivery of the Entitlement is conditional on the Issuer having received in a timely manner all such information and instructions (the "**Required Information**") it requires in its sole discretion to be able to make delivery of the Entitlement in accordance with the Conditions as completed and/or amended by the applicable Pricing Supplement. Required Information may include, without limitation, the name and contact information of the Noteholder, details of the account(s) to which the Entitlement is to be delivered and any related cash amounts are payable or from which any Expenses may be deducted and matching instructions to allow the delivery of the Entitlement. Physical Delivery Noteholders may contact the Issuer (a) by means of a Clearing System notice to the Issuer where the relevant Clearing System procedures provide for this or (b) otherwise, or where Notes are in definitive form, by notice to any Paying Agent at its specified office. If the Issuer has not received the Required Information in sufficient time to allow it to deliver the Entitlement on the date specified for such delivery in accordance with the Conditions as completed and/or amended by the applicable

Pricing Supplement, a Settlement Disruption Event will be deemed to have occurred and the provisions of Physical Delivery Condition 18 (*Settlement Disruption Event*) below will apply.

All expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities, transfer and/or other taxes or duties (together "**Expenses**") arising from the redemption of the Equity Linked Notes and the delivery of any Entitlement shall be for the account of the relevant Noteholder and must be paid in full prior to delivery or transfer of any Entitlement. The Issuer has no obligation to deliver and/or transfer any Entitlement until all Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

By providing the Required Information, the Noteholder is deemed to certify that (A) the beneficial owner of each Equity Linked Note is not a 'US Person' as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended, which term is deemed to include any person that does not meet the definition of 'Non-United States Person' in Rule 4.7 promulgated by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act, as amended (the "**CEA**") ("**US Person**"), (B) the Equity Linked Note is not being redeemed within the United States or on behalf of a US Person and (C) no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a US Person in connection with any redemption thereof.

In the absence of fraud or wilful misconduct on its part, the Issuer shall not be liable to any person with respect to any action taken or omitted to be taken by it in connection with its determination that it does not have the Required Information.

Delivery of the Entitlement in respect of the Equity Linked Notes is subject to all applicable laws, regulations and practices in force on the day on which the Entitlement is to be delivered in accordance with the Conditions as completed and/or amended by the applicable Pricing Supplement including as adjusted by these Physical Delivery Conditions, (the "**Maturity Delivery Date**") and none of the Issuer or any of its Affiliates or agents and the Paying Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer or any of its Affiliates or agents and the Paying Agents shall under any circumstances be liable for any acts or defaults of the relevant Clearing System in relation to the performance of their duties in relation to the Equity Linked Notes.

For such period of time after the Maturity Delivery Date as any person other than the relevant Noteholder shall continue to be the legal owner of the securities or obligations comprising the Entitlement (the "**Intervening Period**"), neither the Issuer nor any other such person shall (i) be under any obligation to deliver or procure delivery to the relevant Noteholder or any subsequent beneficial owner of such Equity Linked Note any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such securities or obligations during the Intervening Period or (iii) be under any liability to the relevant Noteholder, or any subsequent beneficial owner of such Equity Linked Note in respect of any loss or damage which the relevant Noteholder, or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such securities or obligations during such Intervening Period.

Where the Entitlement comprises shares, any dividend or other distribution in respect of such Entitlement will be payable to the party that would receive such dividend or other distribution according to market practice for a sale of the Share executed on the Maturity Delivery Date and to be delivered in the same manner as the Entitlement. Any such dividend or other distribution to be paid to a Noteholder shall be paid to the account specified by the Noteholder as the Required Information

for cash settlement in respect of the Note and the Issuer will have no obligation to pay any such amount until such information is provided.

Where the Entitlement is, in the determination of the Issuer, an amount other than an amount of Relevant Assets capable of being delivered, the Noteholders will receive an Entitlement comprising the nearest number (rounded down) of Relevant Assets capable of being delivered by the Issuer (taking into account that a Noteholder's entire holding may be aggregated in the Issuer's sole discretion for the purpose of delivering the Entitlements), and in respect of the amount of Relevant Assets not capable of being delivered, an amount in the Specified Currency which shall be the fair market value of the amount of the Relevant Assets so rounded down, as calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate).

