



**LANDSBANKI ÍSLANDS HF.**

*(incorporated with limited liability in Iceland)*

€11,000,000,000

**Euro Medium Term Note Programme**

*Structured Notes Supplement*

This Offering Circular Supplement (the "**Supplement**") to the Offering Circular dated 23 April, 2008 (the "**Offering Circular**") relating to the €11,000,000,000 Euro Medium Term Note Programme (the "**Programme**") of Landsbanki Íslands hf. (the "**Issuer**") describes the various types of structured notes (the "**Structured Notes**") that may be issued under the Programme. This Supplement will be read together with the Offering Circular for all issuances of Structured Notes. This Supplement describes in more detail the terms of Structured Notes that may be offered by the Issuer. The Structured Notes may be issued as Index Linked Notes, Share Linked Notes, Inflation Linked Notes, Commodity Linked Notes, FX Linked Notes, Hybrid Notes, and Notes linked to Underlying Asset(s) (each as defined below). The Issuer may from time to time issue the Structured Notes denominated in any currency agreed between the Issuer and the relevant Dealer.

An investment in Structured Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors" on page 4 of this Supplement, as well as "Risk Factors" in the accompanying Offering Circular.

Application has been made to the Commission de Surveillance du Secteur Financier (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July, 2005 on prospectuses for securities to approve this document as a supplement to the base prospectus. Application has also been made to the Luxembourg Stock Exchange for Structured Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. Notice of the aggregate nominal amount of Structured Notes, interest (if any) payable in respect of Structured Notes, the issue price of Structured Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Structured Notes") of Structured Notes will be set out in a final terms (the "**Final Terms**") which, with respect to Structured Notes to be listed and admitted to trading on the Luxembourg Stock Exchange, will be filed with the CSSF. The Programme provides that Structured Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Structured Notes and/or Structured Notes not admitted to trading on any market.

This Supplement constitutes a supplement to the Offering Circular for the purposes of Article 13 of the Luxembourg Law on prospectuses for securities dated 10 July, 2005. This Supplement, together with the Offering Circular, comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC). This Supplement must be delivered together with the Offering Circular.

**Arranger**

**Banc of America Securities Limited**

**Dealers**

**Banc of America Securities Limited**

**Credit Suisse**

**Deutsche Bank**

**ING Wholesale Banking**

**Merrill Lynch International**

**Banca IMI**

**Daiwa Securities SMBC Europe**

**Dresdner Kleinwort**

**Natixis**

**Skandinaviska Enskilda Banken AB (publ)**

**UniCredit Group (HVB)**

*The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*A copy of this Supplement will be available for viewing and published on the website of the Luxembourg Stock Exchange, [www.bourse.lu](http://www.bourse.lu).*

*From time to time, the Issuer intends to use this Supplement, the accompanying Offering Circular, and a related Final Terms to offer the Structured Notes. Investors should read each of these documents before investing in the Structured Notes.*

*This Supplement describes additional terms of the Structured Notes and supplements the description of the Notes contained in the accompanying Offering Circular. If the information in this Supplement is inconsistent with the Offering Circular, this Supplement will supersede the information in the Offering Circular.*

*Each time the Issuer issues Structured Notes, the Issuer will prepare a Final Terms which will contain additional terms of the offering and a specific description of the Structured Notes being offered. The Final Terms also may add, update, or change information in this Supplement or the accompanying Offering Circular, including provisions describing the calculation of interest and the method of making payments under the terms of a Structured Note. The Issuer will state in the Final Terms the interest rate or interest rate basis or formula, issue price, any relevant index or indices, the maturity date, interest payment dates, redemption or repayment provisions, if any, and other relevant terms and conditions for each Structured Note at the time of issuance. A Final Terms can be quite detailed and always should be read carefully.*

*Any term that is used, but not defined, in this Supplement shall have the meaning set forth in the accompanying Offering Circular.*

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## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfill its obligations under the Structured Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

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

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Structured Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Structured Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.*

*Prospective investors should also read the detailed information set out elsewhere in this Supplement and in the accompanying Offering Circular, including the section entitled "Risk Factors" in the Offering Circular on page 12, which describes the risks inherent in any investment in Notes of the Issuer. Investors should reach their own views prior to making any investment decision.*

### **Additional Risks Relating to Index Linked Notes, Share Linked Notes, Inflation Linked Notes, Commodity Linked Notes, FX Linked Notes, Hybrid Notes, Notes Linked to Other Underlying Asset(s), and Physical Delivery Notes**

Subject to compliance with all applicable legal, regulatory and clearing systems settlement requirements, the Issuer may issue Index Linked Notes, Share Linked Notes, Inflation Linked Notes, Commodity Linked Notes, FX Linked Notes, Hybrid Notes, and Notes linked to other Underlying Asset(s) which may be settled by delivery of assets other than cash, such as by payment of securities, loans or other instruments. The principal, interest and other amounts payable or deliverable in respect of these Structured Notes may not be known at the date of purchase of the Structured Notes and will depend upon the performance of one or more Underlying Asset(s), which themselves may contain substantial credit, interest rate, foreign exchange, time value, political, and/or other risks. However, depending upon the specific terms of the Structured Notes, an investor's return on these Structured Notes may vary substantially from changes in the level or prices of the Underlying Asset(s).

Specific information pertaining to the method of determining the principal, interest and other amounts payable or deliverable in respect of the Structured Notes will be contained in the applicable Final Terms, as well as additional risk factors unique to the Index Linked Notes, Share Linked Notes, Inflation Linked Notes, Commodity Linked Notes, FX Linked Notes, or Notes linked to other Underlying Asset(s), historical information with respect to the specified index, share, commodity, foreign exchange rate, or other Underlying Asset(s) and additional tax considerations, as appropriate.

Generally, an investment in Index Linked Notes, Share Linked Notes, Inflation Linked Notes, Commodity Linked Notes, FX Linked Notes, Hybrid Notes, and Notes linked to other Underlying Asset(s) involves risks in addition to those normally associated with conventional securities.

*Principal Amount.* Index Linked Notes, Share Linked Notes, Inflation Linked Notes, Commodity Linked Notes, FX Linked Notes, Hybrid Notes, and Notes linked to other Underlying Asset(s) may or may not be fully "principal protected". To the extent the Structured Notes are not fully "principal protected", the amount the investor will receive at maturity, settlement, or upon earlier redemption, may be less than the original purchase price of these Structured Notes.

*Interest Payments.* If the interest rate of Index Linked Notes, Share Linked Notes, Inflation Linked Notes, Commodity Linked Notes, FX Linked Notes, Hybrid Notes, or Notes linked to Underlying Asset(s) is indexed (whether or not the principal amount is indexed), or relates to the performance of one or more Underlying Asset(s), the investor may receive interest payments that are less than those the investor would have received had the investor purchased a conventional debt security at the same time having the same maturity or settlement date. Any fixed or

floating rate of interest on these Structured Notes may also be at a lower rate than a conventional debt security. It is also possible that no interest will be paid.

*Multiplier or Leverage Factor.* Some Index Linked Notes, Share Linked Notes, Inflation Linked Notes, Commodity Linked Notes, FX Linked Notes, Hybrid Notes, and Notes linked to other Underlying Asset(s) may have interest, principal, or other payments that increase or decrease at a rate greater than the rate of a favorable or unfavorable movement in the applicable Underlying Asset(s). This is referred to as a multiplier or leverage factor. A multiplier or leverage factor in the relevant Underlying Asset(s) will increase the risk that there may be no return or limited returns on these Structured Notes.

*Early Payment.* If an Index Linked Note, Share Linked Note, Inflation Linked Note, Commodity Linked Note, FX Linked Note, Hybrid Note, or Note linked to other Underlying Asset(s) is sold, redeemed or called prior to its scheduled Maturity Date or Settlement Date, as the case may be, in accordance with its terms, the amount the investor will receive may be less than the principal amount or anticipated return on such Structured Notes.

*Factors Affecting the Trading Value.* The trading market for, and trading value of, Index Linked Notes, Share Linked Notes, Inflation Linked Notes, Commodity Linked Notes, FX Linked Notes, Hybrid Notes, and Notes linked to other Underlying Asset(s) may be affected by a number of factors. Often, the more specific the investment objective or strategy of these Structured Notes, the more limited the trading market and the more volatile the price of such Structured Notes. These factors include:

- (a) the complexity, amount, value, and volatility of the Underlying Asset(s) applicable to the Structured Notes, including any dividend rates or yield of other securities or financial instruments applicable to the Structured Notes;
- (b) the method of calculating the principal, premium, if any, interest, if any, and amounts payable upon redemption, settlement, or exercise, or other amounts, if any, of the Structured Notes;
- (c) the time remaining to maturity, settlement, or expiration, as the case may be, of the Structured Notes;
- (d) the aggregate amount of outstanding Structured Notes of that Series;
- (e) any redemption or settlement feature of the Structured Notes;
- (f) the level, direction, and volatility of market interest rates generally;
- (g) the general economic conditions of the capital markets, as well as geopolitical conditions and other financial, political, regulatory, and judicial events that affect the financial markets generally, may affect the value of the Underlying Asset(s) and the Structured Notes;
- (h) the possibility that investors may be unable to hedge their exposure to these various risks relating to their Structured Notes; and
- (i) the possibility that a significant market disruption could mean that any index on which Index Linked Notes, Commodity Linked Notes, or Inflation Linked Notes are based ceases to exist.

*Level or Price of the Underlying Asset(s).* The price or level of the applicable index, share, commodity, currency, interest rate, or other Underlying Asset(s) will depend on a number of interrelated factors, including economic, financial, political, regulatory, and judicial events, over which none of the Issuer or the Dealer(s) has any control. The historical experience of the applicable Underlying Asset(s) should not be taken as an indication of future performance of that item during the term of the Index Linked Notes, Share Linked Notes, Inflation Linked Notes, Commodity Linked Notes, FX Linked Notes, Hybrid Notes, or Notes linked to other Underlying Asset(s), as the case may be.

*Hedging Activities of the Issuer or its Affiliates.* At any time, the Issuer or its affiliates may engage in hedging activities related to the Structured Notes or to any Underlying Asset(s) applicable to the Structured Notes or other

securities or instruments that the Issuer or its affiliates may issue. This hedging activity, in turn, may increase or decrease the value of the Structured Notes. In addition, the Issuer or its affiliates may acquire a long or short position in the Structured Notes from time to time. All or a portion of these positions may be liquidated at any time, including about the time of the Maturity Date or Settlement Date, as the case may be, of the Structured Notes. The aggregate amount and the composition of such positions are likely to vary over time. The Issuer has no reason to believe that any of its or its affiliates' hedging activities will have a material impact on the Structured Notes, either directly or indirectly, by impacting the price of a component of such Underlying Asset(s); however, there can be no assurance that the Issuer's or its affiliates' activities will not affect such price.

*Trading Activities.* The Issuer or one or more of their affiliates may engage in trading activities relating to the Structured Notes or any Underlying Asset(s) applicable to the Structured Notes that are neither for an investor's account nor on an investor's behalf. These activities may be conducted for the accounts of the Issuer or its affiliates, for business reasons or in connection with hedging the Issuer's obligations under the Structured Notes. These trading activities may present a conflict of interest between an investor's interest in the Structured Notes and the interests that the Issuer and its affiliates may have in their proprietary accounts, in facilitating transactions, including block trades, for their customers and in accounts under their management. These trading activities could be adverse to an investor's interests as a holder of the Structured Notes.

*Limited Exposure to Underlying Asset(s).* If the applicable Final Terms provide that the exposure of any Index Linked Notes, Inflation Linked Notes, Share Linked Notes, Commodity Linked Notes, FX Linked Notes, Hybrid Notes, and Notes linked to other Underlying Asset(s) is limited or capped to a certain level or amount, such Structured Notes will not benefit from any upside in the value of any such Underlying Asset(s) beyond such limit or cap.

*Calculation Agent's Discretion.* The Calculation Agent has very broad discretionary authority to make various determinations and adjustments under the Structured Notes, any of which may have an adverse effect on the value and/or the amounts payable under the Structured Notes.

The Calculation Agent has broad discretion (i) to determine whether a Disrupted Day, Index Adjustment Event, Potential Adjustment Event, Extraordinary Event, Settlement Disruption Event and/or any other event and/or matter so specified in the Conditions has occurred, (ii) to determine any resulting adjustments and calculations as described in the Conditions, and (iii) in respect of any other matters as may be specified in the applicable Final Terms. Prospective purchasers should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Structured Notes. Any such 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.

*Risks Relating to Physical Delivery Notes.* In the case of Physical Delivery Notes, one or more Settlement Disruption Events could occur or exist on the applicable Delivery Date or other date of payment, causing settlement to be postponed. Under these circumstances, the Issuer may have the right to pay the Disruption Cash Redemption Amount or Disruption Cash Settlement Amount, as the case may be, instead of the Physical Delivery Amount. It is possible that the Disruption Cash Redemption Amount or Disruption Cash Settlement Amount, as the case may be, may be less than the value of the assets that an investor would have otherwise received.

*Market Disruption Events.* If an issue of Index Linked Notes, Share Linked Notes, Commodity Linked Notes, Hybrid Notes, or Notes linked to any other Underlying Asset(s) includes provisions dealing with the occurrence of a Market Disruption Event on a Reference Date or any other relevant date and the Calculation Agent determines that a Market Disruption Event has occurred or exists on that date, any consequential postponement of such date or any alternative provisions for valuation provided in any such Structured Notes may have an adverse effect on the value and liquidity of such Structured Note. The timing of any such dates (as scheduled or as so postponed or adjusted) may affect the value of the relevant Structured Notes such that the holder may receive a lower cash redemption amount and/or interest amount or other payment under the relevant Structured Notes than otherwise would have been the case. The occurrence of such a Market Disruption Event in relation to any Underlying Asset(s) comprising a basket may also have such an adverse effect on Structured Notes related to such basket. In addition, any such consequential postponement may result in the postponement of the relevant Settlement Date, Maturity Date, and/or any other relevant payment date.

*Unsecured Obligations.* The obligations of the Issuer in respect of the Structured Notes are not secured. Investors

in the Structured Notes do not have or receive any rights in respect of any shares, indices or other Underlying Asset(s), and may have no right to call for any Underlying Asset(s) to be delivered to them. The Issuer is not obliged by the terms of any Structured Notes to hold any Underlying Asset(s).

*Illegality and Force Majeure.* If the Issuer determines that its performance under any Structured Notes has become unlawful or impractical in whole or in part for any reason, the Issuer may cancel such Structured Notes and pay the holder of each such Structured Note an amount equal to the fair market value of such Structured Notes, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent.

*Additional Risk Factors Relating to Index Linked Notes.* The Calculation Agent will have significant discretion with respect to the Structured Notes in the event that certain determinations need to be made. For example, in the case of Index Linked Notes, if an Index Level is due to be determined in respect of an Index on any Scheduled Trading Day which is a Disrupted Day in respect of such Index, which disruption continues on consecutive Scheduled Trading Days equal to the Maximum Days of Disruption, the Calculation Agent may calculate the Index Level of such Index using the Exchange traded or quoted price as of the relevant Valuation Time on the last consecutive Scheduled Trading Day of each Component comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of any relevant Component on that last consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant Component as of the relevant Valuation Time on that last consecutive Scheduled Trading Day).

In addition, if any Index Sponsor ceases to publish an Index, the Calculation Agent may replace the Index with another index which it deems to be equivalent to the Index.

*Additional Risk Factors Relating to Share Linked Notes.* In the case of Share Linked Notes, following the determination by the Calculation Agent that a Potential Adjustment Event has occurred, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the terms of the Share Linked Notes, including without limitation any variable or term relevant to the settlement or payment under the Share Linked Notes, as the Calculation Agent, in its sole and absolute discretion, determines appropriate to account for that diluting or concentrative effect, and (ii) determine the effective date of that adjustment.

In addition, in the case of Share Linked Notes, if a Merger Event, Tender Offer, Delisting, Nationalization, or Insolvency, occurs in relation to any Share, the Issuer, in its sole and absolute discretion, may:

- (a) 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 Share Linked Notes, including without limitation, any variable or term relevant to the settlement or payment under the Share Linked Notes, as the Calculation Agent determines appropriate to account for the Merger Event, Tender Offer, Delisting, Nationalization, or Insolvency, as the case may be, and determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Share Linked Notes; and
- (b) redeem part (in the case of Share Linked Notes relating to a basket of Shares) or all (in any other case) of the Share Linked Notes. Following such redemption, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate (if any) on the relevant Share Linked Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Share Linked Notes do not represent a claim against or an investment in any Share Issuer and holders will not have any right of recourse under the Share Linked Notes to any such Share Issuer. The Share Linked Notes are not in any way sponsored, endorsed or promoted by any Share Issuer and such companies have no obligation to take into account the consequences of their actions for any holders.

In the case of Physical Delivery Notes, unless and until an investor receives shares of stock at maturity, settlement, or upon an earlier redemption or settlement, or upon exercise of the Share Linked Notes, that investor

will not have any rights against the applicable Share Issuer, including the right to vote, or to receive dividends or other distributions, if any in respect of any Physical Delivery Amount, even though an investor may receive shares of the applicable Share Issuer at maturity, settlement, or earlier redemption or exercise.

*Additional Risk Factors Relating to Inflation Linked Notes.* A relevant consumer price index or other formula linked to a measure of inflation to which the Inflation Linked Notes are linked may be subject to significant fluctuations that may not correlate with other indices. Any movement in the level of the index may result in a reduction of the interest payable on the Inflation Linked Notes, in the case of Inflation Linked Notes with a redemption or settlement amount or exercise price linked to inflation, in a reduction of the amount payable on redemption or settlement which in some cases could be less than the amount originally invested.

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

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

Interest payments, redemption amounts and/or settlement amounts, as the case may be, of Inflation Linked Notes may be based on a calculation made by reference to a consumer price index for a month which is several months prior to the date of payment on the Inflation Linked Notes and therefore could be substantially different from the level of inflation at the time of the applicable payment on the Inflation Linked Notes.

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

*Additional Risk Factors Relating to FX Linked Notes.* An investment in FX Linked Notes entails significant risks in addition to those associated with investments in a conventional security. The foreign exchange rate(s) to which the FX Linked Notes are linked (the “**Relevant Foreign Exchange Rate(s)**”) will affect the nature and value of the investment return on the FX Linked Notes. Investors should form their own views on the merits of an investment related to the Relevant Foreign Exchange Rate(s) based upon their own such investigations of such Relevant Foreign Exchange Rate(s) and should not rely on any information given in the Final Terms. As noted above, given the highly specialized nature of these FX Linked Notes, the Issuer and the Dealer(s) consider that the FX Linked Notes are only suitable for sophisticated investors who are able to determine for themselves the risks of an investment linked to the Relevant Foreign Exchange Rate(s), and who possess all other relevant knowledge and experience in financial and business matters.

FX Linked Notes may be linked to emerging market currencies and, as such, may experience greater volatility and less certainty as to its future levels or as against other currencies.

## TERMS AND CONDITIONS OF THE STRUCTURED NOTES

The following are the supplemental terms and conditions (the “**Supplemental Conditions**”) to the Terms and Conditions of the Notes in the accompanying Offering Circular (the “**General Note Conditions**”) which will include:

- the additional terms and conditions contained in Annex 1 in the case of Index Linked Notes (the “**Index Linked Conditions**”),
- the additional terms and conditions contained in Annex 2 in the case of Share Linked Notes (the “**Share Linked Conditions**”),
- the additional terms and conditions contained in Annex 3 in the case of Inflation Linked Notes (the “**Inflation Linked Conditions**”),
- the additional terms and conditions contained in Annex 4 in the case of Commodity Linked Notes (the “**Commodity Linked Conditions**”), and the additional terms and conditions contained in Annex 5 in the case of FX Linked Notes (the “**FX Linked Conditions**”), or
- any other Annex (each, an “**Annex**”, and together the “**Annexes**”) which may be added from time to time in the case of any Notes linked to any other Underlying Asset(s) (the Supplemental Conditions as supplemented or amended by the Index Linked Conditions, Share Linked Conditions, Inflation Linked Conditions, Commodity Linked Conditions, and/or FX Linked Conditions are together referred to as the “**Terms and Conditions**” or the “**Conditions**”).

The Terms and Conditions are incorporated by reference into each Global Note and will be attached to or endorsed upon each Definitive Note, if any are issued. The applicable Final Terms in relation to any Tranche of Structured Notes may specify other terms and conditions, which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Structured Notes. The applicable Final Terms will be endorsed on, incorporated by reference into, or attached to, each Global Note and Definitive Note. Reference should be made to “Form of the Notes” in the accompanying Offering Circular for a description of the content of Final Terms, which includes the definition of certain terms used in the following Terms and Conditions. The applicable Final Terms in relation to any Tranche of Structured Notes contain additional terms and conditions which will complete the Structured Notes and are deemed to be incorporated by reference into such Structured Notes.

The applicable Final Terms will specify whether settlement shall be by way of cash payment (“**Cash Settlement**”) or by physical delivery (“**Physical Settlement**”). Structured Notes to which Cash Settlement applies are “**Cash Settled Notes**” and Structured Notes to which Physical Settlement applies are “**Physical Delivery Notes**”. Any reference in these Conditions to Physical Delivery Notes shall mean Structured Notes in respect of which a number of underlying shares, bonds, securities, commodities, or such other assets as may be specified in the applicable Final Terms (the “**Relevant Asset(s)**”) plus/minus any amount due to/from the holder in respect of each Structured Note (the “**Physical Delivery Amount**”) is deliverable and/or payable by reference to one or more Relevant Assets as the Issuer and the relevant Dealer(s) may agree and as set out in the applicable Final Terms. The delivery agent in respect of the Structured Notes (the “**Delivery Agent**”) will be specified in the applicable Final Terms. The calculation agent in respect of the Structured Notes (the “**Calculation Agent**”) will be specified in the applicable Final Terms.

If Averaging is specified as applicable in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement, or Modified Postponement (each as defined in the relevant Annex) applies.