- 16.2 Notwithstanding any other provision of these Physical Delivery Conditions, the Issuer may from time to time in its sole discretion notify and/or confirm to one or more Noteholder(s) any details of the process (or any alternative process) to be followed in order for the Noteholder to obtain delivery of the Entitlement(s) in respect of any Equity Linked Note, including as to the nature of and procedure for delivery of Required Information.

17. Settlement Disruption Event

If, prior to the delivery of the Entitlement in respect of any Equity Linked Note in accordance with these Physical Delivery Conditions, a Settlement Disruption Event is subsisting, then the Maturity Delivery Date in respect of such Equity Linked Note shall be postponed until the next business day for the relevant settlement system(s) and/or centre(s) relevant for delivery of the Entitlement(s) (as determined by the Calculation Agent) on which no Settlement Disruption Event is subsisting. Such Noteholder shall not be entitled to any payment, whether of interest or otherwise, on such Equity Linked Note as a result of any delay in the delivery of the Entitlement pursuant to these Physical Delivery Conditions. Where delivery of the Entitlement has been postponed as provided in these Physical Delivery Conditions the Issuer shall not be in breach of these Physical Delivery Conditions and no liability in respect thereof shall attach to the Issuer.

For so long as delivery of the Entitlement in respect of any Equity Linked Note is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Equity Linked Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price not later than the third Business Day following the date on which it makes such election.

18. Failure to Deliver due to Illiquidity

If Failure to Deliver due to Illiquidity is specified as applying in the applicable Pricing Supplement and, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets comprising the Entitlement (the "**Affected Relevant Assets**"), where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a "**Failure to Deliver due to Illiquidity**"), then:

- (i) subject as provided elsewhere in these Physical Delivery Conditions and/or the applicable Pricing Supplement, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Maturity Delivery Date in accordance with these Physical Delivery Conditions; and
- (ii) in respect of any Affected Relevant Assets, notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to

pay to the relevant Noteholder the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date the Issuer elects to pay the Failure to Deliver Settlement Price(s) to the relevant Noteholder(s).

19. Option to Vary Settlement

The Issuer has an option to vary settlement in respect of the Equity Linked Notes and may in its sole and absolute discretion in respect of each such Equity Linked Note, elect not to deliver or procure delivery of the Entitlement to the relevant Noteholders but, in lieu thereof to make payment of the Cash Alternative Amount on the Maturity Delivery Date to the relevant Noteholders. Notification of such election will be given to Noteholders in accordance with Condition 13 prior to the Maturity Delivery Date.

20. Physical Delivery Definitions

For the purposes of these Physical Delivery Conditions:

"Cash Alternative Amount" means, in respect of each nominal amount of Equity Linked Notes equal to the Calculation Amount, an amount equal to the fair market value of such Equity Linked Notes (but not taking into account any interest accrued on such Equity Linked Note and paid pursuant to Condition 6 or Condition 8) on such day as shall be selected by the Issuer in its sole and absolute discretion provided that such day is not more than 15 days before the date that the Issuer elects to pay the Cash Alternative Amount in accordance with Physical Delivery Condition 18 less the cost to the Issuer and/or its Affiliates or agents of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

"Clearing System" means, in respect of any Equity Linked Note, the clearing system in which such Equity Linked Note is settled, being one of Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt or such other clearing system as may be specified in the applicable Pricing Supplement.

"Disruption Cash Settlement Price" means, in respect of each nominal amount of Equity Linked Notes equal to the Calculation Amount, an amount equal to the fair market value of such Equity Linked Notes (but not taking into account any interest accrued on such Equity Linked Note and paid pursuant to Condition 6 or Condition 8) on such day as shall be selected by the Issuer in its sole and absolute discretion provided that such day is not more than 15 days before the date that the Issuer elects to pay the Disruption Cash Settlement Price in accordance with Physical Delivery Condition 18 less the cost to the Issuer and/or its Affiliates or agents of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

"Failure to Deliver Settlement Price" means, in respect of each nominal amount of the Equity Linked Notes equal to the Calculation Amount, the fair market value of the Affected Relevant Assets in respect of such Equity Linked Notes on the fifth Business Day prior to the date on which the Issuer elects to pay the Failure to Deliver Settlement Price in accordance with Physical Delivery Condition 19, less the cost to the Issuer and/or its Affiliates or agents of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

"Settlement Disruption Event" means, as of any relevant time, an event beyond the control of the Issuer as a result of which, in the sole opinion of the Calculation Agent, delivery of the Entitlement by or on behalf of the Issuer in accordance with the Physical Delivery Conditions and/or the applicable Pricing Supplement is not practicable at such time. Without limitation a Settlement

Disruption Event will occur if the Issuer has not received Required Information in a timely manner as set out in Physical Delivery Condition 17.1.