References in the Conditions, unless the context otherwise requires, to Cash Settled Notes shall be deemed to include references to Physical Delivery Notes which include the Issuer's option (as set out in the applicable Final Terms) to elect cash settlement upon redemption of such Structured Notes pursuant to Supplemental Condition

2(a)(B) and where settlement upon redemption is to be by way of cash payment. References in the Conditions, unless the context otherwise requires, to Physical Delivery Notes shall be deemed to include references to Cash Settled Notes which include the Issuer's option (as set out in the applicable Final Terms) to elect physical delivery of the Relevant Asset(s) in settlement upon redemption of such Structured Notes pursuant to Supplemental Condition 2(a)(B) and where settlement upon redemption is to be by way of physical delivery.

Structured Notes may, if specified in the applicable Final Terms, allow holders upon redemption of such Structured Notes to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those Structured Notes where the holder has elected for cash payment will be Cash Settled Notes and those Structured Notes where the holder has elected for physical delivery will be Physical Delivery Notes. The rights of a holder as described in this paragraph may be subject to the Issuer's right to vary settlement upon redemption of Structured Notes as indicated in the applicable Final Terms and will be subject to the Issuer's right to substitute assets or pay the Alternative Cash Redemption Amount in lieu of physical delivery in accordance with these Conditions.

## 1. Form, Denomination and Title

Unless otherwise agreed by the Issuer and the relevant Dealers and specified in the applicable Final Terms, the Structured Notes are in bearer form. Definitive Notes, if any, are serially numbered, in the Specified Currency and the Specified Denominations as indicated in the applicable Final Terms.

This Structured Note is a Structured Note issued on the basis of interest linked to an underlying reference asset or basket of assets (each an “**Underlying Asset**”) such as an index or a basket of indices (an “**Index Linked Note**”), a share or a basket of shares (a “**Share Linked Note**”), a consumer price index or a basket of consumer price indices (an “**Inflation Linked Note**”), a commodity or basket of commodities (a “**Commodity Linked Note**”), a foreign exchange rate or basket of foreign exchange rates (an “**FX Linked Note**”), or a combination of any of the foregoing (a “**Hybrid Note**”), depending upon the Interest/Payment Basis specified in the applicable Final Terms, in each case as specified in the applicable Final Terms. The appropriate provisions of these Terms and Conditions will apply accordingly.

## 2. Payments and Physical Delivery

For the purposes of this General Note Condition 2, references to payment or repayment (as the case may be) of principal and/or interest and other similar expressions shall, where the context so requires, be deemed also to refer to delivery of any Physical Delivery Amount(s).

### (a) *Physical Delivery Notes*

#### (A) Physical Delivery

##### (1) Asset Transfer Notices

In relation to Physical Delivery Notes, in order to obtain delivery of the Physical Delivery Amount(s) in respect of any Structured Note, the relevant holder must deliver to Euroclear or Clearstream, Luxembourg, or any Alternative Clearing System, as the case may be, not later than 10:00 a.m. (local time) on the date (the “**Physical Delivery Cut-off Date**”) falling three Business Days prior to the Maturity Date, Interest Payment Date, or other relevant date as specified in the applicable Final Terms, a duly completed asset transfer notice (an “**Asset Transfer Notice**”) in accordance with the provisions set out in this General Note Condition. In this General Note Condition, “**Relevant Clearing System**” means Euroclear or Clearstream, Luxembourg, or any other clearing system located outside the United States and its possessions, specified by the Issuer and the Dealer (each an “**Alternative Clearing System**”), as the case may be.

In the case of Structured Notes held by a Relevant Clearing System, an Asset Transfer Notice may only be delivered in such manner as is acceptable to the Relevant Clearing System, which is expected to be by authenticated SWIFT message or tested telex.

Copies of the Asset Transfer Notice for Definitive Notes that are not held by the Relevant Clearing System shall be in the form set out in the Agency Agreement, and may be obtained during normal business hours from the specified office of any Paying Agent. Upon completion, an Asset Transfer Notice for Definitive Notes held outside of a Relevant Clearing System shall be delivered to any Paying Agent.

The delivery of the Physical Delivery Amount(s) shall be made in the manner specified in the Final Terms or in such other commercially reasonable manner as the Issuer shall determine to be appropriate for such delivery and shall notify to the holders in accordance with General Note Condition 15.

All expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty reserve tax, withholding tax, and/or other taxes or duties (together “**Expenses**”), arising from the delivery and/or transfer of any Physical Delivery Amount(s) shall be for the account of the relevant holder or Couponholder, as the case may be, and no delivery and/or transfer of any Physical Delivery Amount(s) shall be made until Expenses have been paid to the satisfaction of the Issuer by the relevant holder or Couponholder, as the case may be.

The Asset Transfer Notice shall:

- (i) specify the name, address outside the United States and its possessions, and contact telephone number of the relevant holder or Couponholder, as the case may be, the person from whom the Issuer may obtain details for the delivery of the Physical Delivery Amount if such delivery/transfer is to be made otherwise than in the manner specified in the Final Terms;
- (ii) specify the ISIN of the Structured Notes and the number of Structured Notes which are the subject of such notice;
- (iii) in the case of Structured Notes held by a Relevant Clearing System, specify the number of the holder's securities account at the Relevant Clearing System to be debited with such Structured Notes;
- (iv) in the case of Structured Notes held by a Relevant Clearing System, irrevocably instruct the Relevant Clearing System to debit the relevant holder's securities account with the relevant Structured Notes;
- (v) include, or be deemed to include, an undertaking to pay all Expenses and, in the case of Structured Notes held by a Relevant Clearing System, an authority to the Relevant Clearing System to debit a specified account of the holder with the Relevant Clearing System in respect thereof and to pay such Expenses;
- (vi) include such details as are required by the applicable Final Terms for delivery of the Physical Delivery Amount which may include account details of an account outside the United States and its possessions and/or the name and address outside the United States and its possessions of any person(s) into whose name evidence of the Physical Delivery Amount is to be registered and/or any bank, broker, or agent outside the United States and its possessions to whom documents evidencing the Physical Delivery Amount are to be delivered and specify the name and number of the holder's account with the Relevant Clearing System to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Physical Delivery Amount or any dividends relating to the Physical Delivery Amount or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver and the Issuer electing to pay the Disruption Cash Redemption Amount or Failure to Deliver Redemption Amount, as applicable, or as a result of the Issuer electing to pay the Alternative Cash Redemption Amount;
- (vii) certify, or be deemed to certify, that the beneficial owner of each Structured Note is not a U.S. person (as defined in the Asset Transfer Notice), the Structured Note is not being redeemed within the United States or its possessions or on behalf of a U.S. person and no cash or Physical Delivery Amounts have been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and
- (viii) authorize, or be deemed to authorize, the production of such certification in any applicable administrative or

legal proceedings, all as provided in the Agency Agreement.

(2) Verification of the holder

Upon receipt of an Asset Transfer Notice, the Relevant Clearing System (in the case of Structured Notes held by a Relevant Clearing System) or the Agent (in the case of Structured Notes that are not held by a Relevant Clearing System) shall verify that the person delivering the Asset Transfer Notice is the holder of the Structured Notes described therein according to its records. Subject thereto, in the case of Structured Notes held by a Relevant Clearing System, the Relevant Clearing System will confirm to the Agent the ISIN and number of Structured Notes the subject of such notice, and the details for the delivery of the Physical Delivery Amount of each Structured Note. Upon receipt of such confirmation, the Agent will inform the Issuer and the Delivery Agent thereof. In the case of Structured Notes held by a Relevant Clearing System, the Relevant Clearing System will on the Delivery Date debit the securities account of the relevant holder with the relevant Structured Notes.

(3) Determinations and Delivery

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by the Relevant Clearing System in consultation with the Agent (in the case of Structured Notes held by a Relevant Clearing System) or by the Agent (in the case of Structured Notes that are not held by a Relevant Clearing System) after consulting with the Issuer and the Delivery Agent, and shall be conclusive and binding on the Issuer, the Agent, the Delivery Agent, and the relevant holder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied or sent as provided in paragraph (1) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of the Relevant Clearing System or the Agent, as applicable, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered to the Relevant Clearing System or the Agent, as applicable.

The Relevant Clearing System (or the Agent in the case of Structured Notes held outside a Relevant Clearing System) shall use its best efforts promptly to notify the holder submitting an Asset Transfer Notice if, in consultation with the Agent (in the case of Structured Notes held by a Relevant Clearing System) after consulting with the Issuer and the Delivery Agent, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or willful misconduct on its part, none of the Issuer, the Agents, or the Relevant Clearing System shall be liable to any person with respect to any action taken or omitted to be taken in connection with such determination or the notification of such determination to a holder.

No Asset Transfer Notice may be withdrawn after receipt thereof by the Relevant Clearing System or the applicable Paying Agent, as applicable, as provided above. After delivery of an Asset Transfer Notice, the relevant holder may not transfer the Structured Notes which are the subject of such notice.

The Physical Delivery Amount will be delivered at the risk of the relevant holder, in the manner provided below on the Interest Payment Date, the Maturity Date, or any other relevant date as specified in the applicable Final Terms, as the case may be (such date, subject to adjustment in accordance with this Supplemental Condition, the “**Delivery Date**”), provided that the Asset Transfer Notice is duly delivered to the Relevant Clearing System or any Paying Agent, as applicable, as provided above on or prior to the Physical Delivery Cut-Off Date.

If a holder fails to give an Asset Transfer Notice as provided herein on or prior to the Physical Delivery Cut-Off Date, then the Physical Delivery Amount will be delivered as soon as practicable after the Interest Payment Date, Maturity Date, or other relevant date as specified in the applicable Final Terms, as the case may be, (in which case, such date of delivery shall be the Delivery Date) at the risk of such holder in the manner provided below. For the avoidance of doubt, in such circumstances such holder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the Interest Payment Date, Maturity Date, or such other relevant date as specified in the applicable Final Terms and no liability in respect thereof shall attach to the Issuer, the Calculation Agent, or the Delivery Agent.

The Issuer shall, at the risk of the relevant holder, deliver or procure the delivery of the Physical Delivery Amount for each Structured Note, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Issuer shall in its sole discretion determine and notify to the person designated by the holder in the relevant Asset Transfer Notice, provided that in the case of Structured Notes held by a Relevant Clearing System, all deliveries are expected to be made through such Relevant Clearing System. All Expenses arising from the delivery of the Physical Delivery Amount in respect of such Structured Notes shall be for the account of the relevant holder, and no delivery of the Physical Delivery Amount shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant holder.

(4) General

Structured Notes held by the same holder will be aggregated for the purpose of determining the aggregate Physical Delivery Amounts in respect of such Structured Notes, provided that the aggregate Physical Delivery Amounts in respect of the same holder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof.

Following the Delivery Date of a share certificate in respect of any Share, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the Delivery Date and to be delivered in the same manner as such relevant Shares. Any such dividends (net of any Expenses) to be paid to a holder will be paid to the account specified by the holder in the relevant Asset Transfer Notice as referred to in Supplemental Condition 2(a)(A)(1).

For such period of time after delivery of the Physical Delivery Amount as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of any of the Relevant Asset(s) comprising the Physical Delivery Amount (the "**Intervening Period**"), whether owned in connection with such entity's hedge of its obligations, directly or indirectly, under the Structured Notes or otherwise held in its normal course of business, none of the Issuer, the Calculation Agent, the Delivery Agent, or any other person shall at any time be under any obligation or liability to any Noteholder or Couponholder in respect of such Reference Assets, including without limitation, (i) any obligation to deliver or procure delivery to any Noteholder or Couponholder any letter, certificate, notice, circular, or any other document or payment (including any interest, dividend or any other distribution) in respect of any Reference Asset(s) whatsoever received by the Issuer or any of its subsidiaries or affiliates or any such other entities in its capacity as the holder of such Reference Asset(s), (ii) any obligation to exercise or procure exercise of any or all rights attaching to such Reference Assets(s), or (iii) any liability to a Noteholder or Couponholder in respect of any loss or damage which such Noteholder or Couponholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as the legal owner of such Reference Asset(s).

In the case of Definitive Notes held outside of a Relevant Clearing System where Physical Settlement is applicable, the relevant Reference Assets (if any) shall be delivered to the holder by the Delivery Agent on behalf of the Issuer.

(5) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Physical Delivery Amount using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event having occurred and continuing on the Delivery Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Structured Note by delivering or procuring the delivery of the Physical Delivery Amount using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Physical Delivery Amount in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Physical Delivery Amount, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of the Physical Delivery Amount is not practicable by reason of a

Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Structured Note by payment to the relevant holder of the Disruption Cash Redemption Amount on the fifth Business Day following the date that notice of such election is given to the holders in accordance with General Note Condition 15. Payment of the Disruption Cash Redemption Amount will be made in such manner as shall be notified to the holders in accordance with General Note Condition 15. The Calculation Agent shall give notice as soon as practicable to the holders in accordance with General Note Condition 15 that a Settlement Disruption Event has occurred. No holder shall be entitled to any payment in respect of the relevant Structured Note in the event of any delay in the delivery of the Physical Delivery Amount due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer, the Calculation Agent, or the Delivery Agent.

For the purposes hereof:

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

“**Disruption Cash Redemption Amount**”, in respect of any relevant Structured Note, shall be the fair market value of such Structured Note on the Delivery Date (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Physical Delivery Amount and such unaffected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Structured Notes), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner;

“**Settlement Business Day**”, in respect of each Structured Note, has the meaning specified in the applicable Final Terms relating to such Structured Note; and

“**Settlement Disruption Event**” means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer and/or its Affiliates as a result of which the Issuer cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

(6) Failure to Deliver due to Illiquidity

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

- (i) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Maturity Date in accordance with this Supplemental Condition 2(a); and
- (ii) in respect of any Affected Relevant Assets, 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 Structured Note by payment to the relevant holder of the Failure to Deliver Redemption Amount on the fifth Business Day following the date that notice of such election is given to the holders in accordance with General Note Condition 15. Payment of the Failure to Deliver Redemption Amount will be made in such manner as shall be notified to the holders in accordance with General Note Condition 15. The Calculation Agent shall give notice as soon as practicable to the holders in accordance with General Note Condition 15 that the provisions of this Supplemental Condition 2(a)(A)(6) apply.

For the purposes hereof, “**Failure to Deliver Redemption Amount**” in respect of any relevant Structured Note, shall

be the fair market value of such Structured Note on the Delivery Date (taking into account the value of the Relevant Assets comprising the Physical Delivery Amount which have been duly delivered as provided above, the value of such Relevant Assets), adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Structured Notes), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

(B) Variation of Settlement

If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Structured Notes, the Issuer may, in its sole and absolute discretion, in respect of each such Structured Note, elect not to pay the relevant holders the Final Redemption Amount or to deliver or procure delivery of the Physical Delivery Amount to the relevant holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Physical Delivery Amount or make payment of the Final Redemption Amount on the Maturity Date to the relevant holders, as the case may be. Notification of such election will be given to holders in accordance with General Note Condition 16.

(C) Issuer's Option to Substitute Assets or to Pay the Alternative Cash Redemption Amount

Following a valid redemption of Structured Notes in accordance with these Conditions, the Issuer may, in its sole and absolute discretion in respect of such Structured Notes, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises Shares which are not freely tradable, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other Shares which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the “**Substitute Asset**” or the “**Substitute Assets**”, as the case may be) or (ii) not to deliver or procure the delivery of the Physical Delivery Amount or the Substitute Asset or Substitute Assets, as the case may be, to the relevant holders, but in lieu thereof to make payment to the relevant holder on the Settlement Date of an amount equal to the fair market value of the Physical Delivery Amount on the Delivery Date adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Structured Notes) as determined by the Calculation Agent in good faith and in a commercially reasonable manner (the “**Alternative Cash Redemption Amount**”). Notification of any such election will be given to holders in accordance with General Note Condition 15.

For purposes hereof, a “**freely tradable**” Share shall mean (i) with respect to the United States, a share which is registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or not a “**restricted security**” as defined in Rule 144 of the Securities Act and which is not purchased from the issuer of such share and not purchased from an Affiliate of the issuer of such share or which otherwise meets the requirements of a freely tradable share for purposes of the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share not subject to any legal restrictions on transfer in such jurisdiction, as determined by the Calculation Agent in its sole and absolute discretion.

(D) Rights of holders and Calculations

None of the Issuer, the Calculation Agent, the Delivery Agent, or any of the Paying Agents shall have any responsibility for any errors or omissions in the calculation of any Redemption Amount or of any Physical Delivery Amount.

The holding of Structured Notes does not confer on any holder of such Structured Notes any rights (whether in respect of voting, distributions, or otherwise) attaching to any Relevant Asset.

*(g) Rounding*

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified in the relevant Final Terms), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest sub-unit of such currency (with halves being rounded up).

**3. Governing Law**

The Structured Notes (except for General Note Conditions 2(b), 2(c), 3 and 6(f)) shall be construed in accordance with, English law. General Note Conditions 2(b), 2(c), 3 and 6(f) of the Structured Notes are governed by, and shall be construed in accordance with, Icelandic law.

## ANNEX 1

### ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED NOTES

*The terms and conditions applicable to Index Linked Notes (the “**Index Linked Notes**”) shall comprise the Supplemental Conditions and the additional Terms and Conditions set out below (the “**Index Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the Supplemental Conditions and/or the Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Consequences of Disrupted Days

1.1 In relation to an Index or an Index Basket, the following provisions shall apply to each Reference Date (unless otherwise, and to the extent, specified in the applicable Final Terms):

- (i) where the Structured Notes are specified in the applicable Final Terms to relate to a single Index, if the Calculation Agent determines that any Reference Date is a Disrupted Day, then the Reference Date for such Index shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day in respect of such Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption in respect of such Index immediately following the Scheduled Reference Date is a Disrupted Day. In that case:
  - (a) that last consecutive Scheduled Trading Day shall be deemed to be the Reference Date for such Index, notwithstanding the fact that such day is a Disrupted Day; and
  - (b) the Calculation Agent shall determine the Index Level of such Index as of the relevant Valuation Time on that last consecutive Scheduled Trading Day in accordance with the formula for and method of, calculating such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the relevant Valuation Time on that last consecutive Scheduled Trading Day of each Component comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of any relevant Component on that last consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant Component as of the relevant Valuation Time on that last consecutive Scheduled Trading Day) (and such determination by the Calculation Agent pursuant to this paragraph (b) shall be deemed to be the Index Level at the Valuation Time in respect of the relevant Reference Date); or
- (ii) where the Structured Notes are specified in the applicable Final Terms to relate to an Index Basket, then (a) the Reference Date for each Index not affected by the occurrence of a Disrupted Day (as determined by the Calculation Agent) shall be the relevant Scheduled Reference Date, and (b) the Reference Date for each Index affected by the occurrence of a Disrupted Day (as determined by the Calculation Agent) shall be the first succeeding Scheduled Trading Day which the Calculation Agent determines is not a Disrupted Day relating to that Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Reference Date is a Disrupted Day relating to that Index. In that case:
  - (a) that last consecutive Scheduled Trading Day shall be deemed to be the Reference Date for such Index, notwithstanding the fact that such day is a Disrupted Day; and
  - (b) the Calculation Agent shall determine the Index Level of such Index as of the relevant Valuation Time on that last consecutive Scheduled Trading Day in accordance with the formula for, and method of, calculating such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the relevant Valuation Time on that last consecutive Scheduled Trading Day of each Component comprising the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of any relevant Component on that last consecutive Scheduled Trading Day, its good faith

estimate of the value for the relevant Component as of the relevant Valuation Time on that last consecutive Scheduled Trading Day) (and such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Index Level at the Valuation Time in respect of the relevant Reference Date).

1.2 In relation to an Index or an Index Basket, if the Calculation Agent determines that any Averaging Reference Date is a Disrupted Day in respect of an Index and, if in the applicable Final Terms the consequence specified is:

(i) “**Omission**”, then such Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date for the purposes of determining the Index Level at the Valuation Time, provided that, if through the operation of this provision there would not be an Averaging Reference Date, then paragraph 1.1 of these Index Linked Conditions will apply *mutatis mutandis* for the purposes of determining the relevant Index Level at the Valuation Time on the final Averaging Reference Date, as if such Averaging Reference Date were a Reference Date that was a Disrupted Day;

(ii) “**Postponement**”, then paragraph 1.1 of these Index Linked Conditions will apply *mutatis mutandis* for the purposes of determining the Index Level at the Valuation Time on that Averaging Reference Date as if such Averaging Reference Date were a Reference Date that was a Disrupted Day, irrespective of whether, pursuant to such determination, that deferred Averaging Reference Date would fall on a day that already is or is deemed to be an Averaging Reference Date; or

(iii) “**Modified Postponement**”, then:

(a) where the Structured Notes are specified in the applicable Final Terms to relate to a single Index, the Averaging Reference Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Reference Date or Disrupted Day, would have been the final Averaging Reference Date, then (i) that last consecutive Scheduled Trading Day shall be deemed the Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day is already an Averaging Reference Date), and (ii) the Calculation Agent shall determine the Index Level at the Valuation Time for that Averaging Reference Date in accordance with paragraph 1.1(i)(b) of these Index Linked Conditions (as if such Averaging Reference Date were a Reference Date); and

(b) where the Structured Notes are specified in the applicable Final Terms to relate to an Index Basket, (i) the Averaging Reference Date for each Index not affected by the occurrence of a Disrupted Day shall be the relevant Averaging Reference Date, and (ii) the Averaging Reference Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date has not occurred as of the Valuation Time on the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Reference Date or Disrupted Day, would have been the final Averaging Reference Date, then (y) that last consecutive Scheduled Trading Day shall be deemed the Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day is already an Averaging Reference Date) in respect of such Index, and (z) the Calculation Agent shall determine the Index Level at the Valuation Time for that Averaging Reference Date in accordance with paragraph 1.1(i)(b) of these Index Linked Conditions (as if such Averaging Reference Date were a Reference Date).

## 2. Market Disruption

2.1 In relation to Structured Notes relating to a single Index or an Index Basket, the following terms and expressions shall have the following meanings:

“**Market Disruption Event**” means:

- (i) for any Standard Index, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a Component included in the Index at any time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (y) the portion of the level of the Index attributable to that Component) and (z) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event;
- (ii) for any Composite Index:
 

Either:

  - (a) (i) the occurrence or existence, in respect of any Component, of:
    - (A) a Trading Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded;
    - (B) an Exchange Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; or
    - (C) an Early Closure in respect of such Component; and
  - (ii) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or
  - (b) the occurrence or existence, in each case in respect of futures or options contracts relating to the Index, of (i) a Trading Disruption, or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange, or (iii) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of the Index at any time, if an Early Closure, an Exchange Disruption, or a Trading Disruption occurs in respect of a Component at that time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (y) the portion of the level of the Index attributable to that Component and (z) the overall level of the Index; or

- (iii) for any Proprietary Index, the failure by the Index Sponsor to calculate and publish the level of the Index on any Scheduled Trading Day.

**“Disrupted Day”** means:

- (i) for any Standard Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;
- (ii) for any Composite Index, any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of the Index (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), (b) the Related Exchange fails to open for trading during its regular trading session, or (c) a Market Disruption Event has occurred; or
- (iii) for any Proprietary Index, any Scheduled Trading Day on which a Market Disruption Event has occurred

(provided that the Calculation Agent may, in its discretion, determine that the occurrence of such event instead results in the occurrence of an Index Disruption).

**“Early Closure”** means:

- (i) for any Standard Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to Components that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time, unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day, and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or
- (ii) for any Composite Index, the closure on any Exchange Business Day with respect to such Composite Index of the Exchange in respect of any Component, or the Related Exchange, prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day, and (b) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution as at the relevant Valuation Time on such Exchange Business Day.

**“Exchange”** means:

- (i) for any Standard Index, each exchange or quotation system specified as such in the applicable Final Terms for such Index, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Components underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange); or
- (ii) for any Composite Index, each exchange on which any Component of the Index is, in the determination of the Calculation Agent, principally traded, or as otherwise determined by the Calculation Agent in its sole discretion, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity to Components underlying the Index on such temporary substitute exchange or quotation system as on the original Exchange).

**“Exchange Business Day”** means:

- (i) for any Standard Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or
- (ii) for any Composite Index, any Scheduled Trading Day on which (a) the Index Sponsor calculates and publishes the level of the Index, and (b) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

**“Exchange Disruption”** means:

- (i) for any Standard Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, in the case of an Index, any relevant Exchange relating to Components that comprise 20 per cent. or more of the level of that Index, or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to such Index on any relevant Related Exchange; or

- (ii) for any Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (a) any Component on the relevant Exchange in respect of such Component, or (b) futures or options contracts relating to the Index on the relevant Related Exchange.

**“Index Sponsor”** means, for any Index, the entity specified in the applicable Final Terms, and, if not specified, the corporation or other entity that, as determined by the Calculation Agent, (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index, and (ii) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day.

**“Maximum Days of Disruption”** means eight Scheduled Trading Days or such other number of Scheduled Trading Days (or other type of days) specified in the applicable Final Terms.

**“Related Exchange”** means for any Standard Index or Composite Index, each exchange or quotation system if any, specified in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided however that where "All Exchanges" is specified as the Related Exchange, "Related Exchange" shall mean each exchange or quotation system (as the Calculation Agent may select) where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index or, in any such case, any transferee or successor exchange of such exchange or quotation system (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

**“Scheduled Closing Time”** means, in respect of an Index and in respect of an Exchange or Related Exchange specified in the applicable Final Terms and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**“Scheduled Trading Day”** means:

- (i) for any Standard Index, any day on which each Exchange and each Related Exchange specified in the applicable Final Terms are scheduled to be open for trading for their respective regular trading sessions;
- (ii) for any Composite Index, any day on which (a) the Index Sponsor is scheduled to publish the level of the Index, and (b) the Related Exchange is scheduled to be open for trading for its regular trading session; or
- (iii) for any Proprietary Index, any day on which the Index Sponsor is scheduled to publish the level of the Index.

**“Trading Disruption”** means:

- (i) for any Standard Index, any suspension of, or limitation imposed on, trading by the relevant Exchange or Related Exchange or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, (a) relating to Components that comprise 20 per cent. or more of the level of that Index on any relevant Exchange or (b) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
- (ii) for any Composite Index, any suspension or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to any Component on the Exchange in respect of such Component, or (b) in futures or options contracts relating to the Index on the Related

Exchange.

“**Valuation Time**” means (unless otherwise, and to the extent, specified in the applicable Final Terms):

- (i) for any Standard Index, (a) for the purposes of determining whether a Market Disruption Event has occurred in respect of (i) any Component, the Scheduled Closing Time on the Exchange in respect of such Component (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (ii) any options contracts or futures contracts on the Index, the close of trading on the Related Exchange, and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor;
- (ii) for any Composite Index, (a) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (i) any Component, the Scheduled Closing Time on the Exchange in respect of such Component (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (ii) any options contracts or futures contracts on the Index, the close of trading on the Related Exchange, and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor; or
- (iii) for any Proprietary Index, the time at which the Index Sponsor calculates and publishes the official closing level of the Index.

2.2 The Calculation Agent shall give notice, as soon as practicable, to the holders in accordance with General Note Condition 15 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been a Reference Date or an Averaging Reference Date. Any failure by the Calculation Agent to so notify the holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence or the consequences of such Disrupted Day.

### 3. **Fallback Valuation Date**

Notwithstanding any other terms of these Index Linked Conditions, if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to any Reference Date or Averaging Reference Date or any other relevant date (as specified in the applicable Final Terms) (any such date being, for the purposes of this paragraph 3, a “**Relevant Date**”) for an Index, and if, following adjustment of such Relevant Date pursuant to paragraphs 1 (*Consequences of Disrupted Days*) above or 10 (*Additional Basket Valuation Provisions*) below and/or owing to the original date on which such Relevant Date was scheduled to fall not being a Scheduled Trading Day for such Index (for the purposes of this paragraph 3, an “**Affected Index**”), the Relevant Date would otherwise fall after the specified Fallback Valuation Date in respect of such Affected Index, then (unless otherwise, and to the extent, specified in the applicable Final Terms) such Fallback Valuation Date shall be deemed to be such Relevant Date for such Affected Index. If such Fallback Valuation Date is not a Scheduled Trading Day or is a Disrupted Day in respect of such Affected Index, the Index Level as of the Valuation Time for the Relevant Date for such Affected Index shall be determined pursuant to paragraph 1.1(i)(b) of these Index Linked Conditions, as if each reference therein to “that last consecutive Scheduled Trading Day were instead a reference to “such Fallback Valuation Date”.

### 4. **Automatic Early Redemption**

4.1 If Automatic Early Redemption is specified in the applicable Final Terms to be applicable to any Reference Date or Averaging Reference Date or any other relevant date (as specified in the applicable Final Terms) (any such date being, for the purposes of this paragraph 4, a “**Relevant Date**”) for an Index, and if the Calculation Agent determines that an Automatic Early Redemption Event has occurred in respect of such Relevant Date, then (unless otherwise, and to the extent, specified in the applicable Final Terms) the Structured Notes will be redeemed on the Automatic Early Redemption Date corresponding to such Relevant Date.

4.2 The following terms and expressions shall have the following meanings in relation to Structured Notes to which

these Index Linked Conditions apply:

**“Automatic Early Redemption Date”** means, in respect of any Relevant Date, such date as is specified in the applicable Final Terms.

**“Automatic Early Redemption Event”** means, in respect of any Relevant Date, such event as is specified in the applicable Final Terms.

## 5. Adjustments

- 5.1 If an Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for, and method of, calculation as used in the calculation of that Index, then in each case that index (the **“Successor Index”**) will be deemed to be the Index.
- 5.2 If, the Calculation Agent determines that, (i) on or prior to any Reference Date, Averaging Reference Date, Observation Date or other relevant date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for, or the method of, calculating a relevant Index, or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in the Components, capitalization and/or other routine events) (an **“Index Modification”**), or permanently cancels a relevant Index and no Successor Index exists as at the date of such cancellation (an **“Index Cancellation”**), or (ii) on any Reference Date, Averaging Reference Date, Observation Date or other relevant date, the Index Sponsor fails to calculate and announce a relevant Index (an **“Index Disruption”** (provided that, in respect of a Composite Index or a Proprietary Index, the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Disrupted Day) and, together with an Index Modification and an Index Cancellation, each an **“Index Adjustment Event”**) then:
- (i) if **“Calculation Agent Adjustment”** is stated to be applicable in the applicable Final Terms, the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Structured Notes and, if so, shall calculate the relevant Index Level using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Reference Date, Averaging Reference Date, Observation Date or other relevant date, as the case may be, as determined by the Calculation Agent in accordance with the formula for, and method of, calculating that Index last in effect prior to the relevant Index Adjustment Event, but using only those Components that comprised that Index immediately prior to that Index Adjustment Event (other than those Components that have since ceased to be listed on the relevant Exchange); or
  - (ii) if **“Related Exchange Adjustment”** is stated to be applicable in the applicable Final Terms, then following each adjustment to the exercise, settlement, payment, or other terms of options or futures contracts on the Index traded on any Options Exchange, the Calculation Agent will make the corresponding adjustments, if any, to any one or more of terms of the Structured Notes, including without limitation, any variable or term relevant to settlement or payment under the Structured Notes, as the Calculation Agent determines appropriate, 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 or futures contracts on the Index are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the relevant terms of the Structured Notes, including without limitation, any variable or term relevant to settlement or payment under the Structured Notes, as the Calculation Agent determines appropriate, with reference to the rules of and precedents (if any) set by the Options Exchange, to account for any event that, in the determination of the Calculation Agent, would have given rise to an adjustment by the Options Exchange if such options or futures contracts were so traded; or
  - (iii) if, in the determination of the Calculation Agent, neither paragraph (i) nor (ii) above, as is applicable, would achieve a commercially reasonable result, on giving notice to holders in accordance with General Note Condition 15 the Issuer shall redeem the Structured Notes in whole but not in part, each Structured Note being redeemed by payment of an amount equal to the fair market value of such Structured Note taking into account the Index Adjustment Event, adjusted to account fully for any reasonable expenses and costs of the

Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Structured Notes (unless otherwise provided in the applicable Final Terms)), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the holders in accordance with General Note Condition 15.

- 5.3 The Calculation Agent shall, as soon as practicable, notify the relevant Agent of any determination with respect to the Structured Notes made by it pursuant to paragraph 5.1 or 5.2 above, as is applicable, and the action proposed to be taken in relation thereto and such Agent shall make available for inspection by holders copies of any such determinations.

## **6. Correction of Index Level**

If the applicable Final Terms specify that corrections shall be applicable for a relevant Index, then, in the event that any Index Level published by the Index Sponsor on any date which is utilized for any calculation or determination is subsequently corrected and the correction is published by the Index Sponsor within one Settlement Cycle after the original publication, the Calculation Agent will make any determination or determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust any relevant terms of the Structured Notes to account for such correction, provided that, if a Correction Cut-off Date is applicable for a relevant Index for any relevant date, corrections published after such Correction Cut-off Date will be disregarded by the Calculation Agent for the purposes of determining or calculating any relevant amount, and/or whether any event specified in the applicable Final Terms has occurred.

## **7. Additional Disruption Events**

- 7.1 If any Additional Disruption Event is specified in the Final Terms to be applicable to the Structured Notes, and such Additional Disruption Event occurs, the Issuer, in its sole and absolute discretion, may:

- (i) require the Calculation Agent to determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to any of the terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (ii) redeem the Structured Notes in whole but not in part by giving notice to holders in accordance with General Note Condition 15. If the Structured Notes are so redeemed, the Issuer will pay to each holder, in respect of each Structured Note held by such holder, an amount equal to the fair market value of a Structured Note taking into account the Additional Disruption Event, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Structured Notes (unless otherwise provided in the applicable Final Terms)), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the holders in accordance with General Note Condition 15.

- 7.2 Upon the occurrence of an applicable Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the holders in accordance with General Note Condition 15 stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

## **8. Index Disclaimer**

If “**Index Disclaimer**” is specified as being applicable to an Index in the applicable Final Terms, then each of the Issuer and the holders agrees and acknowledges, in respect of each Index, that the Structured Notes are not sponsored, endorsed, sold, or promoted by the Index or the Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No

Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Structured Notes. The Issuer shall have no liability to the holders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment, or maintenance of the Index. Except as disclosed prior to the Issue Date specified in the applicable Final Terms, none of the Issuer, the Calculation Agent and any of their respective affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition, or dissemination of the Indices. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty, or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates, or the Calculation Agent as to the accuracy, completeness, and timeliness of information concerning the Index.

## 9. Definitions

The following terms and expressions shall have the following meanings in relation to Structured Notes to which these Index Linked Conditions apply:

“**Additional Disruption Event**” means any Change in Law, Hedging Disruption, and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

“**Averaging Date**” means, in respect of an Index, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“**Averaging Reference Date**” means, in respect of an Index, each Initial Averaging Date, Averaging Date or such other date as specified, or otherwise determined in respect of that Index, as specified in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“**Change in Law**” means that, on or after the Strike Date (as specified in the applicable Final Terms), due to (i) the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) the promulgation of or any change in the interpretation by any court, tribunal, or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines, in its sole and absolute discretion, that (y) it has become illegal for the Issuer and/or any of its affiliates to hold, acquire, or dispose of relevant Hedge Positions (including any Components comprised in an Index), or (z) the Issuer and/or any of its affiliates will incur a materially increased cost in performing its obligations under the Structured Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit, or other adverse effect on its tax position).

“**Clearance System**” means, in respect of a Component of an Index, a clearance system as specified in the applicable Final Terms. If the applicable Final Terms does not specify a Clearance System, the Clearance System will be the principal domestic clearance system customarily used for settling trades in the relevant Component on any relevant date.

“**Clearance System Business Day**” means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

“**Component**” means, in respect of an Index, each and any security, commodity or other component included in such Index.

“**Composite Index**” means any Index specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

“**Correction Cut-off Date**” means, in respect of any Index, the date(s) specified as such in the applicable Final

Terms.

**“Fallback Valuation Date”** means, in respect of any Index, the date(s) specified as such in the applicable Final Terms.

**“Hedge Positions”** means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives, or foreign exchange, (ii) stock loan transactions, or (iii) other instruments or arrangements (howsoever described) by the Issuer and/or any of its affiliates in order to hedge, individually or on a portfolio basis, its obligations under the Structured Notes.

**“Hedging Disruption”** means that the Issuer and/or any of its affiliates 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 Structured Notes, or (ii) realize, recover, or remit the proceeds of any such transaction(s) or asset(s).

**“Increased Cost of Hedging”** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Strike 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 Structured Notes, or (ii) realize, recover, or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

**“Index Basket”** means, subject to adjustment in accordance with these Index Linked Conditions, the basket of Indices specified in the applicable Final Terms.

**“Index Level”** means the level of the Index as determined by the Calculation Agent as of the relevant time on the relevant date, as calculated and published by the relevant Index Sponsor, or as specified in the applicable Final Terms.

**“Indices”** and **“Index”** mean, subject to adjustment in accordance with these Index Linked Conditions, the indices or index specified in the applicable Final Terms, and related expressions shall be construed accordingly.

**“Initial Averaging Date”** means, in respect of an Index, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

**“Initial Valuation Date”** means, in respect of an Index, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

**“Interest Valuation Date”** means, in respect of an Index, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

**“Observation Date”** means, in respect of an Index and an Observation Period, and unless otherwise provided in the applicable Final Terms, in respect of each Index, each Scheduled Trading Day which is not a Disrupted Day for such Index falling in the Observation Period.

**“Observation Period”** means, in respect of an Index, the period commencing on the Observation Period Start Date and ending on the Observation Period End Date.

**“Observation Period End Date”** means, in respect of an Index, the date specified as such in the applicable Final

Terms, which shall be the last day of the relevant Observation Period. Such day shall be included in or excluded from such Observation Period, as specified in the applicable Final Terms.

“**Observation Period Start Date**” means, in respect of an Index, the date specified as such in the applicable Final Terms, which shall be the first day of the relevant Observation Period. Such day shall be included in or excluded from such Observation Period, as specified in the applicable Final Terms.

“**Proprietary Index**” means any Index specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

“**Reference Date**” means, in respect of an Index, each Initial Valuation Date, Interest Valuation Date, Valuation Date or such other date as specified or otherwise determined in respect of that Index, as specified in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“**Scheduled Initial Averaging Date**” means, in respect of an Index, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Initial Averaging Date.

“**Scheduled Initial Valuation Date**” means, in respect of an Index, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Initial Valuation Date.

“**Scheduled Interest Valuation Date**” means, in respect of an Index, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Interest Valuation Date.

“**Scheduled Reference Date**” means, each Scheduled Initial Valuation Date, Scheduled Interest Valuation Date, Scheduled Valuation Date, or such other date specified or otherwise determined in respect of that Index, as specified in the applicable Final Terms.

“**Scheduled Valuation Date**” means, in respect of an Index, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

“**Settlement Cycle**” means, in respect of an Index, the period of Clearance System Business Days following a trade in the Components underlying such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period).

“**Standard Index**” means any Index specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

“**Valid Date**” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Reference Date does not or is not deemed to occur.

“**Valuation Date**” means, in respect of an Index, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

## 10. Additional Basket Valuation Provisions

10.1 In relation to any Structured Notes to which these Index Linked Conditions apply, if the applicable Final Terms specify that:

- (i) “**Basket Valuation (Common Disrupted Day Roll)**” shall apply to any two or more Indices (such Indices being “**Basket Indices**” and each a “**Basket Index**”), then, notwithstanding the provisions of paragraph 1 above, the provisions of paragraphs 10.1, 10.2, 10.3 and 10.5 of the Index Linked Conditions shall apply to each such Basket Index; or

- (ii) **“Basket Valuation (Common Scheduled Trading Day Roll)”** shall apply to any two or more Indices (such Indices being **“Basket Indices”** and each a **“Basket Index”**), then, notwithstanding the provisions of paragraph 1 above, the provisions of paragraphs 10.1, 10.4 and 10.5 of the Index Linked Conditions shall apply to each such Basket Index.

10.2 In relation to Basket Indices to which "Basket Valuation (Common Disrupted Day Roll)" applies, for each Reference Date for a Basket Index (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been such Reference Date is affected by the occurrence of a Disrupted Day for any Basket Index (as determined by the Calculation Agent), such Reference Date shall be the first succeeding Common Scheduled Trading Day which the Calculation Agent determines is not a Disrupted Day for any Basket Index, unless the Calculation Agent determines that each of the consecutive Common Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that would have been such Reference Date is a Disrupted Day for one or more Basket Indices (such Basket Indices being **“Affected Basket Indices”** for such Reference Date, and each such Basket Index being an **“Affected Basket Index”** for such Reference Date). In that case:

- (i) that last consecutive Common Scheduled Trading Day shall be deemed to be such Reference Date, notwithstanding the fact that such day is a Disrupted Day for the Affected Basket Indices;
- (ii) for each Basket Index other than an Affected Basket Index, the relevant Index Level shall be determined by the Calculation Agent at the applicable Valuation Time on such last consecutive Common Scheduled Trading Day; and
- (iii) for each Affected Basket Index, the Calculation Agent shall determine the Index Level at the applicable Valuation Time of each such Affected Basket Index on that last consecutive Common Scheduled Trading Day in accordance with the formula for, and method of, calculating that Affected Basket Index last in effect prior to the occurrence of the first Disrupted Day in respect of such Affected Basket Index using the Exchange traded or quoted price as of the relevant Valuation Time on that last consecutive Common Scheduled Trading Day of each Component comprised in the Basket Index (or, if an event giving rise to a Disrupted Day has occurred in respect of any relevant Component on that last consecutive Common Scheduled Trading Day, its good faith estimate of the value for the relevant Component as of the relevant Valuation Time on that last consecutive Common Scheduled Trading Day) (and such determination by the Calculation Agent pursuant to this paragraph (iii) shall be deemed to be the Index Level at the Valuation Time of each Affected Basket Index in respect of the relevant Reference Date).

10.3 In relation to Basket Indices to which "Basket Valuation (Common Disrupted Day Roll)" applies, for each Averaging Reference Date for a Basket Index (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been an Averaging Reference Date is affected by the occurrence of a Disrupted Day for any Basket Index (as determined by the Calculation Agent), and, if in the applicable Final Terms the consequence specified is:

- (i) **“Omission”**, then the Averaging Reference Date corresponding to such original date will be deemed not to be a relevant Averaging Reference Date for the purposes of determining the Index Level of the Basket Indices at the Valuation Time, provided that, if through the operation of this provision there would not be an Averaging Reference Date, then paragraph 10.2(iii) of these Index Linked Conditions will apply *mutatis mutandis* for the purposes of determining the relevant Index Level at the Valuation Time on the final Averaging Reference Date, as if such Averaging Reference Date were a Reference Date on which a Disrupted Day had occurred for the relevant Basket Index;
- (ii) **“Postponement”**, then paragraph 10.2 of these Index Linked Conditions will apply *mutatis mutandis* for the purposes of determining the Index Level at the Valuation Time on that Averaging Reference Date as if such original date were a Reference Date that was not a Common Scheduled Trading Day and/or was a Disrupted Day for one or more Basket Indices, irrespective of whether, pursuant to such determination, that deferred Averaging Reference Date would fall on a day that already is or is deemed to be an Averaging Reference Date; or

- (iii) **“Modified Postponement”**, then the Averaging Reference Date for each Basket Index shall be the first succeeding Basket Valid Date in relation to such Index. If the first succeeding Basket Valid Date in relation to such Index has not occurred as of the Valuation Time on the consecutive Common Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Reference Date or Disrupted Day, would have been the final Averaging Reference Date, then (a) that last consecutive Common Scheduled Trading Day shall be deemed the Averaging Reference Date (irrespective of whether that last consecutive Common Scheduled Trading Day is already an Averaging Reference Date) for all Basket Indices, and (b) the Calculation Agent shall determine the Index Level of each Basket Index at the Valuation Time for that Averaging Reference Date in accordance with paragraph 10.2(ii) and (iii) of these Index Linked Conditions (as if such Averaging Reference Date were a Reference Date).