21. Tax

The interest payable by the Issuer under the Notes will be payable for the use of the issue price of the Notes and as compensation in recognition of the risk that the Issuer may not be required to repay all or any of the issue price, or (if this is the case) that the consideration itself may have been nil or lower than the return on a security that does not provide exposure to an underlying asset.

PART 2

RISK FACTORS

Investing in equity linked Notes (including Notes which may be physically settled) involves certain risks. Factors which are material for the purpose of assessing the market risks associated with equity linked Notes and physically settled Notes are described below. Prospective investors should read these risk factors together with the Risk Factors in the Base Listing Particulars.

The Issuer makes no representation that the statements set out below regarding the potential risks of equity linked Notes or physically settled Notes are exhaustive.

Undefined capitalized terms used in these risk factors shall have the meanings given to them in the Base Listing Particulars and the applicable Pricing Supplement (including the Equity Linked Conditions).

General risks and risks relating to Equity Linked Notes

The Issuer may issue several issues of Equity Linked Notes relating to a particular share or basket of shares. However, no assurance can be given that the Issuer will issue any such Equity Linked Notes other than the Equity Linked Notes to which the applicable Pricing Supplement relate. At any given time, the number of Equity Linked Notes outstanding may be substantial. Equity Linked Notes provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the relevant share or basket of shares.

Equity Linked Notes may be redeemable by the Issuer by payment of the par value amount and/or by the physical delivery of a specified number of share(s) and/or by payment of an amount determined by reference to the value of the share(s).

The Issuer may issue Equity Linked Notes where the early or other redemption amount or interest payable are dependent upon the price of or changes in the price of shares or a basket of shares or where, depending on the price or change in the price of the shares or basket of shares, the Issuer has an obligation to deliver specified assets. Accordingly, an investment in Equity Linked Notes may bear similar market risks to a direct equity investment and investors should take advice accordingly. An investment in Equity Linked Notes will entail significant risks not associated with a conventional debt security.

Equity Linked Notes involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Purchasers should be prepared to sustain a total loss of the purchase price of the Equity Linked Notes. Prospective purchasers of the Equity Linked Notes should understand the risks of transactions involving the relevant Equity Linked Notes and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Equity Linked Notes in light of their particular financial circumstances, the information set forth herein and the information regarding the Equity Linked Notes and the particular Share or Shares to which the value of, or payments or deliveries in respect of, the Equity Linked Notes may relate, as specified in the applicable Pricing Supplement.

Equity Linked Notes will represent an investment linked to the economic performance of the relevant share or basket of shares and prospective investors should note that the return (if any) on their investment in such Equity Linked Notes will depend upon the performance of such share or basket of shares. Potential investors should also note that whilst the market value of such Equity Linked Notes is linked to such share or basket of shares and will be influenced (positively or negatively) by such share or basket of shares any change may not be comparable and may be disproportionate. It is impossible to predict how the price/level of the relevant share or basket of shares will vary over time. In contrast to a direct investment in the relevant share or

basket of shares, Equity Linked Notes represent the right to receive payment or delivery, as the case may be, of the early or other redemption amount or the Entitlement, as the case may be, as well as payments of interest (if specified in the applicable Pricing Supplement in respect of Equity Linked Notes), all or some of which and the value of which will be determined by reference to the performance of the relevant share or basket of shares.

As the amounts payable and/or deliverable in respect of Equity Linked Notes are linked to the performance of the relevant share or basket of shares, a purchaser of such Equity Linked Notes must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant share or basket of shares. Assuming all other factors are held constant, the lower the value of such Equity Linked Notes and the shorter the remaining term to redemption or cancellation, as applicable, the greater the risk that purchasers of such Equity Linked Notes will lose all or part of their investment.

PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE PRICING SUPPLEMENT TO ASCERTAIN WHAT THE RELEVANT SHARE OR SHARES (IF ANY) ARE AND TO SEE HOW THE EARLY OR OTHER REDEMPTION AMOUNT OR THE ENTITLEMENT, AS THE CASE MAY BE, AND ANY INTEREST PAYMENTS ARE DETERMINED AND WHEN SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY EQUITY LINKED NOTES.