10.4 In relation to Basket Indices to which "Basket Valuation (Common Scheduled Trading Day Roll)" applies:

- (i) for each Reference Date for a Basket Index (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been such Reference Date is not a Common Scheduled Trading Day (as determined by the Calculation Agent), such Reference Date shall be the first succeeding Common Scheduled Trading Day. If such first succeeding Common Scheduled Trading Day is a Disrupted Day for one or more Basket Indices, then the Index Level of each Basket Index shall be determined in accordance with paragraph 1.1(ii) or paragraph 10.2 of these Index Linked Conditions as specified in the applicable Final Terms; and
- (ii) for each Averaging Reference Date for a Basket Index (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been such Averaging Reference Date is not a Common Scheduled Trading Day (as determined by the Calculation Agent), such Averaging Reference Date shall be the first succeeding Common Scheduled Trading Day. If such first succeeding Common Scheduled Trading Day is a Disrupted Day for one or more Basket Indices, then the Index Level of each Basket Index shall be determined in accordance with paragraph 1.2 or paragraph 10.3 of these Index Linked Conditions as specified in the applicable Final Terms.

10.5 The following terms and expressions shall have the following meanings in relation to any Structured Notes to which these Index Linked Conditions apply and to which "Basket Valuation (Common Disrupted Day Roll)" and/or "Basket Valuation (Common Scheduled Trading Day Roll)" shall apply:

**“Basket Valid Date”** means a Common Scheduled Trading Day for all Basket Indices that is not a Disrupted Day for any Basket Index and on which another Averaging Reference Date does not or is not deemed to occur.

**“Common Observation Date”** means, in respect of Basket Indices and a Common Observation Period, and unless otherwise provided in the applicable Final Terms, in respect of the Basket Indices, each Common Scheduled Trading Day falling in the Common Observation Period which is not a Disrupted Day for any Basket Index.

**“Common Observation Period”** means, in respect of Basket Indices, the period commencing on the Common Observation Period Start Date and ending on the Common Observation Period End Date.

**“Common Observation Period End Date”** means, in respect of Basket Indices, the date specified as such in the applicable Final Terms, which shall be the last day of the relevant Common Observation Period. Such day shall be included in or excluded from such Common Observation Period, as specified in the applicable Final Terms.

**“Common Observation Period Start Date”** means, in respect of Basket Indices, the date specified as such in the applicable Final Terms, which shall be the first day of the relevant Common Observation Period. Such day shall be included in or excluded from such Common Observation Period, as specified in the applicable Final Terms.

**“Common Scheduled Trading Day”** means, in respect of all Basket Indices, each day which is a Scheduled Trading Day for all Basket Indices.

## ANNEX 2

### ADDITIONAL TERMS AND CONDITIONS FOR SHARE LINKED NOTES

*The terms and conditions applicable to Share Linked Notes (the “Share Linked Notes”) shall comprise the Supplemental Conditions and the additional Terms and Conditions set out below (the “Share Linked Conditions”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Supplemental Conditions and the Share Linked Conditions, the Share Linked Conditions shall prevail. In the event of any inconsistency between (i) the Supplemental Conditions and/or the Share Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Consequences of Disrupted Days

1.1 In relation to a Share or a Share Basket, the following provisions shall apply to each Reference Date (unless otherwise, and to the extent, specified in the applicable Final Terms):

- (i) where the Structured Notes are specified in the applicable Final Terms to relate to a single Share, if the Calculation Agent determines that any Reference Date is a Disrupted Day, then the Reference Date for such Share shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day in respect of such Share, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption in respect of such Share immediately following the Scheduled Reference Date is a Disrupted Day. In that case:
  - (a) that last consecutive Scheduled Trading Day shall be deemed to be the Reference Date for such Share, notwithstanding the fact that such day is a Disrupted Day; and
  - (b) the Calculation Agent shall determine its good faith estimate of the value for the Share as of the Valuation Time on that last consecutive Scheduled Trading Day (and such determination by the Calculation Agent pursuant to this paragraph (b) shall be deemed to be the Share Price at the Valuation Time in respect of the relevant Reference Date).
- (ii) where the Structured Notes are specified in the applicable Final Terms to relate to a Share Basket, then
  - (a) the Reference Date for each Share not affected by the occurrence of a Disrupted Day (as determined by the Calculation Agent) shall be the relevant Scheduled Reference Date, and (b) the Reference Date for each Share affected by the occurrence of a Disrupted Day (as determined by the Calculation Agent) shall be the first succeeding Scheduled Trading Day which the Calculation Agent determines is not a Disrupted Day relating to that Share, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Reference Date is a Disrupted Day relating to that Share. In that case:
    - (a) that last consecutive Scheduled Trading Day shall be deemed to be the Reference Date for such Share, notwithstanding the fact that such day is a Disrupted Day; and
    - (b) the Calculation Agent shall determine its good faith estimate of the value for the Share as of the Valuation Time on that last consecutive Scheduled Trading Day (and such determination by the Calculation Agent pursuant to this paragraph (b) shall be deemed to be the Share Price at the Valuation Time in respect of the relevant Reference Date).

1.2 In relation to a Share or Share Basket, if the Calculation Agent determines that any Averaging Reference Date is a Disrupted Day in respect of a Share and, if in the applicable Final Terms the consequence specified is:

- (i) “**Omission**”, then such Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date for the purposes of determining the Share Price at the Valuation Time, provided that, if through the operation of this provision there would not be an Averaging Reference Date, then paragraph 1.1 of these Share Linked Conditions will apply mutatis mutandis for the purposes of

determining the relevant Share Price at the Valuation Time on the final Averaging Reference Date, as if such Averaging Reference Date were a Reference Date that was a Disrupted Day;

(ii) “**Postponement**”, then paragraph 1.1 of these Share Linked Conditions will apply mutatis mutandis for the purposes of determining the Share Price at the Valuation Time on that Averaging Reference Date as if such Averaging Reference Date were a Reference Date that was a Disrupted Day, irrespective of whether, pursuant to such determination, that deferred Averaging Reference Date would fall on a day that already is or is deemed to be an Averaging Reference Date; or

(iii) “**Modified Postponement**”, then:

(a) where the Structured Notes are specified in the applicable Final Terms to relate to a single Share, the Averaging Reference Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Reference Date or Disrupted Day, would have been the final Averaging Reference Date, then (i) that last consecutive Scheduled Trading Day shall be deemed the Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day is already an Averaging Reference Date), and (ii) the Calculation Agent shall determine the Share Price at the Valuation Time for that Averaging Reference Date in accordance with paragraph 1.1(i)(b) of these Share Linked Conditions (as if such Averaging Reference Date were a Reference Date); and

(b) where the Structured Notes are specified in the applicable Final Terms to relate to a Share Basket, (i) the Averaging Reference Date for each Share not affected by the occurrence of a Disrupted Day shall be the relevant Averaging Reference Date, and (ii) the Averaging Reference Date for a Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Share. If the first succeeding Valid Date has not occurred as of the Valuation Time on the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Reference Date or Disrupted Day, would have been the final Averaging Reference Date, then (y) that last consecutive Scheduled Trading Day shall be deemed the Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day is already an Averaging Reference Date) in respect of such Share, and (z) the Calculation Agent shall determine the Share Price at the Valuation Time for that Averaging Reference Date in accordance with paragraph 1.1(i)(b) of these Share Linked Conditions (as if such Averaging Reference Date were a Reference Date).

## 2. Market Disruption

2.1 In relation to Structured Notes relating to a single Share or a Share Basket, the following terms and expressions shall have the following meanings:

“**Market Disruption Event**” means, in respect of 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, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

“**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, in respect of a Share, the closure on any Exchange Business Day of the relevant Exchange relating to the Share or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

**“Exchange”** means, in respect of a Share, each exchange or quotation system specified as such in the applicable Final Terms for such Share, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).

**“Exchange Business Day”** means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

**“Exchange Disruption”** means, in respect of a Share, 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 such Share on any relevant Related Exchange.

**“Maximum Days of Disruption”** means eight Scheduled Trading Days or such other number of Scheduled Trading Days (or other type of days) specified in the applicable Final Terms.

**“Related Exchange”** means, in respect of a Share, each exchange or quotation system, if any, specified as such in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange, "Related Exchange" shall mean each exchange or quotation system (as the Calculation Agent may select) 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 or, in any such case, any transferee or successor exchange of such exchange or quotation system (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).

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

**“Scheduled Trading Day”** means, in respect of a Share, any day on which each Exchange and each Related Exchange specified in the applicable Final Terms are scheduled to be open for trading for their respective regular trading sessions.

**“Trading Disruption”** means, in respect of a Share, 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 Time”** means the time specified in the applicable Final Terms or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant day 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.

- 2.2 The Calculation Agent shall give notice, as soon as practicable, to the holders in accordance with General Note Condition 15 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been a Reference Date or an Averaging Reference Date. Any failure by the Calculation Agent to so notify the holders of the occurrence of a Disrupted Day shall not affect the

validity of the occurrence or the consequences of such Disrupted Day.

### 3. Fallback Valuation Date

Notwithstanding any other terms of these Share Linked Conditions, if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to any Reference Date or Averaging Reference Date or any other relevant date (as specified in the applicable Final Terms) (any such date being, for the purposes of this paragraph 3, a “**Relevant Date**”) for a Share, and if, following adjustment of such Relevant Date pursuant to paragraphs 1 (*Consequences of Disrupted Days*) above or 9 (*Additional Basket Valuation Provisions*) below and/or owing to the original date on which such Relevant Date was scheduled to fall not being a Scheduled Trading Day for such Share (for the purposes of this paragraph 3, an “**Affected Share**”) the Relevant Date would otherwise fall after the specified Fallback Valuation Date in respect of such Affected Share, then (unless otherwise, and to the extent, specified in the applicable Final Terms) such Fallback Valuation Date shall be deemed to be such Relevant Date for such Affected Share. If such Fallback Valuation Date is not a Scheduled Trading Day or is a Disrupted Day in respect of such Affected Share, the Share Price as of the Valuation Time for the Relevant Date for such Affected Share shall be determined pursuant to paragraph 1.1(i)(b) of these Share Linked Conditions, as if each reference therein to “that last consecutive Scheduled Trading Day” were instead a reference to “such Fallback Valuation Date”.

### 4. Automatic Early Redemption

- 4.1 If Automatic Early Redemption is specified in the applicable Final Terms to be applicable to any Reference Date or Averaging Reference Date or any other relevant date (as specified in the applicable Final Terms) (any such date being, for the purposes of this paragraph 4, a “**Relevant Date**”) for a Share, and if the Calculation Agent determines that an Automatic Early Redemption Event has occurred in respect of such Relevant Date, then (unless otherwise, and to the extent, specified in the applicable Final Terms) the Structured Notes will be redeemed on the Automatic Early Redemption Date corresponding to such Relevant Date.
- 4.2 The following terms and expressions shall have the following meanings in relation to Structured Notes to which these Share Linked Conditions apply:

“**Automatic Early Redemption Date**” means, in respect of any Relevant Date, such date as is specified in the applicable Final Terms.

“**Automatic Early Redemption Event**” means, in respect of any Relevant Date, such event as is specified in the applicable Final Terms.

### 5. Potential Adjustment Events, Merger Event, Tender Offer, Delisting, Nationalization, and Insolvency

5.1 “**Potential Adjustment Event**” means:

- (i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders of the Shares by way of bonus, capitalization, or similar issue;
- (ii) a distribution, issue, or dividend to existing holders of the relevant Shares of (I) such Shares, or (II) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of such Shares, or (III) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (IV) any other type of securities, rights, or warrants, or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price, all as determined by the Calculation Agent;
- (iii) an Extraordinary Dividend;
- (iv) a call by a Share Issuer in respect of relevant Shares that are not fully paid;

- (v) a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities, or otherwise;
- (vi) in respect of a Share Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments, or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (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.

Following the determination by the Calculation Agent that a Potential Adjustment Event has occurred or following any adjustment to the settlement terms of listed options or futures contracts on the relevant Shares traded on a Related Exchange, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event or adjustment to the settlement terms of listed options or futures contracts on the relevant Shares traded on a Related Exchange 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 Structured Notes, including without limitation, any variable or term relevant to the settlement or payment under the Structured Notes, 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. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the holders in accordance with General Note Condition 15 stating the adjustment to the terms of the Structured Notes, and giving brief details of the Potential Adjustment Event.

5.2 If a Merger Event, Tender Offer, Delisting, Nationalization, or Insolvency occurs in relation to any Share, the Issuer in its sole and absolute discretion, may:

- (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 Structured Notes, including without limitation, any variable or term relevant to the settlement or payment under the Structured Notes, as the Calculation Agent determines, in its sole and absolute discretion, appropriate to account for the Merger Event, Tender Offer, Delisting, Nationalization, or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate, or liquidity relevant to the Shares or to the Structured Notes. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Delisting, Nationalization, or Insolvency made by any options exchange to options on the Shares traded on that options exchange; or
- (ii) in the case of Share Linked Notes relating to a Share Basket, redeem the Structured Notes in part by giving notice to holders in accordance with General Note Condition 15. If the Structured Notes are so redeemed in part, the portion (the “**Redeemed Amount**”) of each Structured Note representing the affected Share(s) shall be redeemed and the Issuer will (a) pay to each holder in respect of each Structured Note held by such holder an amount equal to the fair market value of the Redeemed Amount, taking into account the Merger Event, Tender Offer, Delisting, Nationalization, or Insolvency, as the case may be, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Structured Notes (unless otherwise provided in the applicable Final Terms)), all as

determined by the Calculation Agent in good faith and in a commercially reasonable manner, and (b) 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 Structured Notes, including without limitation, any variable or term relevant to the settlement or payment under the Structured Notes, as the Calculation Agent determines, in its sole and absolute discretion, appropriate to account for such redemption in part. For the avoidance of doubt the remaining part of each Structured Note after such cancellation and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the holders in accordance with General Note Condition 15; or

- (iii) having given notice to holders in accordance with General Note Condition 15 redeem all, but not some only, of the Structured Notes, each Structured Note being redeemed by payment of an amount equal to the fair market value of a Structured Note taking into account the Merger Event, Tender Offer, Delisting, Nationalization, or Insolvency, as the case may be, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Structured Notes (unless otherwise provided in the applicable Final Terms)), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the holders in accordance with General Note Condition 15; 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 the appropriate adjustment, if any, to any one or more of terms of the Structured Notes, including without limitation, any variable or term relevant to the settlement or payment under the Structured Notes, as the Calculation Agent determines, in its sole and absolute discretion, appropriate, 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 Structured Notes, including without limitation, any variable or term relevant to the settlement or payment under the Structured Notes 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, Delisting, Nationalization, or Insolvency, as the case may be, that in the judgment of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (v) if the applicable Final Terms provide that “**Share Substitution**” is applicable, then on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalization, Insolvency, or Delisting (as the case may be), the Calculation Agent may adjust the Share Basket to include shares selected by it (the “**Substitute Shares**”) in place of the Shares (the “**Affected Share(s)**”) which are affected by such Merger Event, Tender Offer, Nationalization, Insolvency, or Delisting, and the Substitute Shares and their issuer will be deemed “Shares” and a “Share Issuer” for the purposes of the Share Linked Conditions, respectively, and the Calculation Agent may make such adjustment, if any, to any one or more of terms of the Structured Notes, including without limitation, any variable or term relevant to the settlement or payment under the Structured Notes, as the Calculation Agent determines, in its sole and absolute discretion, appropriate. In this regard:
  - (a) such substitution and the relevant adjustment to the terms of the Structured Notes will be deemed to be effective as of the date selected by the Calculation Agent (the “**Substitution Date**”), in its absolute discretion, and specified in the notice referred to in paragraph 5.3 below which may, but need not, be the Merger Date or Tender Offer Date or the date of the Nationalization, Insolvency, or Delisting (as the case may be);
  - (b) the weighting of each Substitute Share in the relevant basket will be equal to the weighting of the relevant Affected Share, unless otherwise determined by the Calculation Agent in its sole and absolute discretion;

- (c) if a Merger Event or a Tender Offer occurs between two or more Shares of the relevant basket, Share Substitution will apply; and
- (d) in order to be selected as a Substitute Share, each relevant share must be a share which, in the sole and absolute discretion of the Calculation Agent:
  - (I) is not already the Share or comprised in the Share Basket, as the case may be;
  - (II) belongs to a similar economic sector as the Affected Share; and
  - (III) is of comparable market capitalization, international standing, and exposure as the Affected Share.

5.3 Upon the occurrence of a Merger Event, Tender Offer, Delisting, Nationalization, or Insolvency, the Issuer shall give notice as soon as practicable to the holders, in accordance with General Note Condition 15, stating the occurrence of the Merger Event, Tender Offer, Delisting, Nationalization or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto, including, in the case of Substitute Shares, the identity of the Substitute Shares, and the Substitution Date.

## **6. Correction of Share Price**

If the applicable Final Terms specify that corrections shall be applicable for a relevant Share, then, in the event that any Share Price published on the Exchange on any date which is utilized for any calculation or determination is subsequently corrected and the correction is published by the Exchange within one Settlement Cycle after the original publication, the Calculation Agent will make any determination or determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust any relevant terms of the Structured Notes to account for such correction, provided that, if a Correction Cut-off Date is applicable for a relevant Share for any relevant date, corrections published after such Correction Cut-off Date will be disregarded by the Calculation Agent for the purposes of determining or calculating any relevant amount, and/or whether any event specified in the applicable Final Terms has occurred.

## **7. Additional Disruption Events**

7.1 If any Additional Disruption Event is specified in the applicable Final Terms to be applicable to the Structured Notes, and such Additional Disruption Event occurs, the Issuer, in its sole and absolute discretion, may:

- (i) require the Calculation Agent to determine, in its sole and absolute discretion, the adjustment, if any, to be made to any one or more of the terms of the Structured Notes, including without limitation, any variable or term relevant to the settlement or payment under the Structured Notes, as the Calculation Agent determines appropriate to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (ii) redeem the Structured Notes by giving notice to holders in accordance with General Note Condition 15. If the Structured Notes are so redeemed, the Issuer will pay to each holder, in respect of each Structured Note held by such holder, an amount equal to the fair market value of the Structured Note taking into account the Additional Disruption Event, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Structured Notes (unless otherwise provided in the applicable Final Terms)), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the holders in accordance with General Note Condition 15; or
- (iii) if the applicable Final Terms provide that "Share Substitution" is applicable upon the occurrence of an Additional Disruption Event, then on or after the relevant Additional Disruption Event, the Calculation

Agent may adjust the Share Basket to include a share selected by it (the “**Substitute Shares**”) in place of the Shares (the “**Affected Share(s)**”) which are affected by such Additional Disruption Event and such Substitute Shares will be deemed "Shares" and their issuer a "Share Issuer" for the purposes of the Shares, respectively, and the Calculation Agent may make such adjustment to any one or more of the terms of the Structured Notes, including without limitation, any variable or term relevant to the settlement or payment under the Structured Notes, as the Calculation Agent determines appropriate, and/or any of the other terms of these Share Linked Conditions and/or the applicable Final Terms as the Calculation Agent, in its sole and absolute discretion, determines appropriate. In this regard:

- (a) such substitution and the relevant adjustment to the terms of the Structured Notes will be deemed to be effective as of the date selected by the Calculation Agent (the “**Substitution Date**”), in its absolute discretion, and specified in the notice referred to in paragraph 7.2 below;
- (b) the weighting of each Substitute Share in the relevant basket will be equal to the weighting of the relevant Affected Share, unless otherwise determined by the Calculation Agent in its sole and absolute discretion;
- (c) in order to be selected as a Substitute Share, any relevant share must be a share which, in the sole and absolute discretion of the Calculation Agent:
  - (I) is not already the Share or comprised in the Share Basket, as the case may be;
  - (II) belongs to a similar economic sector as the Affected Share; and
  - (III) is of comparable market capitalization, international standing, and exposure as the Affected Share.

7.2 Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable, to the holders in accordance with General Note Condition 15, stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

## 8. Definitions

“**Additional Disruption Event**” means any Change in Law, Failure to Deliver, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing and/or Loss of Stock Borrow, in each case as specified in the applicable Final Terms.

“**Averaging Date**” means, in respect of a Share, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“**Averaging Reference Date**” means, in respect of a Share, each Initial Averaging Date, Averaging Date or such other date as specified, or otherwise determined in respect of that Share, as specified in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“**Change in Law**” means that, on or after the Strike Date (as specified in the applicable Final Terms), due to (i) the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines, in its sole and absolute discretion, that (y) it has become illegal for the Issuer and/or any of its affiliates to hold, acquire or dispose of relevant Hedge Positions including any relevant Share, or (z) the Issuer and/or any of its affiliates will incur a materially increased cost in performing its obligations under the Structured Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit, or other adverse effect on its tax position).

“**Clearance System**” means, in respect of a Share, a clearance system as specified in the applicable Final

Terms. If the applicable Final Terms does not specify a Clearance System, the Clearance System will be the principal domestic clearance system customarily used for settling trades in the relevant Shares on any relevant date.

**“Clearance System Business Day”** means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

**“Correction Cut-off Date”** means, in respect of any Share, the date(s) specified as such in the applicable Final Terms.

**“Delisting”** means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of that Exchange, such Shares cease (or will cease) to be listed, traded, or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded, or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

**“Extraordinary Dividend”** means, in respect of a Share, an amount per Share specified or otherwise determined as provided in the applicable Final Terms. If no Extraordinary Dividend is specified in or otherwise determined as provided in the applicable Final Terms, then the Extraordinary Dividend shall be determined by the Calculation Agent in its absolute and sole discretion.

**“Failure to Deliver”** means failure of the Issuer and/or any of its affiliates to deliver, when due, the relevant Shares under the Structured Notes, where such failure to deliver is due to illiquidity in the market for such Shares.