Fluctuations in the value and/or volatility of the relevant share or basket of shares will affect the value of the Equity Linked Notes and such fluctuations may not correlate with changes in interest rates, currencies or other shares. Other factors which may influence the market value of the Equity Linked Notes include interest rates, potential dividend or interest payments (as applicable) in respect of the relevant share or basket of shares, changes in the method of calculating the relevant share or basket of shares from time to time and market expectations regarding the future performance of the relevant share or basket of shares, its composition and such Equity Linked Notes.

The timing of changes in the relevant share or basket of shares may affect the actual yield to investors, even if the average price/level is consistent with their expectations.

Risks relating to Equity Linked Notes

Interest payable on Equity Linked Notes may be calculated by reference to the value of one or more shares.

Potential investors in Equity Linked Notes should be aware that depending on the terms of the Equity Linked Notes (i) they may receive no or a limited amount of interest, (ii) payments or delivery of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment if the value of the share(s) do not move in the anticipated direction.

In addition, the movements in the price of the share or basket of shares may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other shares.

If the early or other redemption amount or interest payable, or Entitlement deliverable, are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the share or basket of shares on the early or other redemption amount or interest payable, or Entitlement deliverable, will be magnified.

Equity Linked Notes may, if so specified in the applicable Pricing Supplement, be structured to include any of the following features:

- "Knock-in", being the occurrence of a specified knock-in event when the price of the relevant share or basket of shares or breaches a pre-defined barrier on a specified observation date(s) or day during an

observation period, which results in a certain payout on maturity or exercise (as applicable) and/or interim payment;

- "Knock-out", being the occurrence of a specified knock-out event when the price of the relevant share or basket of shares reaches or breaches a pre-defined barrier on a specified observation date(s) or day during an observation period, which results in the deactivation of a certain payout on maturity or exercise (as applicable) and/or interim payment;
- "Trigger Event", being the occurrence of any share being equal to or less than the specified price for such share during the relevant observation period; and
- "Best/Worst Performance", being, in relation to Equity Linked Notes referencing more than one share, that the payout on maturity or exercise (as applicable) and/or interim payment can be determined by reference to the share or weighted basket of shares giving the highest performance or lowest performance on a specified observation date or dates.

In such circumstances, the market value of the Equity Linked Notes may be more volatile than for securities that do not include such features and the timing of changes to the price of the share or basket of shares may affect the return on the Equity Linked Notes even if the price is generally consistent with an investor's expectations.

Other than circumstances where the Knock-in Event may only be triggered by reference to the closing level in respect of the Share, if on any Scheduled Trading Day during a Knock-in Period a market disruption event or other circumstance giving rise to a disrupted day occurs but, notwithstanding such disruption, a price is available on such day, a Knock-in Event will be triggered if such price is less than the Knock-in Level for the relevant Share. A market disruption event or circumstance giving rise to a disrupted day may cause significant swings in the price of a Share and any price observed at such time may differ significantly from the price which would have prevailed if that disruption had not occurred. This may make it more likely a Knock-in Event will occur.

If "Mandatory Early Redemption Provisions" are specified as applicable in the applicable Pricing Supplement, on the occurrence of a specified event (such as a share or basket of shares exceeding or falling below a specified price on an observation date or during an observation period), such Equity Linked Notes will be redeemed or cancelled prior to their designated Maturity Date or Settlement Date at the specified Mandatory Early Redemption Amount and no further amounts will be payable or deliverable in relation to such Equity Linked Notes.

In such circumstances, investors are subject to reinvestment risk as they may not be able to replace their investment in such Equity Linked Notes with an investment that has a similar profile as the Equity Linked Notes. In addition, investors will only receive the specified Mandatory Early Redemption Amount and will not benefit from any movement in the price of the relevant share or basket of shares that would have resulted in a higher return on the Equity Linked Notes if they had not been redeemed or cancelled prior to their designated Maturity Date or Settlement Date.

If the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred at any relevant time any such determination may have an effect on the timing of valuation and consequently the value of the Equity Linked Notes and/or may delay settlement in respect of the Equity Linked Notes. Prospective purchasers should review the relevant Conditions of the Equity Linked Notes and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Equity Linked Notes.

In the case of Equity Linked Notes following the declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any of the terms of the Conditions

and/or the applicable Pricing Supplement as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Equity Linked Notes.