**“Fallback Valuation Date”** means, in respect of any Share, the date(s) specified as such in the applicable Final Terms.

**“Hedge Positions”** means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives, or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by the Issuer and/or any of its affiliates in order to hedge its obligations under the Structured Notes, individually or on a portfolio basis.

**“Hedging Disruption”** means that the Issuer and/or any of its affiliates 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 Structured Notes, or (ii) realize, recover, or remit the proceeds of any such transaction(s) or asset(s).

**“Hedging Shares”** means the number of Shares that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Structured Notes.

**“Increased Cost of Hedging”** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Strike Date) amount of tax, duty, expense, or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind, or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Structured Notes, or (b) realize, recover, or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

**“Increased Cost of Stock Borrow”** means that the Issuer and/or any of its affiliates would incur a rate to borrow any Share that is greater than the Initial Stock Loan Rate.

**“Initial Averaging Date”** means, in respect of a Share, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next

following Scheduled Trading Day).

**“Initial Stock Loan Rate”** means, in respect of a Share, the initial stock loan rate specified in relation to such Share in the applicable Final Terms.

**“Initial Valuation Date”** means, in respect of a Share, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

**“Interest Valuation Date”** means, in respect of a Share, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

**“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 Issuer, (i) all the Shares of that Share Issuer are required to be transferred to a trustee, liquidator, or other similar official, or (ii) holders of the Shares of that Share Issuer become legally prohibited from transferring them.

**“Insolvency Filing”** means that a Share Issuer institutes, or has instituted against it by a court, regulator, supervisor, or any similar official with primary insolvency, rehabilitative, or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization 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 Issuer shall not be deemed an Insolvency Filing.

**“Loss of Stock Borrow”** means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

**“Maximum Stock Loan Rate”** means, in respect of a Share, the Maximum Stock Loan Rate specified in the applicable Final Terms.

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

**“Merger Event”** means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of, or an irrevocable commitment to transfer all such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger, or binding share exchange of a Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger, or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal, or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Share Issuer that results in a transfer of, or an irrevocable commitment to transfer, all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger, or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer 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 (y) in the case of Cash Settled Notes, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Structured Note, or (z) in the case of Physical Delivery Notes, the relevant Maturity Date.

**“Nationalization”** means that all the Shares or all or substantially all the assets of the Share Issuer are

nationalized, expropriated, or are otherwise required to be transferred to any governmental agency, authority, entity, or instrumentality thereof.

**“Observation Date”** means, in respect of a Share and an Observation Period and unless otherwise provided in the applicable Final Terms, in respect of each Share, each Scheduled Trading Day which is not a Disrupted Day for such Share falling in the Observation Period.

**“Observation Period”** means, in respect of a Share, the period commencing on the Observation Period Start Date and ending on the Observation Period End Date.

**“Observation Period End Date”** means, in respect of a Share, the date specified as such in the applicable Final Terms, which shall be the last day of the relevant Observation Period. Such day shall be included in or excluded from such Observation Period, as specified in the applicable Final Terms.

**“Observation Period Start Date”** means, in respect of a Share, the date specified as such in the applicable Final Terms, which shall be the first day of the relevant Observation Period. Such day shall be included in or excluded from such Observation Period, as specified in the applicable Final Terms.

**“Options Exchange”** means the exchange or quotation system specified as such in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system, to which trading in options contracts relating to the relevant Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such options contracts on such temporary substitute exchange or quotation system as on the original Options Exchange) or, if no such exchange or quotation system is specified in the applicable Final Terms, the Related Exchange (if such Related Exchange trades options contracts relating to the relevant Share) or, if more than one such Related Exchange is specified in the applicable Final Terms, the Related Exchange selected by the Calculation Agent as the primary market for listed options contracts relating to the relevant Share.

**“Reference Date”** means, in respect of a Share, each Initial Valuation Date, Interest Valuation Date, Valuation Date or such other date as specified or otherwise determined in respect of that Share, as specified in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

**“Scheduled Initial Averaging Date”** means, in respect of a Share, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Initial Averaging Date.

**“Scheduled Initial Valuation Date”** means, in respect of a Share, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Initial Valuation Date.

**“Scheduled Interest Valuation Date”** means, in respect of a Share, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Interest Valuation Date.

**“Scheduled Reference Date”** means, in respect of a Share, each Scheduled Initial Valuation Date, Scheduled Interest Valuation Date, Scheduled Valuation Date, or such other date specified or otherwise determined in respect of that Share, as specified in the applicable Final Terms.

**“Scheduled Valuation Date”** means, in respect of a Share, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

**“Settlement Cycle”** means, in respect of a Share, the period of Clearance System Business Days following a trade in the Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

**“Share”** means in the case of an issue of Structured Notes relating to a Share Basket, each Share and, in the case of an issue of Structured Notes relating to a single Share, the Share, in each case specified in the applicable Final Terms, and related expressions shall be construed accordingly.

“**Share Basket**” means a basket composed of Shares in the relative proportions or numbers of Shares, as specified in the applicable Final Terms.

“**Share Issuer**” means, in respect of a Share, the issuer of the relevant Share.

“**Share Price**” means the price per Share as determined by the Calculation Agent as at the relevant date.

“**Strike Date**” means the date as specified in the applicable Final Terms, or as otherwise determined by the Calculation Agent, in its sole discretion.

“**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 a Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“**Tender Offer Date**” means, in respect of a Tender Offer, or, 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).

“**Valid Date**” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Reference Date does not or is not deemed to occur.

“**Valuation Date**” means, in respect of a Share, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

## 9. Additional Basket Valuation Provisions

9.1 In relation to any Structured Notes to which these Share Linked Conditions apply, if the applicable Final Terms specify that:

- (i) "Basket Valuation (Common Disrupted Day Roll)" shall apply to any two or more Shares (such Shares being “**Basket Shares**” and each a “**Basket Share**”), then, notwithstanding the provisions of paragraph 1 above, the provisions of paragraphs 9.1, 9.2, 9.3 and 9.5 of the Share Linked Conditions shall apply to each such Basket Share; or
- (ii) "Basket Valuation (Common Scheduled Trading Day Roll)" shall apply to any two or more Shares (such Shares being “**Basket Shares**” and each a “**Basket Share**”), then, notwithstanding the provisions of paragraph 1 above, the provisions of paragraphs 9.1, 9.4 and 9.5 of these Share Linked Conditions shall apply to each such Basket Share.

9.2 In relation to Basket Shares to which "Basket Valuation (Common Disrupted Day Roll)" applies, for each Reference Date for a Basket Share (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been such Reference Date is affected by the occurrence of a Disrupted Day for any Basket Share (as determined by the Calculation Agent), such Reference Date shall be the first succeeding Common Scheduled Trading Day which the Calculation Agent determines is not a Disrupted Day for any Basket Share, unless the Calculation Agent determines that each of the consecutive Common Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that would have been such Reference Date is a Disrupted Day for one or more Basket Shares (such Basket Shares being “**Affected Basket Shares**” for such Reference Date, and each such Basket Share being an “**Affected Basket Share**” for such Reference Date). In that case:

- (i) that last consecutive Common Scheduled Trading Day shall be deemed to be such Reference Date, notwithstanding the fact that such day is a Disrupted Day for the Affected Basket Shares;

- (ii) for each Basket Share other than an Affected Basket Share, the relevant Share Price shall be determined by the Calculation Agent at the applicable Valuation Time on such last consecutive Common Scheduled Trading Day; and
- (iii) for each Affected Basket Share, the Calculation Agent shall determine its good faith estimate of the value for the Affected Basket Share as of the Valuation Time on that last consecutive Common Scheduled Trading Day (and such determination by the Calculation Agent pursuant to this paragraph (iii) shall be deemed to be the Share Price at the Valuation Time of such Affected Basket Share in respect of the relevant Reference Date).

9.3 In relation to the Basket Shares to which "Basket Valuation (Common Disrupted Day Roll)" applies, for each Averaging Reference Date for a Basket Share (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been an Averaging Reference Date is affected by the occurrence of a Disrupted Day for any Basket Share (as determined by the Calculation Agent), and, if in the applicable Final Terms the consequence specified is:

- (i) "**Omission**", then the Averaging Reference Date corresponding to such original date will be deemed not to be a relevant Averaging Reference Date for the purposes of determining the Share Price of each Basket Share at the Valuation Time, provided that, if through the operation of this provision there would not be an Averaging Reference Date, then paragraph 9.2(iii) of these Share Linked Conditions will apply *mutatis mutandis* for the purposes of determining the relevant Share Price at the Valuation Time on the final Averaging Reference Date, as if such Averaging Reference Date were a Reference Date on which a Disrupted Day had occurred for the relevant Basket Share;
- (ii) "**Postponement**", then paragraph 9.2 of these Share Linked Conditions will apply *mutatis mutandis* for the purposes of determining the Share Price at the Valuation Time on that Averaging Reference Date as if such original date were a Reference Date that was not a Common Scheduled Trading Day and/or was a Disrupted Day for one or more Basket Shares, irrespective of whether, pursuant to such determination, that deferred Averaging Reference Date would fall on a day that already is or is deemed to be an Averaging Reference Date; or
- (iii) "**Modified Postponement**", then the Averaging Reference Date for each Basket Share shall be the first succeeding Basket Valid Date in relation to such Basket Shares. If the first succeeding Basket Valid Date in relation to such Basket Shares has not occurred as of the Valuation Time on the consecutive Common Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Reference Date or Disrupted Day, would have been the final Averaging Reference Date, then (a) that last consecutive Common Scheduled Trading Day shall be deemed the Averaging Reference Date (irrespective of whether that last consecutive Common Scheduled Trading Day is already an Averaging Reference Date) for all Basket Shares, and (b) the Calculation Agent shall determine the Share Price of each Basket Share at the Valuation Time for that Averaging Reference Date in accordance with paragraph 9.2(ii) and (iii) of these Share Linked Conditions (as if such Averaging Reference Date were a Reference Date).

9.4 In relation to Basket Shares to which "Basket Valuation (Common Scheduled Trading Day Roll)" applies:

- (i) for each Reference Date for a Basket Share (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been such Reference Date is not a Common Scheduled Trading Day (as determined by the Calculation Agent), such Reference Date shall be the first succeeding Common Scheduled Trading Day. If such first succeeding Common Scheduled Trading Day is a Disrupted Day for one or more Basket Shares, then the Share Price of each Basket Share shall be determined in accordance with paragraph 1.1(ii) or paragraph 9.2 of these Share Linked Conditions as specified in the applicable Final Terms; and
- (ii) for each Averaging Reference Date for a Basket Share (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been such Averaging Reference Date is not a Common Scheduled Trading Day (as determined by the Calculation Agent), such Averaging Reference Date shall be the first succeeding Common Scheduled Trading Day. If such first succeeding

Common Scheduled Trading Day is a Disrupted Day for one or more Basket Share, then the Share Price Level of each Basket Share shall be determined in accordance with paragraph 1.2 or paragraph 9.3 of these Share Linked Conditions as specified in the applicable Final Terms.

9.5 The following terms and expressions shall have the following meanings in relation to any Structured Notes to which these Share Linked Conditions apply and to which "Basket Valuation (Common Disrupted Day Roll)" and/or "Basket Valuation (Common Scheduled Trading Day Roll)" shall apply:

**"Basket Valid Date"** means a Common Scheduled Trading Day for all Basket Shares that is not a Disrupted Day for any Basket Share and on which another Averaging Reference Date does not or is not deemed to occur.

**"Common Observation Date"** means, in respect of the Basket Shares and a Common Observation Period, and unless other provided in the applicable Final Terms, in respect of the Basket Shares, each Common Scheduled Trading Day falling in the Common Observation Period which is not a Disrupted Day for any Basket Shares.

**"Common Observation Period"** means, in respect of Basket Shares, the period commencing on the Common Observation Period Start Date and ending on the Common Observation Period End Date.

**"Common Observation Period End Date"** means, in respect of Basket Shares, the date specified as such in the applicable Final Terms, which shall be the last day of the relevant Common Observation Period. Such day shall be included in or excluded from such Common Observation Period, as specified in the applicable Final Terms.

**"Common Observation Period Start Date"** means, in respect of Basket Shares, the date specified as such in the applicable Final Terms, which shall be the first day of the relevant Common Observation Period. Such day shall be included in or excluded from such Common Observation Period, as specified in the applicable Final Terms.

**"Common Scheduled Trading Day"** means, in respect of Basket Shares, each day which is a Scheduled Trading Day for all Basket Shares.

## 10. ADR Provisions

In relation to any Structured Notes to which these Share Linked Conditions apply and for which the applicable Final Terms specify that these ADR provisions (the **"ADR Provisions"**) shall be applicable, the provisions of, and the terms and expressions defined in, this paragraph 10, shall, unless otherwise specified in the applicable Final Terms, apply:

- (i) The definition of "Potential Adjustment Event" in paragraph 5(a) of these Share Linked Conditions shall include, in relation to the ADRs:
  - (a) the occurrence of any Potential Adjustment Event in relation to the Underlying Share or any other shares or securities represented by the ADRs; and
  - (b) the making of any amendment or supplement to the terms of the Deposit Agreement.
- (ii) The definition of "Merger Event" in paragraph 8 of these Share Linked Conditions shall include, in relation to ADRs, the occurrence of any Merger Event in relation to the Underlying Share.
- (iii) If the Deposit Agreement is terminated, then on or after the date of such termination, references to ADRs shall be replaced by references to the Underlying Share and the Calculation Agent will adjust any relevant terms and will determine the effective date of such replacement and adjustments.
- (iv) The definitions of "Nationalization" and "Insolvency" in paragraph 8 of these Share Linked Conditions shall be construed in relation to the ADRs as if references herein to the ADRs of the Share Company were

references to the Underlying Share.

- (v) The definition of "Market Disruption Event" in paragraph 2.1 of these Share Linked Conditions shall include, in relation to the ADRs, the occurrence of a Market Disruption Event in relation to the Underlying Share, and, only for the purpose of determining whether a Market Disruption Event has occurred in relation to an Underlying Share, each reference in these Share Linked Conditions to "Share" or "Shares" shall be construed as a reference to "Underlying Share" or "Underlying Shares", respectively.
- (vi) The following terms shall have the following meanings in relation to ADRs:

“**ADRs**” means the American Depositary Receipts specified in the applicable Final Terms.

“**Deposit Agreement**” means the agreement or other instrument constituting the ADRs, as from time to time amended or supplemented in accordance with its terms.

“**Depository**” means the depository of the ADRs appointed as such in under the terms of the Deposit Agreement or any successor depository thereunder.

“**Share Company**” means (a) both the Depository and the Underlying Share Issuer in respect of the ADRs, and (b) for all other purposes in relation to the Structured Notes, the Depository.

“**Underlying Shares**” shall such shares of the Underlying Share Issuer as is specified in the applicable Final Terms.

“**Underlying Share Issuer**” shall be as specified in the applicable Final Terms.

**ANNEX 3**  
**ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED SECURITIES**

*The terms and conditions applicable to Inflation Linked Notes (the “**Inflation Linked Notes**”) shall comprise the Supplemental Conditions and the additional Terms and Conditions set out below (the “**Inflation Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Supplemental Conditions and the Inflation Linked Conditions, the Inflation Linked Conditions shall prevail. In the event of any inconsistency between (i) the Supplemental Conditions and/or the Inflation Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

**1. Delay of Publication**

1.1 If any level of the Index for a Reference Month which is relevant for any calculation of any value or payment of any amount under the Structured Notes (a “**Relevant Level**”) has not been published or announced by the Inflation Cut-Off Date in respect of any Observation Date, the Calculation Agent shall determine a substitute Index level (“**Substitute Index Level**”) in place of such Relevant Level by using the following methodology:

- (a) if applicable, the Calculation Agent will take the same action to determine the Substitute Index Level for the Affected Observation Date as that taken by the Calculation Agent pursuant to the terms and conditions of the Related Bond;
- (b) if (a) does not result in a Substitute Index Level for the Affected Observation Date for any reason, then the Calculation Agent shall determine the Substitute Index Level as follows:

Substitute Index Level = Base Level × (Latest Level/Reference Level) Where:

“**Base Level**” means the level of the Index (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined.

“**Latest Level**” means the latest level of the Index (excluding any "flash" estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Index Level is being calculated.

“**Reference Level**” means the level of the Index (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in "Latest Level" above.

1.2 If the Relevant Level is published or announced at any time after the Inflation Cut-Off Date in respect of any Observation Date, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to paragraph 1.1 above will be the definitive level of the Index for that Reference Month.

**2. Cessation of Publication**

If the level of the Index has not been published or announced for a period of equal to the Maximum Non-Publication Period or the Index Sponsor announces that it will no longer continue to publish or announce the Index, then the Calculation Agent shall determine a successor to a Successor Index (in lieu of any previously applicable Index) with respect to the Structured Notes by using the following methodology:

- (i) If at any time (other than after an Additional Termination Event has been designated by the Calculation Agent pursuant to paragraph 2(v) below) a successor index has been designated by the Calculation Agent pursuant to the terms and conditions of the Related Bond (if applicable), such successor index shall be designated a "Successor Index" for the purposes of all subsequent payment dates in relation to the Structured Notes, notwithstanding that any other Successor Index may previously

have been determined under paragraphs 2(ii), (iii) or (iv) below.

- (ii) If a Successor Index has not been determined under paragraph 2(i) above (and there has been no designation of an Additional Termination Event pursuant to paragraph 2(v) below), and a notice has been given or an announcement has been made by an Index Sponsor, specifying that the Index will be superseded by a replacement index specified by the Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, then such replacement index shall be the Index from the date that such replacement index comes into effect.
- (iii) If a Successor Index has not been determined under paragraphs 2(i) or (ii) above (and there has been no designation of an Additional Termination Event pursuant to paragraph 2(v) below), the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, that index will be deemed the "Successor Index". If three responses are received, and two or more leading independent dealers state the same index, that index will be deemed the "Successor Index" in respect of the Structured Notes from the date such index is deemed the "Successor Index". If fewer than three responses are received, the "Successor Index" will be determined under paragraph 2(iv) below.
- (iv) If a Successor Index has not been determined under paragraphs 2(i), (ii) or (iii) above, by the Inflation Cut-Off Date falling before the Observation Date next to occur, the Calculation Agent will, in its sole discretion, determine an appropriate alternative index for such Observation Date, and such index will be deemed a "Successor Index".
- (v) If the Calculation Agent determines that there is no appropriate alternative index, an **"Additional Termination Event"** shall be deemed to occur.

### **3. Rebasing of the Index**

If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the **"Rebased Index"**) will be used for purposes of determining the level of the Index from the date of such rebasing; provided, however, that the Calculation Agent shall make adjustments as are made by the Calculation Agent pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. If there is no Related Bond, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Structured Notes.

### **4. Material Modification prior to Observation Date**

If, on or prior to the Inflation Cut-Off Date in respect of any Observation Date, the Index Sponsor for the Index announces that it will make a material change to the Index, then the Calculation Agent shall make any such adjustments to the Index consistent with the adjustments made to the Related Bond, or, if there is no Related Bond, only those adjustments necessary for the modified Index to continue as the Index.

### **5. Manifest Error in Publication**

If (i) within 30 days of publication, or (ii) if earlier and if a Correction Cut-off Date is specified in the applicable Final Terms to be applicable to the relevant Observation Date, on or before such Correction Cut-off Date, the Calculation Agent determines that the Index Sponsor has corrected the level of the Index to remedy a manifest error in its original publication, the Calculation Agent will determine the amount that is payable as a result of that correction and, to the extent necessary, will adjust any relevant terms of the Structured Notes to account for any such correction.

## 6. Additional Termination Event

- (i) If an Additional Termination Event occurs, the Issuer, in its sole and absolute discretion, may:
  - (a) 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 these Conditions and/or the applicable Final Terms to account for the Additional Termination Event and determine the effective date of that adjustment; or
  - (b) redeem the Structured Notes by giving notice to holders in accordance with General Note Condition 15. If the Structured Notes are so redeemed, the Issuer will pay to each holder, in respect of each Structured Note held by such holder, an amount which shall be the fair market value of the Structured Note taking into account the Additional Termination Event 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. Payments will be made in such manner as shall be notified to the holders in accordance with General Note Condition 15.
- (ii) Upon the occurrence of an applicable Additional Termination Event, the Issuer shall give notice, as soon as practicable, to the holders in accordance with General Note Condition 15 stating the occurrence of the Additional Termination Event, giving details thereof and the action proposed to be taken in relation thereto.

## 7. Definitions

**“Affected Observation Date”** means each Observation Date in respect of which an Index has not been published or announced.

**“Correction Cut-off Date”** means, each date specified in the applicable Final Terms as being applicable in respect of any relevant day.

**“Fallback Bond”** means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Index relates and which pays a coupon or redemption amount which is calculated by reference to the Index, with a maturity date which falls on (i) the same day as the Maturity Date or the Settlement Date, as the case may be, (ii) the next longest maturity after the Maturity Date or the Settlement Date, as the case may be, if there is no such bond maturing on the Maturity Date or the Settlement Date, as the case may be, or (iii) the next shortest maturity before the Maturity Date or the Settlement Date, as the case may be, if no bond defined in (i) or (ii) is selected by the Calculation Agent. If the Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany, or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Strike Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond is redeemed, the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

**“Index”** means each index specified as such in the applicable Final Terms, which may be specified by reference to an Index Description or otherwise, or any Successor Index.

**“Index Description”** means any description of an Index as set out in the 2006 ISDA Inflation Derivatives Definitions, published by the International Swaps and Derivatives Association, Inc., as amended up to and including the date of the applicable Final Terms.

**“Index Sponsor”** means the entity specified as such in the applicable Final Terms, or, if none is specified the entity that publishes or announces (directly or through an agent) the level of the relevant Index.

**“Inflation Cut-Off Date”** means, in respect of each Observation Date, the fifth Business Day prior to such Observation Date, or such other date specified as such in the applicable Final Terms.

**“Maximum Non-Publication Period”** means, in respect of an Index, two months, or such other period specified as such in the applicable Final Terms.

**“Observation Date”** means any date or dates as specified in the applicable Final Terms on which the level of the Index is to be determined.

**“Reference Month”** means each calendar month for which the level of the Index was reported, regardless of when such information is published or announced. If the period for which the level of the Index was reported is a period other than a month, the Reference Month is the period for which the level of the Index was reported (as determined by the Calculation Agent).

**“Related Bond”** means the bond specified as such in the applicable Final Terms, or, if no bond is so specified, the Fallback Bond. If no bond is specified as the Related Bond and "Fallback Bond" is specified in the applicable Final Terms as being "Not Applicable", there shall be no Related Bond for the purposes of the Structured Notes. If a bond is specified as the Related Bond, and that bond is redeemed or matures prior to the Maturity Date or the Settlement Date, as the case may be, unless "Fallback Bond" is specified in the applicable Final Terms as being "Not Applicable", the Calculation Agent shall use the Fallback Bond for any Related Bond determination in respect of the Structured Notes.

**“Strike Date”** means the date as specified in the applicable Final Terms, or as otherwise determined by the Calculation Agent, in its sole discretion.

**“Successor Index”** means an alternative index determined pursuant to the provisions of Inflation Linked Condition 2.

**ANNEX 4**  
**ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY LINKED NOTES**

*The terms and conditions applicable to Commodity Linked Notes (the “**Commodity Linked Notes**”) shall comprise the Supplemental Conditions and the additional Terms and Conditions set out below (the “**Commodity Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Supplemental Conditions and the Commodity Linked Conditions, the Commodity Linked Conditions shall prevail. In the event of any inconsistency between (i) the Supplemental Conditions and/or the Commodity Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

**1. Consequences of Market Disruption Events**

If the Calculation Agent determines that a Market Disruption Event has occurred or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source), the Relevant Price for that Pricing Date will be determined in accordance with the first Disruption Fallback (applied in accordance with its terms) specified as being

applicable in the applicable Final Terms. The applicable Final Terms may provide that one or more Disruption Fallbacks may apply to any Pricing Date, and that such applicable Disruption Fallbacks may apply concurrently or sequentially, in such manner as specified in the applicable Final Terms.

**2. Market Disruption Events**

“**Market Disruption Event**” means, in respect of a relevant Commodity, an event that, if provided by the applicable Final Terms to be applicable to the Structured Notes, would give rise, in accordance with an applicable Disruption Fallback, to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price were the event to occur or exist on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source).

The following events, if specified in the applicable Final Terms to be applicable, shall be Market Disruption Events:

- (i) “**Price Source Disruption**” means (A) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price (or, if there is no Specified Price for a Commodity Reference Price, the failure of the Price Source to announce or publish such Commodity Reference Price for any relevant day (or the information necessary for determining such Commodity Reference Price for such day)); (B) the temporary or permanent discontinuance or unavailability of the Price Source; (C) if the Commodity Reference Price is “Commodity-Reference Dealers”, the failure to obtain at least three quotations as requested from the relevant Reference Dealers; or (D) if a Price Materiality Percentage is specified in the applicable Final Terms, the Specified Price for the relevant Commodity Reference Price differs from the Specified Price determined in accordance with the Commodity Reference Price “Commodity — Reference Dealers” by such Price Materiality Percentage.
- (ii) “**Trading Disruption**” means the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Commodity on the Exchange, or in any additional futures contract, options contract, or commodity on any Exchange as specified in the applicable Final Terms or as determined by the Calculation Agent. For these purposes:
  - (a) a suspension of the trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if:
    - (I) all trading in the Futures Contract or the Commodity is suspended for the entire Pricing Date; or
    - (II) all trading in the Futures Contract or the Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract, or such Commodity on such Pricing Date and such suspension is

announced less than one hour preceding its commencement; and

- (b) a limitation of trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if the Exchange establishes limits on the range within which the price of the Futures Contract or the Commodity may fluctuate and the closing or settlement price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range.

**“Disappearance of Commodity Reference Price”** means (A) the permanent discontinuation of trading in the relevant Futures Contract on the relevant Exchange; (B) the disappearance of, or of trading in, the relevant Commodity; or (C) the disappearance or permanent discontinuation or unavailability of the Commodity Reference Price, notwithstanding the availability of the Price Source or the status of trading in the relevant Futures Contracts or the relevant Commodity.

**“Material Change in Formula”** means the occurrence since the Strike Date or such other date as may be specified in the applicable Final Terms of a material change in the formula for or the method of calculating the relevant Commodity Reference Price.

**“Material Change in Content”** means the occurrence since the Strike Date or such other date as may be specified in the applicable Final Terms of a material change in the content, composition or constitution of the Commodity or relevant Futures Contract.

**“Tax Disruption”** means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Strike Date or such other date as may be specified in the applicable Final Terms, if the direct effect of such imposition, change, or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change, or removal.

### 3. Disruption Fallbacks

The following events, if specified in the applicable Final Terms to be applicable in respect of a Pricing Date, shall be **“Disruption Fallbacks”** (provided that (i) different Disruption Fallbacks may be applicable in respect of different Pricing Dates, as specified in the applicable Final Terms, and (ii) unless otherwise provided in the applicable Final Terms, for each Pricing Date, Calculation Agent Determination shall be deemed to be specified as the final, or if no other Disruption Fallback is specified, Disruption Fallback):

- (i) **“Fallback Reference Dealers”** means that the Relevant Price will be determined in accordance with "Commodity Reference Price" and "Commodity — Reference Dealers" below.
- (ii) **“Fallback Reference Price”** means that the Calculation Agent will determine the Relevant Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the applicable Final Terms and not subject to a Market Disruption Event.
- (iii) **“Postponement”** means that the Pricing Date will be deemed, for the purposes of the application of this Disruption Fallback only, to be the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) for consecutive Commodity Business Days equal in number to the Maximum Days of Disruption. In that case, the next Disruption Fallback specified in the applicable Final Terms will apply.
- (iv) **“Calculation Agent Determination”** means that the Calculation Agent will determine the Relevant Price (or a method for determining a Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in good faith it deems relevant.

- (v) **“Delayed Publication or Announcement”** means that the Relevant Price for a Pricing Date will be determined based on the Specified Price (or, if there is no Specified Price for a Commodity Reference Price, such Commodity Reference Price) in respect of the original day scheduled as such Pricing Date that is published or announced by the Price Source retrospectively on the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Price continues to be unavailable for consecutive Commodity Business Days equal in number to the Maximum Days of Disruption. In that case, the next Disruption Fallback specified in the applicable Final Terms will apply.

If the applicable Final Terms provides that both "Delayed Publication or Announcement" and "Postponement" shall be applicable Disruption Fallbacks for a Pricing Date, then, unless otherwise provided in the applicable Final Terms, both such Disruption Fallbacks are to operate concurrently with the other and each shall be subject to two (or such other number as may be specified in the applicable Final Terms) Commodity Business Days as the applicable Maximum Days of Disruption, and that the price determined by Postponement will be the Relevant Price only if Delayed Publication or Announcement does not yield a Relevant Price within the Maximum Number of Days of Disruption.

#### **4. Corrections to Published Prices**

If the price published or announced on a given day and used or to be used by the Calculation Agent to determine a Relevant Price on any Pricing Date is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement (i) by the thirtieth (30th) calendar day (or such other time frame as may be specified in the applicable Final Terms; provided that different time frames may be specified in the applicable Final Terms for different days or Pricing Dates) after the original publication or announcement, or (ii) if earlier and if a Correction Cut-off Date is specified in the applicable Final Terms to be applicable to such Pricing Date, such Correction Cut-off Date, such corrected price shall be the Relevant Price, and the Calculation Agent, to the extent it deems necessary, may make such adjustments to any of the terms of the Structured Notes that it determines in its sole and absolute discretion to account for such correction.

#### **5. Successor Entity Calculated and Reports a Price**

If in respect of any relevant Pricing Date, either a Commodity Reference Price is (i) not calculated and announced by the Exchange but is calculated and announced by a successor entity acceptable to the Calculation Agent, or (ii) replaced by a successor commodity price calculated using, as determined by the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of such Commodity Reference Price, then in each case, such price as so calculated will be deemed to be the Commodity Reference Price.

#### **6. Definitions**

The following terms and expressions shall have the following meanings in relation to Structured Notes to which these Commodity Linked Conditions apply:

**“Commodity”** means the commodity specified in the applicable Final Terms.

**“Commodity Business Day”** means:

- (i) where the Commodity Reference Price is a price announced or published by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time; and

- (ii) where the Commodity Reference Price is not a price announced or published by an Exchange, a day that

is (or, but for the occurrence of a Market Disruption Event, would have been) a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price.

**“Commodity Definitions”** means the 2005 ISDA Commodity Definitions, published by the International Swaps and Derivatives Association, Inc., as amended up to and including the date of the applicable Final Terms.

**“Commodity — Reference Dealers”** means that the price for a Pricing Date will be determined on the basis of quotations provided by Reference Dealers on that Pricing Date of that day's Specified Price (or, if there is no Specified Price for a Commodity Reference Price, such Commodity Reference Price) for a Unit of the relevant Commodity for delivery on the Delivery Date (or, if there is no Delivery Date for a Commodity Reference Price, for delivery on such date that forms the basis on which such Commodity Reference Price is quoted). If four quotations are provided as requested, the price for that Pricing Date will be the arithmetic mean of the Specified Prices (or, if there is no Specified Price for a Commodity Reference Price, of such Commodity Reference Prices for the relevant date and time) for that Commodity provided by each Reference Dealer, without regard to the Specified Prices (or, as the case may be, Commodity Reference Prices for the relevant date and time) having the highest and lowest values. If exactly three quotations are provided as requested, the price for that Pricing Date will be the Specified Price (or, as the case may be, Commodity Reference Price for the relevant date and time) provided by the relevant Reference Dealer that remains after disregarding the Specified Prices (or, as the case may be, Commodity Reference Prices for the relevant date and time) having the highest and lowest values. For this purpose, if more than one quotation has the same highest or lowest value, then the Specified Price (or, as the case may be, Commodity Reference Price for the relevant date and time) of one of such quotations shall be disregarded. If fewer than three quotations are provided, then the next Disruption Fallback specified in the applicable Final Terms will apply, or, if no such Disruption Fallback is specified or is deemed to be specified, the price for the Pricing Date will be determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner.

**“Commodity Reference Price”** means such reference price as is specified in the applicable Final Terms by reference to the Commodity Reference Prices set out in the Annex to the Commodity Definitions, provided that the applicable Final Terms may specify a Commodity Reference Price that is not set forth in that Annex and instead specify:

- (i) if that Commodity Reference Price is a price announced or published by an Exchange, (1) the relevant Commodity (including, if relevant, the type or grade of that Commodity, the location of delivery and any other details); (2) the relevant Unit; (3) the relevant Exchange; (4) the relevant currency in which the Specified Price is expressed; (5) the Specified Price and, if applicable, (6) the Delivery Date, in which case the price for a Pricing Date will be that day's Specified Price per Unit of that Commodity on that Exchange and, if applicable, for delivery on that Delivery Date, stated in that currency, as announced or published by that Exchange on that Pricing Date; and
- (ii) if that Commodity Reference Price is not a price announced or published by an Exchange, (1) the relevant Commodity (including, if relevant, the type or grade of that Commodity, the location of delivery and any other details); (2) the relevant Unit; (3) the relevant Price Source (and, if applicable, the location in that Price Source of the Specified Price (or the prices from which the Specified Price is calculated)); (4) the relevant currency in which the Specified Price is expressed; (5) the Specified Price; and (6) if applicable, the Delivery Date, in which case the price for a Pricing Date will be that day's Specified Price per Unit of that Commodity and, if applicable, for that Delivery Date, stated in that currency, published (or shown) in the issue of that Price Source that reports prices effective on that Pricing Date.

**“Correction Cut-off Date”** means, in respect of a Commodity Reference Price and any relevant date, each date specified in the applicable Final Terms in relation to such relevant date after which all corrections of the Specified Price or Commodity Reference Price, as the case may be, originally calculated and/or published by the Price Source or the Exchange, as the case may be, on or before such relevant date, shall be disregarded for the purposes of any calculations to be made using, or determinations to be made by reference to, such Specified

Price or Commodity Reference Price.

**“Delivery Date”** means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (i) if a date is, or a month and year are, specified in the applicable Final Terms, that date or that month and year;
- (ii) if a Nearby Month is specified in the applicable Final Terms, the month of expiration of the relevant Futures Contract; and
- (iii) if a method is specified for the purpose of determining the Delivery Date in the applicable Final Terms, the date or the month and year determined pursuant to that method.

**“Exchange”** means the exchange or principal trading market specified in the applicable Final Terms or Commodity Reference Price.

**“Fallback Valuation Date”** means, in respect of a Commodity Reference Price and any relevant date, each date specified in the applicable Final Terms in relation to such relevant date as being the final day on which any relevant value will be determined in relation to such relevant date.

**“Futures Contract”** means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price.

**“Maximum Days of Disruption”** means (i) the number of Commodity Business Days or such other type of days specified in the applicable Final Terms (generally or in respect of specified Pricing Dates) and, if no such number is so specified, five Commodity Business Days, or (ii) if earlier and if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to the Pricing Date or such other date to which the Maximum Days of Disruption apply, such Fallback Valuation Date.

**“Nearby Month”**, when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by that numerical adjective, so that, for example, (i) "First Nearby Month" means the month of expiration of the first Futures Contract to expire following the Pricing Date; (ii) "Second Nearby Month" means the month of expiration of the second Futures Contract to expire following the Pricing Date; and (iii) "Sixth Nearby Month" means the month of expiration of the sixth Futures Contract to expire following the Pricing Date.

**“Price Materiality Percentage”** means the percentage specified as such in the applicable Final Terms.

**“Price Source”** means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price or in the applicable Final Terms.

**“Pricing Date”** means, in respect of a Commodity, each date specified as such in the applicable Final Terms (or determined pursuant to a method specified for such purpose), which date is a day in respect of which a Relevant Price is to be determined, provided that:

- (i) if the Scheduled Pricing Date corresponding to such Pricing Date is not a Commodity Business Day for such Commodity, then such Pricing Date will be the (a) the next following Commodity Business Day for such Commodity or (b) if earlier and if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to such Pricing Date, such Fallback Valuation Date; and
- (ii) if such Pricing Date falls on the Fallback Valuation Date pursuant to (i) above and such Fallback Valuation

Date is not a Commodity Business Day in respect of a Commodity, then the Specified Price or Commodity Reference Price, as the case may be, of such Commodity on such Pricing Date shall be determined by the Calculation Agent on the basis that a Market Disruption Event has occurred on such Pricing Date in respect of the relevant Commodity.

“**Reference Dealers**” means, if the relevant Commodity Reference Price is "Commodity-Reference Dealers", the four dealers specified in the applicable Final Terms or, if dealers are not so specified, four leading dealers in the relevant market selected by the Calculation Agent.

“**Relevant Commodity**” means, in respect of a Commodity Linked Note, such commodity as is so specified in the applicable Final Terms, and, if more than one commodity is so specified in the applicable Final Terms, then all such commodities shall be referred to as the "Relevant Commodities".

“**Relevant Price**” means, for any Pricing Date, the price, expressed as a price per Unit, determined with respect to that day for the relevant Commodity Reference Price.

“**Scheduled Pricing Date**” means, in respect of a Commodity and a Pricing Date, such original date that, but for such day not being a Commodity Business Day for such Commodity or for the occurrence of a Market Disruption Event in relation to the corresponding Pricing Date, would have been such Pricing Date.

“**Specified Price**” means, in respect of a Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the applicable Final Terms.

“**Strike Date**” means the date as specified in the applicable Final Terms, or as otherwise determined by the Calculation Agent, in its sole discretion.

“**Unit**” means the unit of measure of the relevant Commodity, as specified in the relevant Commodity Reference Price or the applicable Final Terms.

## 7. Additional Bullion Provisions

7.1 In relation to any Structured Notes to which these Commodity Linked Conditions apply, if the applicable Final Terms specify that the "Additional Bullion Provisions" shall apply to any Commodity, then, in respect of such Commodity, paragraphs 1 to 6 of these Commodity Linked Conditions shall be deemed to be amended as follows:

- (i) each reference to "Commodity Business Day" shall be deemed to be a reference to "Bullion Business Day"; and
- (ii) each reference to "Reference Dealers" shall be deemed to be a reference to "Bullion Reference Dealers".

7.2 The following terms and expressions shall have the following meanings in relation to any Commodity to which Structured Notes to which the "Additional Bullion Provisions" shall apply:

“**Bullion Business Day**” means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York and (if applicable) in such Bullion Business Day Centers specified in the applicable Final Terms.

“**Bullion Business Day Centers**” means such places as may be specified in the applicable Final Terms.

**“Bullion Reference Dealers”** means, if the relevant Commodity Reference Price is "Commodity-Reference Dealers", the four major dealers that are members of The London Bullion Market Association (the **“LBMA”**) specified in the applicable Final Terms, or if no such Bullion Reference Dealers are specified, selected by the Calculation Agent, in each case, acting through their principal London offices.

**“Gold”** means gold bars or unallocated gold complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect, unless otherwise specified in the applicable Final Terms.

**“Ounce”** means, in the case of Gold, a fine troy ounce, and in the case of Silver, Platinum, and Palladium, a troy ounce.

**“Palladium”** means palladium ingots or plate or unallocated palladium complying with the rules of The London Platinum and Palladium Market (the **“LPPM”**) relating to good delivery and fineness from time to time in effect, unless otherwise specified in the applicable Final Terms.

**“Platinum”** means platinum ingots or plate or unallocated platinum complying with the rules of the LPPM relating to good delivery and fineness from time to time in effect, unless otherwise specified in the applicable Final Terms.

**“Silver”** means silver bars or unallocated silver complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect, unless otherwise specified in the applicable Final Terms.

## **8. Additional Common Pricing Provisions**

8.1 In relation to any Structured Notes to which these Commodity Linked Conditions apply, if the applicable Final Terms specify that the "Common Pricing" shall apply to any two or more Commodities (such Commodities being **“Linked Commodities”** and each a **“Linked Commodity”**), then paragraphs 1 to 6 of these Commodity Linked Conditions shall be deemed to be amended in respect of the Linked Commodities and the Pricing Dates to which Common Pricing applies by changing each reference to "Pricing Date" to "Common Pricing Date".

8.2 The following terms and expressions shall have the following meanings in relation to any Commodity to which Structured Notes to which "Common Pricing" shall apply:

**“Common Pricing Date”** means, in respect of Linked Commodities, each date specified as such in the applicable Final Terms (or determined pursuant to a method specified for such purpose), which date is a day in respect of which a Relevant Price is to be determined, provided that (unless otherwise specified in the applicable Final Terms):

- (i) if the Scheduled Common Pricing Date corresponding to such Common Pricing Date is not a Commodity Business Day for each such Linked Commodity, then such Common Pricing Date will be (a) the next following day which is a Commodity Business Day for each such Linked Commodity and (b) if earlier and if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to such Common Pricing Date, such Fallback Valuation Date; and
- (ii) if such Common Pricing Date falls on the Fallback Valuation Date pursuant to (i) above and such Fallback Valuation Date is not a Commodity Business Day in respect of any Linked Commodity, then the Specified Price or Commodity Reference Price for such Linked Commodities shall be determined by the Calculation Agent on the basis that a Market Disruption Event has occurred on such Pricing Date in respect of the relevant Linked Commodity.

**“Disruption Period End Date”** means, in respect of a Common Pricing Date or such other date as specified in the applicable Final Terms, the last day of the period commencing on and including the Scheduled Common Pricing Date in respect of such Common Pricing Date and ending the Maximum Days of Disruption after such Scheduled Common Pricing Date (measured from and including the Scheduled Common Pricing Date).

**“Postponement”** means that the Common Pricing Date will be deemed, for the purposes of the application of this Disruption Fallback only, to be the first succeeding day which is a Commodity Business Day for all the Linked Commodities on which there is no Market Disruption Event for any Linked Commodity, unless such day would fall after the Disruption Period End Date. In that case, the next Disruption Fallback specified in the applicable Final Terms will apply.

**“Scheduled Common Pricing Date”** means, in respect of the Linked Commodities and a Common Pricing Date, such original date that, but for such day not being a Commodity Business Day for any Linked Commodity or for the occurrence of a Market Disruption Event for any Linked Commodity in relation to the corresponding Common Pricing Date, would have been such Common Pricing Date.

**ANNEX 5**  
**ADDITIONAL TERMS AND CONDITIONS FOR FX LINKED NOTES**

*The terms and conditions applicable to FX Linked Notes (the “FX Linked Notes”) rates shall comprise the Supplemental Conditions and the additional Terms and Conditions set out below (the “FX Linked Conditions”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Supplemental Conditions and the FX Linked Conditions, the FX Linked Conditions shall prevail. In the event of any inconsistency between (i) the Supplemental Conditions and/or the FX Linked Conditions, and (ii) the Final Terms, the Final Terms shall prevail.*

**1. Consequences of Disruption Events**

If the Calculation Agent determines that a Disruption Event has occurred and is continuing in relation to a relevant Calculation Rate for an FX Valuation Date (or, if different, the day on which rates for that FX Valuation Date would, in the ordinary course, be published or announced by the relevant price source), then the Calculation Rate for such FX Valuation Date will be determined in accordance with the terms of the first applicable Disruption Fallback. The applicable Final Terms may provide that one or more Disruption Fallbacks may apply to any FX Valuation Date, and that such applicable Disruption Fallbacks may apply concurrently or sequentially, in such manner as specified in the applicable Final Terms.

**2. Disruption Events**

**“Disruption Event”** means, in respect of an FX Valuation Date, an event that, if provided by the applicable Final Terms to be applicable to the Structured Notes, would give rise, in accordance with an applicable Disruption Fallback, to an alternative basis for determining a Calculation Rate for such FX Valuation Date.