In addition, in the case of Equity Linked Notes, if a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency occurs in relation to any Share, the Issuer in its sole and absolute discretion may take the action described in (i), (ii) or (iii) below:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the relevant Conditions and/or the applicable Pricing Supplement to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency and determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Equity Linked Notes;
- (ii) redeem or cancel, as applicable, part (in the case of Equity Linked Notes relating to a basket of Shares) or all (in any other case) of the Equity Linked Notes. Following such redemption or cancellation an investor generally would not be able to reinvest the redemption or cancellation proceeds at an effective interest rate as high as the interest rate on the relevant Equity Linked Notes being redeemed or cancelled and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time; and
- (iii) if the applicable Pricing Supplement provide that "Share Substitution" is applicable, require the Calculation Agent to adjust the basket of Shares to include a share selected by it in accordance with the criteria for share selection set out in the applicable Pricing Supplement in place of the Share(s) which are affected by such Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency and the substitute shares will be deemed to be "Shares" and the relevant issuer of such shares, a "Share Company" for the purposes of the Equity Linked Notes, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Conditions and/or the applicable Pricing Supplement as the Calculation Agent in its sole and absolute discretion determines appropriate.

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

No issuer of the relevant share(s) will have participated in the preparation of the applicable Pricing Supplement or in establishing the terms of the Equity Linked Notes and none of the Issuer nor any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of shares contained in such Pricing Supplement or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Pricing Supplement) that would affect the trading price of the share will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of shares could affect the trading price of the share and therefore the trading price of the Equity Linked Notes.

Except as provided in the Physical Delivery Conditions, Noteholders of Equity Linked Notes will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant shares to which such Equity Linked Notes relate.

Market Disruption Event and Disrupted Day

If an issue of Equity Linked Notes includes provisions dealing with the occurrence of a market disruption event or a failure to open of an exchange or related exchange on a Valuation Date or an Averaging Date and the Calculation Agent determines that a market disruption event or such failure has occurred or exists on a Valuation Date or an Averaging Date, any consequential postponement of the Valuation Date or Averaging Date or any alternative provisions for valuation provided in any Equity Linked Notes may have an adverse effect on the value of such Equity Linked Notes and may delay payments or deliveries under the Notes.

Settlement Disruption Event and Failure to Deliver due to Illiquidity

In the case of Equity Linked Notes which may be physically settled ("**Physical Delivery Notes**"), if a Settlement Disruption Event occurs or exists, settlement will be postponed until the next date on which no Settlement Disruption Event occurs. The Issuer in these circumstances also has the right to pay the Disruption Cash Redemption Price in lieu of delivering the Entitlement. Such a determination may have an adverse effect on the value of the relevant Physical Delivery Notes. In addition if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Pricing Supplement, and in the opinion of the Calculation Agent it is impossible or impracticable to deliver some or all of the Relevant Assets comprising the Entitlement when due as a result of illiquidity in the market for the Relevant Assets, the Issuer has the right to pay the Failure to Deliver Settlement Price in lieu of delivering those Relevant Assets.

Expenses

Noteholders of Physical Delivery Notes must pay all Expenses relating to such Physical Delivery Notes. As used in the Equity Linked Conditions, "Expenses" includes any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the redemption, exercise and settlement (as applicable) of such Physical Delivery Notes and/or the delivery of the Entitlement.

No claim against any Share

An Equity Linked Note will not represent a claim against any share or basket of shares and, in the event of any loss, a Noteholder will not have recourse under an Equity Linked Note to any share or basket of shares.

Physical Delivery Requirements and Settlement Risk

In order to receive the Entitlement in respect of a Physical Delivery Note, the holder of such Equity Linked Note must (1) provide the Required Information in a timely manner and (2) pay the relevant Expenses. Physical Delivery Noteholders should review carefully these Pricing Supplement to ascertain the procedures for this.

Calculation Agent's discretion

The Calculation Agent (which may be UBS AG, London Branch) has a broad discretionary authority to make various determinations and adjustments under the Equity Linked Notes, any of which may have an adverse effect on the value and/or the amounts payable under the Equity Linked Notes. Prospective investors should be aware that any determinations made by the Calculation Agent may have an impact on the value and financial return of the Equity Linked Notes. Where the Calculation Agent is required to make a determination it may do so without taking into account the interests of the Noteholders.