The following events, if specified in the applicable Final Terms to be applicable, shall be Disruption Events:

- (i) **“Dual Exchange Rate”** means, with respect to the Settlement Rate Option applicable to determining the Calculation Rate for the relevant FX Valuation Date, that the currency exchange rate specified in such Settlement Rate Option splits into dual or multiple currency exchange rates.
- (ii) **“General Inconvertibility”** means the occurrence of any event that generally makes it impossible to convert the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction through customary legal channels.
- (iii) **“General Non-Transferability”** means the occurrence of any event that generally makes it impossible to deliver (A) the Non-Event Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction or (B) the Event Currency between accounts inside the Event Currency Jurisdiction or to a party that is a non-resident of the Event Currency Jurisdiction.
- (iv) **“Governmental Authority Default”** means, with respect to any security or indebtedness for borrowed money of, or guaranteed by, any Governmental Authority, the occurrence of a default, event of default, or other similar condition or event (however described) including, but not limited to, (A) the failure of timely payment in full of any principal, interest, or other amounts due (without giving effect to any applicable grace periods) in respect of any such security, indebtedness for borrowed money, or guarantee, (B) a declared moratorium, standstill, waiver, deferral, Repudiation, or rescheduling of any principal, interest, or other amounts due in respect of any such security, indebtedness for borrowed money, or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest, or other amounts due in respect of any such security, indebtedness for borrowed money, or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default, or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for borrowed money, or guarantee.

- (v) **“Illiquidity”** means it becomes impossible to obtain a firm quote of the Calculation Rate for the Minimum Amount (either in one transaction or a commercially reasonable number of transactions that, when taken together, total the Minimum Amount) on the relevant FX Valuation Date (or, if different, the day on which rates for that FX Valuation Date would, in the ordinary course, be published or announced by the relevant price source).
- (vi) **“Inconvertibility/Non-Transferability”** means the occurrence of any event which constitutes a General Inconvertibility, a General Non-Transferability, a Specific Inconvertibility, or a Specific Non-Transferability Disruption Event.
- (vii) **“Nationalization”** means any expropriation, confiscation, requisition, nationalization, or other action by any Governmental Authority which deprives the Issuer (or any of its relevant affiliates), of all or substantially all of its assets in the Event Currency Jurisdiction.
- (viii) **“Price Materiality”** means the Primary Rate differs from the Secondary Rate by at least the Price Materiality Percentage.
- (ix) **“Price Source Disruption”** means it becomes impossible to obtain the Calculation Rate on the relevant FX Valuation Date (or, if different, the day on which rates for that FX Valuation Date would, in the ordinary course, be published or announced by the relevant price source).
- (x) **“Specific Inconvertibility”** means the occurrence of any event that makes it impossible for the Issuer (or any of its affiliates) to convert the Minimum Amount of the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction, other than where such impossibility is due solely to the failure by the Issuer (or any of its relevant affiliates, as the case may be) to comply with any law, rule, or regulation enacted by any Governmental Authority (unless such law, rule, or regulation is enacted after the Issue Date and it is impossible for the Issuer (or any of its affiliates, as the case may be), due to an event beyond the control of the Issuer (or any of its affiliates), to comply with such law, rule or regulation).
- (xi) **“Specific Non-Transferability”** means the occurrence of any event that makes it impossible for the Issuer (or any of its affiliates) to deliver (A) the Non-Event Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction or (B) the Event Currency between accounts inside the Event Currency Jurisdiction or to a party that is a nonresident of the Event Currency Jurisdiction, other than where such impossibility is due solely to the failure by the Issuer (or any of its affiliates, as the case may be) to comply with any law, rule or, regulation enacted by any Governmental Authority (unless such law, rule, or regulation is enacted after the Issue Date and it is impossible for the Issuer (or any of its affiliates, as the case may be), due to an event beyond the control of the Issuer (or any of its affiliates), to comply with such law, rule, or regulation).

### 3. Disruption Fallbacks

The following events, if specified in the applicable Final Terms to be applicable in respect of an FX Valuation Date, shall be **“Disruption Fallbacks”** (provided that (i) different Disruption Fallbacks may be applicable in respect of different FX Valuation Dates, as specified in the applicable Final Terms, and (ii) unless otherwise provided in the applicable Final Terms, for each FX Valuation Date, Calculation Agent Determination shall be deemed to be specified as the final, or if no other Disruption Fallback is specified, Disruption Fallback):

- (i) **“Calculation Agent Determination of Calculation Rate”** means that the Calculation Agent will determine the Calculation Rate (or a method for determining the Calculation Rate), taking into consideration all available information that in good faith it deems relevant.
- (ii) **“Fallback Reference Price”** means, in respect of a Disruption Event which is Dual Exchange Rate, Illiquidity, Price Source Disruption Event, or Price Materiality, that the Calculation Agent will determine the Calculation Rate on the relevant FX Valuation Date (or, if different, the day on which rates for that FX Valuation Date would, in the ordinary course, be published or announced) pursuant to the first of the

alternate Settlement Rate Options, if any, specified as a Fallback Reference Price for such purpose in the applicable Final Terms that is not subject to a Disruption Event.

- (iii) **“Postponement”** means, in relation to Structured Notes to which these FX Linked Conditions apply, that the relevant FX Valuation Date will be deemed to be the first succeeding FX Business Day on which the applicable Disruption Event ceases to exist, unless that Disruption Event continues to exist (measured from the original date that, but for the occurrence of a Disruption Event, would have been the relevant FX Valuation Date) for consecutive FX Business Days equal in number to the Maximum Days of Disruption.

In that case, the last such consecutive FX Business Day will be the relevant FX Valuation Date and the next Disruption Fallback specified in the applicable Final Terms will apply.

#### **4. Certain Published and Displayed Sources**

- 4.1 If the currency exchange rate specified in any applicable Settlement Rate Option is published or announced by more than one price source and the price source referred to in such Settlement Rate Option fails to publish or announce that currency exchange rate on any relevant FX Valuation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by such price source), then the Calculation Rate for such FX Valuation Date will be determined, unless otherwise specified in the applicable Final Terms, as if the applicable Final Terms had specified any other available price source which actually publishes or announces such currency exchange rate on such FX Valuation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by the relevant price source) as the applicable Settlement Rate Option.
- 4.2 If the currency exchange rate specified in the applicable Settlement Rate Option is reported, sanctioned, recognized, published, announced, or adopted (or other similar action) by the relevant Governmental Authority, and such currency exchange rate ceases to exist and is replaced by a successor currency exchange rate that is reported, sanctioned, recognized, published, announced, or adopted (or other similar action) by such Governmental Authority (the **“Official Successor Rate”**), then the Calculation Rate for the relevant FX Valuation Date will be determined, unless otherwise specified in the applicable Final Terms, as if the applicable Final Terms had specified any available price source which publishes or announces the Official Successor Rate (including, but not limited to, an official publication of that Governmental Authority) on such FX Valuation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by the relevant price source) as the applicable Settlement Rate Option.

#### **5. Corrections to Published Prices**

If the price published or announced on a given day and used or to be used by the Calculation Agent to determine a Calculation Rate on any FX Valuation Date is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement (i) by the fifth calendar day (or such other time period as may be specified in the applicable Final Terms; provided that different time frames may be specified in the applicable Final Terms for different days or FX Valuation Dates) after the original publication or announcement, or (ii) if earlier and if a Correction Cut-off Date is specified in the applicable Final Terms to be applicable to such FX Valuation Date, such Correction Cut-off Date, such corrected price shall be the Calculation Rate, and the Calculation Agent, to the extent it deems necessary, may make such adjustments to any of the terms of the Structured Notes that it determines in its sole and absolute discretion to account for such correction.

#### **6. Definitions**

The following terms and expressions shall have the following meanings in relation to Structured Notes to which these FX Linked Conditions apply:

**“Calculation Rate”** means, for any FX Valuation Date, the currency exchange rate determined in accordance with the specified (or deemed specified) Settlement Rate Option, or if a Settlement Rate Option is not

specified (or deemed specified), the currency exchange rate at the time at which such rate is to be determined for foreign exchange transactions in the relevant Currency Pair on the relevant FX Valuation Date (or, if different, the day on which rates for that FX Valuation Date would, in the ordinary course, be published or announced by the relevant price source), as determined in good faith and in a commercially reasonable manner by the Calculation Agent.

**“Correction Cut-off Date”** means, each date specified in the applicable Final Terms as being applicable in respect of any relevant day.

**“Currency”** means any Reference Currency, Settlement Currency, Event Currency, or Non-Event Currency, or any other currency, as specified in the applicable Final Terms, and any lawful successor currency (the **“Successor Currency”**) to any such currency. If, after the Issue Date and on or before any relevant payment date under the Structured Notes, a country has lawfully eliminated, converted, redenominated, or exchanged its currency in effect on the Issue Date or any Successor Currency thereto, as the case may be (the **“Original Currency”**), for a Successor Currency, then for the purposes of calculating any Calculation Rate or any other amounts in respect of the Structured Notes, any Original Currency amounts will be converted to the Successor Currency by multiplying the amounts of Original Currency by a ratio of Successor Currency to Original Currency, which ratio will be calculated on the basis of the exchange rate set forth by such country for converting the Original Currency into the Successor Currency on the date on which the elimination, conversion, redenomination, or exchange took place. If there is more than one such date, the date (as selected by the Calculation Agent) closest to such relevant payment will be selected by the Calculation Agent.

**“Currency Pair”** means the Reference Currency and the Settlement Currency.

**“Event Currency”** means, in respect of an FX Valuation Date, the currency specified as such in the applicable Final Terms or, if such a currency is not specified, the Reference Currency.

**“Event Currency Jurisdiction”** means, in respect of an FX Valuation Date, the country for which the Event Currency is the lawful currency.

**“FX Business Day”** means, in respect of any FX Valuation Date and any Calculation Rate, any day on which commercial banks are open (or, but for the occurrence of any applicable Disruption Event, would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the Principal Financial Center of the relevant Reference Currency and in such other financial centers as may be specified in the applicable Final Terms.

**“FX Definitions”** means the 1998 FX and Currency Option Definitions, published by the International Swaps and Derivatives Association, Inc., as amended up to and including the date of the applicable Final Terms.

**“FX Valuation Date”** means, in respect of Structured Notes to which these FX Linked Conditions are applicable, each date specified as such in the applicable Final Terms (or determined pursuant to a method specified for such purpose), which date is a day in respect of which a Calculation Rate is to be determined, provided that:

- (i) if the Scheduled FX Valuation Date corresponding to such FX Valuation Date is not an FX Business Day for the relevant Settlement Rate Option, then such FX Valuation Date will be (a) the next following FX Business Day for the relevant Settlement Rate Option, and (b) if earlier and if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to such FX Valuation Date, such Fallback Valuation Date; and
- (ii) if such FX Valuation Date falls on the Fallback Valuation Date pursuant to (i) above and such Fallback Valuation Date is not an FX Business Day for the relevant Settlement Rate Option, then the relevant Calculation Rate for such FX Valuation Date shall be determined by the Calculation Agent on the basis that a Disruption Event has occurred on such FX Valuation Date in respect of the relevant Calculation Rate.

**“Governmental Authority”** means any de facto or de jure government (or any agency or instrumentality

thereof), court, tribunal, administrative, or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the Event Currency Jurisdiction.

**“Maximum Days of Disruption”** means, (i) the number of FX Business Days or such other type of days specified in the applicable Final Terms (generally or in respect of specified FX Valuation Dates) and, if no such number is so specified, five FX Business Days, or (ii) if earlier and if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to the FX Valuation Date or such other date to which the Maximum Days of Disruption apply, such Fallback Valuation Date.

**“Minimum Amount”** means, in respect of an FX Valuation Date, the amount specified as such in the applicable Final Terms and, for purposes of the definition of Specific Inconvertibility, the Event Currency equivalent of U.S.\$1.

**“Non-Event Currency”** means, in respect of an FX Valuation Date, the currency of the Currency Pair that is not the Event Currency.

**“Price Materiality Percentage”** means, in respect of an FX Valuation Date and for purposes of the definition of Price Materiality, the percentage specified as such in the applicable Final Terms.

**“Primary Rate”** means, in respect of an FX Valuation Date and for purposes of the definition of Price Materiality, the rate determined using the applicable Settlement Rate Option specified for such purpose in the applicable Final Terms.

**“Principal Financial Center”** means the financial center or centers specified in the applicable Final Terms.

**“Reference Currency”** means the currency specified as the Reference Currency or the local currency, as the case may be, in the applicable Final Terms.

**“Repudiation”** means that, in respect of an FX Valuation Date and for purposes of the definition of Governmental Authority Default, the relevant Governmental Authority disaffirms, disclaims, repudiates, or rejects, in whole or in part, or challenges the validity of any security, indebtedness for borrowed money, or guarantee of such Governmental Authority in any material respect.

**“Secondary Rate”** means, in respect of an FX Valuation Date and for purposes of the definition of Price Materiality, the rate determined using the applicable Settlement Rate Option specified for such purpose in the applicable Final Terms.

**“Settlement Currency”** means the currency specified as the Settlement Currency in the applicable Final Terms.

**“Settlement Rate Option”** means, in respect of the calculation of a Calculation Rate, such currency exchange rate as is specified in the applicable Final Terms by reference to the Settlement Rate Option set out in Annex A to the FX Definitions, provided that, the applicable Final Terms may specify and describe a Settlement Rate Option that is not set forth in Annex A to the FX Definitions.

## 7. Additional Common Pricing Provisions

- 7.1 In relation to any Structured Notes to which these FX Linked Conditions apply, if the applicable Final Terms specify that "Common Pricing" shall apply to any two or more Calculation Rates (such Calculation Rates being **“Linked Calculation Rates”**, and each a **“Linked Calculation Rate”**), then paragraphs 1 to 6 of these FX Linked Conditions shall be deemed to be amended in respect of the Linked Calculation Rates and the FX Valuation Date to which Common Pricing applies by changing each reference to "FX Valuation Date" to "Common FX Valuation Date".

7.2 The following terms and expressions shall have the following meanings in relation to any Structured Notes to which these FX Linked Conditions apply and to which "Common Pricing" shall apply:

**“Common FX Valuation Date”** means, in respect of Linked Calculation Rates, each date specified as such in the applicable Final Terms (or determined pursuant to a method specified for such purpose), which date is a day in respect of which a Calculation Rate is to be determined, provided that (unless otherwise specified in the applicable Final Terms):

- (i) if the Scheduled Common FX Valuation Date corresponding to such Common FX Valuation Date is not an FX Business Day for each such Linked Calculation Rate, then such Common FX Valuation Date will be (a) the next following day which is an FX Business Day for each such Linked Calculation Rate, and (b) if earlier and if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to such Common FX Valuation Date, such Fallback Valuation Date; and
- (ii) if such Common FX Valuation Date falls on the Fallback Valuation Date pursuant to (i) above and such Fallback Valuation Date is not an FX Business Day in respect of any Linked Calculation Rate, then the Linked Calculation Rate shall be determined by the Calculation Agent on the basis that a Disruption Event has occurred on such FX Valuation Date in respect of the relevant Linked Calculation Rate.

**“Disruption Period End Date”** means, in respect of a Common FX Valuation Date or such other date as specified in the applicable Final Terms, the last day of the period commencing on and including the Scheduled Common FX Valuation Date in respect of such Common FX Valuation Date and ending the Maximum Days of Disruption after such Scheduled Common FX Valuation Date (measured from and including the Scheduled Common FX Valuation Date).

**“Postponement”** means that the Common FX Valuation Date will be deemed, for the purposes of the application of this Disruption Fallback only, to be the first succeeding day which is an FX Business Day for all the Linked Calculation Rates and on which there is no Disruption Event for any Linked Calculation Rate, unless such day would fall after the Disruption Period End Date. In that case, the next Disruption Fallback specified in the applicable Final Terms will apply.

**“Scheduled Common FX Valuation Date”** means, in respect of the Linked Calculation Rates and a Common FX Valuation Date, such original date that, but for such day not being a FX Business Day for any Linked Calculation Rate or for the occurrence of a Disruption Event for any Linked Calculation Rate in relation to the corresponding Common FX Valuation Date, would have been such Common FX Valuation Date.

## APPLICABLE FINAL TERMS FOR STRUCTURED NOTES

*Set out below is the form of Final Terms which will be completed for each Tranche of Structured Notes issued under the Programme. This form of Final Terms shall be used for Structured Notes in place of any form included in the accompanying Offering Circular.*

[Date]

**LANDSBANKI ÍSLANDS HF**  
**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**  
**under the €11,000,000,000**  
**Euro Medium Term Note Programme**

*Structured Notes*

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 34 of Part A below, provided such person is one of the persons mentioned in Paragraph 34 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

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

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

### PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the General Note Conditions set forth in the Offering Circular dated 23 April, 2008 (the “**Offering Circular**”) [and “Annex 1 — Additional Terms and Conditions for Index Linked Notes”/“Annex 2 — Additional Terms and Conditions for Share Linked Notes”/“Annex 3 — Additional Terms and Conditions for Inflation Linked Notes”/“Annex 4 — Additional Terms and Conditions for Commodity Linked Notes”/“Annex 5 — Additional Terms and Conditions for FX Linked Notes”] in the Offering Circular Supplement dated 2 May, 2008 (the “**Supplement**”), which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”).

This document constitutes the Final Terms of the Structured Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular and the Supplement. Full information on the Issuer and the offer of the Structured Notes is only available on the basis of the combination

of these Final Terms, the Offering Circular and the Supplement. The Offering Circular, the Supplement and the Final Terms are available for viewing during normal office hours at [address] and on the Luxembourg Stock Exchange's website at *www.bourse.lu* and copies may be obtained from the registered office of the Issuer and from the specified office of the Agent in London.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]*

*[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for another supplement to the Offering Circular under Article 16 of the Prospectus Directive.]*

1. **Issuer:** Landsbanki Íslands hf.
  
2.
  - (i) **Series Number:** []
  - (ii) **Tranche Number:** []
 

*(If fungible with an existing Series, details of that Series, including the date on which the Structured Notes become fungible)*
  
3. **Specified Currency or Currencies:** []
  
4. **Aggregate Nominal Amount:**
  - (i) **Tranche:** []
  - (ii) **Series:** []
  
5. **Issue Price:** []
 

[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
  
6.
  - (a) **Specified Denominations:** []
 

[]

*(The minimum denomination of a Structured Note shall not be less than €1,000 or its equivalent)*

*(Note — where multiple denominations above €50,000 or equivalent are being used the following sample wording should be followed:*

*“€50,000 and integral multiples of €1,000 in excess thereof up to and including €99,000. No Structured Notes in definitive form will be issued with a denomination above €99,000.”)*

*(N.B. If an issue of Structured Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €1,000 minimum denomination is not required.)*
  - (b) **Calculation Amount:** *(If only one Specified Denomination, insert the Specified Denomination.*

*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

- 7.
- (i) **Issue Date:** [ ]
- (ii) **Interest Commencement Date:** [Specify/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. **Maturity Date:** [ ]
9. **Interest Basis:** [Index Linked Interest] [Share Linked Interest] [Inflation Linked Interest] [Commodity Linked Interest] [FX Linked Interest] [specify other] (further particulars specified below)
10. **Redemption/Payment Basis:** [Redemption at par]  
*[specify other]*  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Structured Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
11. **Change of Interest Basis or Redemption/Payment Basis:** *[Specify details of any provision for change of Structured Notes into another Interest Basis or Redemption/Payment Basis]*
12. **Put/Call Options:** [Investor Put]  
 [Issuer Call]  
 [(further particulars specified below)]
- 13.
- (a) **Status of the Structured Notes:** [Senior/Subordinated]
- (b) **[Date [Board] approval for issuance of Structured Notes obtained:** [ ]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Structured Notes)*
14. **Method of distribution:** [Syndicated/Non-syndicated]
- PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**
15. **Index Linked Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (i) **Interest Payment Date(s):** [ ]
- (ii) **Interest Period(s):** [ ]
- (iii) **Business Day Convention:** [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[Specify other]]  
*[Insert "(unadjusted)" if the application of the relevant business day convention is not intended to affect the Interest Amount]*

- (iv) Additional Business Center(s) [ ]
- (v) Day Count Fraction: [Actual/Actual (ISDA)]  
 [Actual/365 (Fixed)]  
 [Actual/365 (Sterling)]  
 [Actual/360]  
 [30/360 or 360/360 or Bond Basis]  
 [30E/360 or Eurobond Basis]  
 [30E/360 (ISDA)]  
 [Other]  
 [Not Applicable]
- (vi) Rate of Interest: [Not Applicable/Applicable] *(If applicable, specify rate or method of determining rate)*
- (vii) Interest Amount: [Not Applicable/Applicable] *(If applicable specify method of determining amount)*
- (viii) Single Index or Index Basket: [Single Index/Index Basket]
- (ix) Index/Indices: *(Specify name of Index/Indices)*
- (x) Type of Index: [Standard Index/Composite Index/Proprietary Index/ Other]
- (xi) Exchange(s): [ ]
- (xii) Related Exchange(s): [[ ]/All Exchanges]
- (xiii) Index Sponsor: [ ]
- (xiv) Index Level: [As defined in Index Linked Condition 9/Other *(specify)*]
- (xv) Initial Valuation Date: [Not Applicable/[ ]] *(If applicable, specify dates)*
- (xvi) Initial Averaging Date(s): [Not Applicable/[ ]] *(If applicable, specify dates)*
- (xvii) Interest Valuation Date(s): [Not Applicable/[ ]] *(If applicable, specify dates)*
- (xviii) Averaging Dates: [Not Applicable/[ ]] *(If applicable, specify dates)*
- (xix) Valuation Date(s): [Not Applicable/[ ]] *(If applicable, specify dates)*
- (xx) Valuation Time: [As specified in Index Linked Condition 2/[ ]]
- (xxi) Market Disruption Events/Disrupted Days: [As defined in Index Linked Condition 2/[ ]]
- (xxii) Consequences of Disrupted Days: [As defined in Index Linked Condition 1/[ ]]
- (xxiii) If Initial Averaging Dates and/or Averaging Dates are applicable, the consequences of Disrupted Days:  
 (a) Omission: [Not Applicable/Applicable]

- (b) Postponement: [Not Applicable/Applicable]
- (c) Modified Postponement: [Not Applicable/Applicable]
- (xxiv) Maximum Days of Disruption: [Eight Scheduled Trading Days/[ ]]
- (xxv) Basket (Common Disrupted Day Roll): [Not Applicable/Applicable] *(If applicable, specify Indices and dates to which applicable)*
- (xxvi) Basket (Common Scheduled Trading Day Roll): [Not Applicable/Applicable] *(If applicable, specify Indices and dates to which applicable)*
- (xxvii) Fallback Valuation Date(s): [Not Applicable/[ ]] *(If applicable, specify date(s))*
- (xxviii) Observation Period: [Not Applicable/[ ]] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Observation Period Start Date: [ ]
- (b) Observation Period End Date: [ ]
- (xxix) Common Observation Period(s): Not Applicable/[ ] *(If not applicable, delete the remaining sub paragraphs of this paragraph)*
- (a) Common Observation Period Start Date(s): [ ]
- (b) Common Observation Period End Date(s): [ ]
- (xxx) Index Modification: [Calculation Agent Adjustment/Related Exchange Adjustment]
- (xxxi) Index Cancellation: [Calculation Agent Adjustment/Related Exchange Adjustment]
- (xxxii) Index Disruption: [Calculation Agent Adjustment/Related Exchange Adjustment]
- (xxxiii) Corrections: [Not Applicable/Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Index/Indices to which corrections are applicable: [ ]
- (b) Correction Cut-off Date(s): [Not Applicable/[ ]]
- (c) Clearance System: [As specified in Index Linked Condition 9/] [ ]
- (xxxiv) Additional Disruption Events: [Not Applicable/Applicable] *(If not applicable, delete the remaining sub paragraphs of this paragraph)*
- (a) Change in Law: [Not Applicable/Applicable]  
[The Strike Date is [ ]]  
*(Specify if Change in Law is applicable)*
- (b) Hedging Disruption: [Not Applicable/Applicable]
- (c) Increased Cost of Hedging: [The Strike Date is [ ]]  
*(Specify if Increased Cost of Hedging is applicable)*

(xxxv)	Index Disclaimer:	[Applicable/Not Applicable]
(xxxvi)	Other terms relating to Index Linked Interest (including, but not limited to, any adjustment rules in relation to events concerning the Underlying Asset which may be specified in an appendix to these Final Terms):	[None/Give details]
<b>16.</b>	<b>Share Linked Note Provisions:</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Interest Payment Date(s):	[ ]
(ii)	Interest Period(s):	[ ]
(iii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[Specify other]] <i>[Insert "(unadjusted)" if the application of the relevant business day convention is not intended to affect the Interest Amount]</i>
(iv)	Additional Business Center(s)	[ ]
(v)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis] [30E/360 (ISDA)] [Other] [Not Applicable]
(vi)	Rate of Interest:	[Not Applicable/Applicable] <i>(If applicable, specify rate or method of determining rate)</i>
(vii)	Interest Amount:	[Not Applicable/Applicable] <i>(If applicable specify method of determining amount)</i>
(viii)	Single Share or Share Basket:	[Single Share/Share Basket]
(ix)	Share(s):	<i>[Specify name of Share(s) and ISIN of Share(s)]</i>
(x)	Exchange(s):	[ ]
(xi)	Related Exchange(s):	[[ ]/All Exchanges]
(xii)	Share Price:	[As defined in Share Linked Condition 8/Other] <i>(Specify)</i>
(xiii)	Initial Valuation Date:	[Not Applicable/[ ]] <i>(If applicable, specify dates)</i>
(xiv)	Initial Averaging Date(s):	[Not Applicable [ ]] <i>(If applicable, specify dates)</i>
(xv)	Interest Valuation Date(s):	[Not Applicable [ ]] <i>(If applicable, specify dates)</i>
(xvi)	Averaging Dates:	[Not Applicable [ ]] <i>(If applicable, specify dates)</i>

- (xvii) Valuation Date(s): [Not Applicable [ ] ] *(If applicable, specify dates)*
- (xviii) Valuation Time: [As specified in Share Linked Condition 2/[ ] ]
- (xix) Market Disruption Events/Disrupted Days: [As defined in Share Linked Condition 2/[ ] ]
- (xx) Consequences of Disrupted Days: [As defined in Share Linked Condition 1/[ ] ]
- (xxi) If Initial Averaging Dates and/or Averaging Dates are applicable, the consequences of Disrupted Days:
- [Not Applicable/Applicable]  
*(If not applicable, delete the remaining sub- paragraphs of this paragraph)*
- (a) Omission: [Not Applicable/Applicable]
- (b) Postponement: [Not Applicable/Applicable]
- (c) Modified Postponement: [Not Applicable/Applicable]
- (xxii) Maximum Days of Disruption: [Eight Scheduled Trading Days/[ ] ]
- (xxiii) Basket Valuation (Common Disrupted Day Roll): [Not Applicable/Applicable] *(If applicable, specify Indices and dates to which applicable)*
- (xxiv) Basket Valuation (Common Scheduled Trading Day Roll): [Not Applicable/Applicable] *(If applicable, specify Indices and dates to which applicable)*
- (xxv) Fallback Valuation Date(s): [Not Applicable/[ ] ] *(If applicable, specify date(s))*
- (xxvi) Observation Period:
- [Not Applicable/[ ] ] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Observation Period Start Date: [ ]
- (b) Observation Period End Date: [ ]
- (xxvii) Common Observation Period(s): Not Applicable/[ ] ] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Common Observation Period Start Date(s): [ ]
- (b) Common Observation Period End Date(s): [ ]
- (xxviii) Corrections:
- [Not Applicable/Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Share/Shares to which corrections are applicable: [ ]
- (b) Correction Cut-off Date(s): [Not Applicable/[ ] ]
- (c) Clearance System: [As specified in Share Linked Condition 9/[ ] ]

- (xxix) Additional Disruption Events: [Not Applicable/Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Change in Law: [Not Applicable/Applicable]  
[The Strike Date is [ ]]  
*(Specify if Change in Law is applicable)*
- (b) Hedging Disruption: [Not Applicable/Applicable]
- (c) Increased Cost of Hedging: Applicable/Not Applicable][The Strike Date is [ ]] *(Specify if Increased Cost of Hedging is applicable)*
- (d) Increased Cost of Stock Borrow: [Applicable/Not Applicable] [The Initial Stock Loan rate in respect of *[Specify in relation to each Share]* is [ ]] *(Specify if Increased Cost of Stock Borrow is applicable)*
- (e) Insolvency Filing: [Applicable/Not Applicable]
- (f) Failure to Deliver: [Applicable/Not Applicable]
- (g) Loss of Stock Borrow: [Applicable/Not Applicable] [The Maximum Stock Loan Rate in respect of *[Specify in relation to each Share]* is [ ]] *(Specify if Loss of Stock Borrow is applicable)*
- (h) Share Substitution: [Applicable/Not Applicable]
- (xxx) ADR Provisions: [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) ADRs: *[Specify]*
- (b) Underlying Shares: *[Specify]*
- (c) Underlying Share Issuer: *[Specify]*
- (xxxi) Other terms relating to Share Linked Interest (including, but not limited to, any adjustment rules in relation to events concerning the Underlying Asset which may be specified in an appendix to these Final Terms): [None/*Give details*]
- 17. Inflation Linked Note Provisions:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Payment Date(s): [ ]
- (ii) Interest Period(s): [ ]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*[Specify other]*]  
*[Insert "(unadjusted)" if the application of the relevant business day convention is not intended to affect the Interest Amount]*

- (iv) Additional Business Center(s) [ ]
- (v) Day Count Fraction: [Actual/Actual (ISDA)]  
 [Actual/365 (Fixed)]  
 [Actual/365 (Sterling)]  
 [Actual/360]  
 [30/360 or 360/360 or Bond Basis]  
 [30E/360 or Eurobond Basis]  
 [30E/360 (ISDA)]  
 [Other]  
 [Not Applicable]
- (vi) Rate of Interest: [Not Applicable/Applicable] *(If applicable, specify rate or method of determining rate)*
- (vii) Interest Amount: [Not Applicable/Applicable] *(If applicable specify method of determining amount)*
- (viii) Index/Indices: *[Specify]*
- (ix) Index Sponsor(s): *[Specify]*
- (x) Inflation Cut-Off Date: *[Specify]*  
*(N.B. If no specification is made, such date will be the fifth Business Day prior to each Determination Date)*
- (xi) Observation Date: *[Specify]*
- (xii) Correction Cut-Off Date: *[Specify]*
- (xiii) Maximum Non-Publication Period: *[Specify]*  
*(N.B. If no specification is made, such period will be two months)*
- (xiv) Related Bond: [Applicable/Not Applicable]  
*[Specify]*  
*(N.B. If no specification is made, the Related Bond will be the Fallback Bond. If Fallback Bond is specified as Not Applicable, there will be no Related Bond for the purposes of the Structured Notes.)*
- (xv) Fallback Bond: [Applicable/Not Applicable]
- (xvi) Strike Date: *[Specify]*
- (xvii) Other terms relating to Inflation Linked Interest (including, but not limited to, any adjustment rules in relation to events concerning the Underlying Asset which may be specified in an appendix to these Final Terms): [None/Give details]
- 18. Commodity Linked Note Provisions:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub paragraphs of this paragraph)*
- (i) Interest Payment Date(s): [ ]
- (ii) Interest Period(s): [ ]

- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*[Specify other]*]  
*[Insert "(unadjusted)" if the application of the relevant business day convention is not intended to affect the Interest Amount]*
- (iv) Additional Business Center(s) [ ]
- (v) Day Count Fraction: [Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360 or 360/360 or Bond Basis]  
[30E/360 or Eurobond Basis]  
[30E/360 (ISDA)]  
[Other]
- (vi) Rate of Interest: [Not Applicable/Applicable] *(If applicable, specify rate or method of determining rate)*
- (vii) Interest Amount: [Not Applicable/Applicable] *(If applicable specify method of determining amount)*
- (viii) Commodity/Commodities: *[Specify]*
- (ix) Commodity Reference Price: *[Specify Reference Price in relation to each Commodity]*
- (x) Commodity Pricing: [Applicable/Not Applicable]
- (xi) Delivery Dates: *[Specify]*
- (xii) Commodity Pricing Date: *[Specify]*
- (xiii) Exchange: *[Specify]*
- (xiv) Price Materiality Percentage: *[Specify]*
- (xv) Price Source: *[Specify]*
- (xvi) Pricing Date: *[Specify]*
- (xvii) Correction Cut-off Date: [Applicable/*Specify*/Not Applicable]
- (xviii) Reference Dealers: *[Specify four]*
- (xix) Specified Price: *[Specify which of the following is applicable]*  
[high price]  
[low price]  
[average of high price and low price]  
[closing price]  
[opening price]  
[bid price]  
[asked price]  
[average of bid price and asked price]  
[settlement price]  
[official settlement price]  
[official price]  
[morning fixing]

- [afternoon fixing]  
[spot price]  
[other]
- (xx) Unit: *[Specify]*
- (xxi) Market Disruption Event: [The following Market Disruption Events apply to the Structured Notes:  
*(Specify each of the following which applies)*  
[Price Source Disruption]  
[Trading Disruption]  
[Disappearance of Commodity Reference Price]  
[Material Change in Formula]  
[Material Change in Content]  
[Tax Disruption]]
- (xxii) Disruption Fallback: [Applicable/Not Applicable/Specify] *(if applicable, Specify each of the following which applies)*  
[Fallback Valuation Date]  
[Fallback Reference Dealers]  
[Fallback Reference Price]  
[Postponement]  
[Calculation Agent Determination]  
[Delayed Publication or Announcement]
- (xxiii) Strike Date: *[Specify]*
- (xxiv) Market Disruption: Specified Maximum Days of Disruption will be equal to [ ] Commodity Business Days *if no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to five Commodity Business Days)*
- (xxv) Additional Bullion Provisions: [Applicable/Not Applicable]
- (xxvi) Common Pricing: [Applicable/Not Applicable]  
Common Pricing Date Disruption Period End Date
- (xxvii) Bullion Business Day Centers: [ ]
- (xxviii) Other terms relating to Commodity Linked interest (including, but not limited to, any adjustment rules in relation to events concerning the Underlying Asset which may be specified in an appendix to these Final Terms): [None/Give details]
- 19. FX Linked Note Provisions:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Payment Date(s): [ ]
- (ii) Interest Period(s): [ ]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*[Specify other]*]  
*[Insert "(unadjusted)" if the application of the relevant business*

*day convention is not intended to affect the Interest Amount]*

- (iv) Additional Business Center(s) [ ]
- (v) Day Count Fraction: [Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360 or 360/360 or Bond Basis]  
[30E/360 or Eurobond Basis]  
[30E/360 (ISDA)]  
[Other]  
[Not Applicable]
- (vi) Rate of Interest: [Not Applicable/Applicable] *(If applicable, specify rate or method of determining rate)*
- (vii) Interest Amount: [Not Applicable/Applicable] *(If applicable specify method of determining amount)*
- (viii) Currency: [Specify any Reference Currency, Settlement Currency, Event Currency, or Non Event Currency]
- (ix) Principal Financial Center: *[Specify]*
- (x) FX Business Day: *(Specify any financial centers in addition to the principal financial center of the Reference Currency)*
- (xi) FX Valuation Date: Calculation Rate in event of failure to publish currency exchange rate by [Settlement Rate Option]
- (xii) Settlement Rate Option: *[Specify]*
- (xiii) Minimum Amount: *[Specify]*
- (xiv) Price Materiality Percentage: *[Specify]*
- (xv) Correction Cut-Off Date: *[Specify]*
- (xvi) Disruption Events: *[Specify each of the following which applies]*  
[Dual Exchange Rate]  
[General Inconvertibility]  
[General Non-Transferability]  
[Governmental Authority Default]  
[Illiquidity]  
[Inconvertibility /Non-Transferability]  
[Nationalization]  
[Price Materiality]  
[Price Source Disruption]  
[Specific Inconvertibility]  
[Specific Non-Transferability]
- (xvii) Disruption Fallback: [Calculation Agent Determination of Calculation Rate/Fallback Reference Price/Postponement]
- (xviii) Fallback Valuation Date(s): [Not Applicable [ ]] *(if applicable, specify dates)*
- (xix) Common Pricing: [Applicable/Not Applicable] *(Specify Calculation Dates to which applicable)*
- (xx) Other terms relating to FX Linked Interest (including, but not limited to, [None/Give details]

any adjustment rules in relation to events concerning the Underlying Asset which may be specified in an appendix to these Final Terms):

## PROVISIONS RELATING TO REDEMPTION

- 20. Issuer Call:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ]
- (b) Maximum Redemption Amount: [ ]
- (iv) Notice period (if other than as set out in the General Note Conditions): [ ]  
*(N.B. If setting notice periods which are different to those provided in the General Note Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
- 21. Investor Put:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other]
- (iii) Notice period (if other than as set out in the General Note Conditions): [ ]  
*(N.B. If setting notice periods which are different to those provided in the General Note Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
- 22. Final Redemption Amount:** [[ ] per Calculation Amount/[specify other]/see Appendix]  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Structured Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- 23. Early Redemption Amount payable on redemption for taxation reasons or on event of Appendix] default and/or the method of calculating the same (if required or if different from that set** [ ] per Calculation Amount/specify other/see Appendix]

out in General Note Condition 8(f):

#### GENERAL PROVISIONS APPLICABLE TO THE STRUCTURED NOTES

24. **Calculation Agent:** [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
25. **Form of Structured Notes:**
- (a) **Form:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]  
[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]  
[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]  
*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Structured Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Structured Notes in paragraph 6 includes language substantially to the following effect: "€50,000 and integral multiples of €1000 in excess thereof up to and including €99,000.")*
- (b) **New Global Note:** [Yes][No]
26. **Additional Financial Centre(s) or other special provisions relating to Payment Dates:** [Not Applicable/give details]  
*(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(iii) and 18(vii) relate)*
27. **Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):** [Yes/No. If yes, give details]
28. **Redenomination applicable:** Redenomination [not] applicable  
*[If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates)]*
29. **Other terms or special conditions:** [Not Applicable/give details]  
*(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

#### DISTRIBUTION

30. **(i) If syndicated, names [and addresses]\*\* of Managers [and underwriting commitments]\*\*:** [Not Applicable/give names [and addresses and underwriting commitments]]\*\*  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)\*\**
- (ii) Date of [Subscription] Agreement:\*\*** [ ]\*\*

- (iii) **Stabilising Manager (if any):** [Not Applicable/*give name*]
- 31. **If non-syndicated, name [and address]\*\* of relevant Dealer:** [*Name [and address] \*\**]
- 32. **Total commission and concession:\*\*** [ ] per cent. of Aggregate Nominal Amount\*\*
- 33. **U.S. Selling Restrictions:** [Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA not applicable]
- 34. **Non-Exempt Offer:** [Not Applicable] [An offer of the Notes may be made by the Managers [and [*specify names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known*]] (together with the Managers, the **Financial Intermediaries**) other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) – which must be jurisdictions where the Offering Circular and any supplements have been passported (in addition to the jurisdiction where approved and published)*] (**Public Offer Jurisdictions**) during the period from [*specify date*] until [*specify date or a formula such as "the Issue Date" or "the date which falls [•] Business Days thereafter"*] (**Offer Period**). See further Paragraph 10 of Part B below.  
  
*(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)*
- 35. **Additional selling restrictions:** [Not Applicable/*give details*]

**[LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on the *Bourse de Luxembourg*] of the Structured Notes described herein pursuant to the £11,000,000,000 Euro Medium Term Note Programme of Landsbanki Íslands hf.]

**MATERIAL ADVERSE CHANGE STATEMENT**

There has been no significant change in the financial or trading position of the Issuer, and there has been no material adverse change in the financial position or prospects of the Issuer, since 31 December, 2007.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms [[Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulations in relation to an index or its components] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of [name of the Issuer]:  
  
By: .....  
  
Duly authorised

## PART B — OTHER INFORMATION

### 1. ADMISSION TO TRADING

Admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Bourse de Luxembourg with effect from [ ] .]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Bourse de Luxembourg with effect from [ ] .]

[Not Applicable.]

### 2. RATINGS

Ratings:

The Structured Notes to be issued have been rated:

[Moody's: [ ]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]\*\**

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

### 3. NOTIFICATION AND AUTHORISATION\*\*

The [name of competent authority in home Member State] [has been requested to provide/has provided — *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [names of competent authorities of host Member States] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

The Issuer has authorised the use of these Final Terms, the Offering Circular and the Supplement by the Managers and [*include names [and addresses] of other financial intermediaries involved in the offer*] (the Distributors and, together with the Managers, the Financial Intermediaries) in connection with offers of the Structured Notes to the public in [*insert jurisdiction where the Prospectus has been approved and published and jurisdictions into which it has been passported*] for the period set out in paragraph [8] below.\*\*

### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

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

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

(i) [Reasons for the offer:

[ ]  
(See "Use of Proceeds" wording in Offering Circular — if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here)]\*\*

(ii) [Estimated net proceeds:

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

(iii) [Estimated total expenses:

[Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".]\*\*  
(N.B. If the Structured Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and where

such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

## 6. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING ASSET

[Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained.]

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying Asset and the circumstances when the risks are most evident.]\*\*

[Where the Underlying Asset is a security need to include the name of the issuer of the security and the ISIN or other such security identification code of the security.]

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

[Where the Underlying Asset is an interest rate need to include a description of the interest rate.]

[Where the Underlying Asset is a basket of assets need to include the relevant weightings of each of the assets in the basket.]

(If the Underlying Asset does not fall within the categories specified above need to include the equivalent information.)

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

**Post-issuance information:** The Issuer will not provide, on its own initiative, any post-issuance information regarding the Underlying Asset specified herein, except if required by any applicable laws and regulations.

## 7. OPERATIONAL INFORMATION

- |       |  |  |
|-------|--|--|
| (i)   | ISIN Code:   | [ ]  |
| (ii)  | Common Code:   | [ ]  |
| (iii) | Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, societe anonyme and the relevant identification number(s): | [Not Applicable/give name(s) and number(s)]  |
| (iv)  | Delivery:  | Delivery [against/free of] payment   |
| (v)   | Names and addresses of additional Paying Agent(s) (if any):  | [ ]  |
| (vi)  | [Intended to be held in a manner which would allow Eurosystem eligibility:   | [Yes] [No]<br>[Note that the designation "yes" simply means that the Structured Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Structured Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] <i>[include this text if "Yes" selected in which case the Structured Notes must be issued in NGN form]</i> |

## 8. TERMS AND CONDITIONS OF THE OFFER

- |     |              |                                      |
|-----|--------------|--------------------------------------|
| (i) | Offer Price: | [Issue Price/Not Applicable/specify] |
|-----|--------------|--------------------------------------|

(ii)	[Conditions to which the offer is subject:]	[Not Applicable/ <i>give details</i> ]
(iii)	[Description of the application process:]	[Not Applicable/ <i>give details</i> ]
(iv)	[Details of the minimum and/or maximum amount of application:]	[Not Applicable/ <i>give details</i> ]
(v)	[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:]	[Not Applicable/ <i>give details</i> ]
(vi)	[Details of the method and time limits for paying up and delivering the Notes:]	[Not Applicable/ <i>give details</i> ]
(vii)	[Manner in and date on which results of the offer are to be made public:]	[Not Applicable/ <i>give details</i> ]
(viii)	[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:]	[Not Applicable/ <i>give details</i> ]
(ix)	[Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:]	[Not Applicable/ <i>give details</i> ]
(x)	[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:]	[Not Applicable/ <i>give details</i> ]
(xi)	[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]	[Not Applicable/ <i>give details</i> ]
(xii)	[Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.]	[None/ <i>give details</i> ]

Notes:

\* Delete if the minimum denomination is less than €50,000.

\*\* Delete if the minimum denomination is €50,000.