

THIS DOCUMENT IS A FREE NON BINDING TRANSLATION, FOR INFORMATION PURPOSES ONLY, OF THE FRENCH LANGUAGE PROSPECTUS DE BASE DATED 17 JULY 2020 WHICH WAS APPROVED UNDER NUMBER NO. 20-363 BY THE AUTORITE DES MARCHES FINANCIERS ON 17 JULY 2020 (THE "AMF BASE PROSPECTUS"). ONLY THE AMF BASE PROSPECTUS WAS APPROVED BY THE AUTORITE DES MARCHES FINANCIERS. IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED IN THE AMF BASE PROSPECTUS AND THIS DOCUMENT, THE RELEVANT STATEMENTS OR ITEMS OF THE AMF BASE PROSPECTUS SHALL PREVAIL. FOR THE AVOIDANCE OF DOUBT, REFERENCES IN THIS DOCUMENT TO THE "BASE PROSPECTUS" ARE TO THE "AMF BASE PROSPECTUS" AND DO NOT INCLUDE ITS ENGLISH TRANSLATION.

BASE PROSPECTUS DATED 17 JULY 2020

Morgan Stanley

*as issuer and guarantor of the Notes issued by Morgan Stanley B.V. and Morgan Stanley Finance LLC
(incorporated under the laws of the State of Delaware in the United States of America)*

MORGAN STANLEY & CO. INTERNATIONAL plc

as issuer

(incorporated with limited liability in England and Wales)

MORGAN STANLEY B.V.

as issuer

(incorporated with limited liability in The Netherlands)

MORGAN STANLEY FINANCE LLC

as issuer

(formed under the laws of the State of Delaware in the United States of America)

€2,000,000,000

FRENCH LAW PROGRAMME FOR THE ISSUANCE OF NOTES

Under this €2,000,000,000 Programme for the issuance of notes (the **Programme**) described in this base prospectus (the **Base Prospectus**), Morgan Stanley (**Morgan Stanley**), Morgan Stanley & Co. International plc (**MSIP** or **MSI plc**) and Morgan Stanley B.V. (**MSBV**) and Morgan Stanley Finance LLC (**MSFL**) and, together with Morgan Stanley, MSIP and MSBV, the **Issuers** and each, an **Issuer**) may offer from time to time Notes (the **Notes**) denominated in any currency agreed by the relevant Issuer and the Distribution Agent (as defined below).

References herein to "this Base Prospectus" shall, where applicable, be deemed to be references to this Base Prospectus as supplemented or amended from time to time. To the extent not set forth in this Base Prospectus, the specific terms of any Notes will be included in the appropriate Final Terms.

The payment of all amounts due in respect of Notes issued by MSBV or MSFL will be unconditionally and irrevocably guaranteed by Morgan Stanley in its capacity as guarantor (the **Guarantor**) pursuant to a guarantee dated as of 17 July 2020 (the **Guarantee**). Payment of amounts due in respect of Notes issued by MSIP will not be guaranteed by Morgan Stanley.

Morgan Stanley, MSBV and MSFL are offering the Notes on a continuing basis through MSIP (which may act in whole or in part through an affiliate thereof) (the **Distribution Agent**), who has agreed to use reasonable efforts to solicit, directly or through an affiliate, offers to subscribe or to purchase the Notes. Morgan Stanley, MSBV and MSFL may also sell Notes to the Distribution Agent as principal for its own account at a price to be agreed upon at the time of sale. The Distribution Agent may resell, directly or through an affiliate, any Notes it purchases as principal at prevailing market prices, or at other prices, as it determines. Morgan Stanley, MSBV and MSFL or the Distribution Agent may reject any offer to subscribe or to purchase Notes, in whole or in part. MSIP (including acting through its affiliates) will act as distributor and offeror of the Notes issued by it. The Issuers may appoint from time to time additional distribution agents (either in relation to the Programme generally or in relation to a particular Series of Notes). See "*Subscription and Sale*" below.

This Base Prospectus has been approved by the *Autorité des marchés financiers* (the **AMF**) in France as competent authority pursuant to the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the **Prospectus Regulation**). The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the Guarantor or the quality of the Notes that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. Upon such approval, application may be made for Notes issued under the Programme during a period of 12 months from the date of this Base Prospectus to be listed and/or admitted to trading on Euronext Paris or on any other regulated market in the European Union (each such regulated market, a **Regulated Market**). Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU as amended. References in this Base Prospectus to securities being "listed" (and all related references) shall mean that such securities have been admitted to trading on the regulated market Euronext Paris, on the regulated market or on the EuroMTF Market of the Luxembourg Stock Exchange, displayed on the Luxembourg Stock Exchange Securities Official List (**LuxSE SOL**) (without admission to trading) or listed and admitted to trading on any other stock exchange(s) as may be specified in the applicable Final Terms. Each Issuer may also issue unlisted Notes. The relevant final terms (the **Final Terms**) (a form of which is contained herein) in respect of the issue of any Notes will specify whether or not

such Notes will be admitted to trading on Euronext Paris, on the regulated market or on the EuroMTF Market of the Luxembourg Stock Exchange, displayed on the LuxSE SOL (without admission to trading) or listed and admitted to trading on any other stock exchange(s). This Base Prospectus and any supplement thereto will be published on the website of (a) the AMF (www.amf-france.org) and (b) the Issuers (<http://sp.morganstanley.com/EU/Documents>).

This Base Prospectus includes details of the long-term and short-term credit ratings assigned to (i) Morgan Stanley by DBRS, Inc. (**DBRS**), Fitch Ratings, Inc. (**Fitch**), Moody's Investors Service, Inc. (**Moody's**), Ratings and Investment Information, Inc. (**R&I**) and Standard & Poor's Financial Services LLC through its business unit Standard & Poor's Global Ratings (**S&P**) and (ii) MSIP by Moody's and S&P. MSBV is not rated.

As of the date of this Base Prospectus, Morgan Stanley's short-term and long-term debt has been respectively rated (i) R-1 (middle) and A (high), with a stable outlook, by DBRS, (ii) F1 and A, with a negative outlook, by Fitch, (iii) P-2 and A3, with a rating under review for upgrade outlook, by Moody's, (iv) a-1 and A, with a stable outlook, by R&I and (v) A-2 and BBB+, with a stable outlook, by S&P.

As of the date of this Base Prospectus, MSIP's short-term and long-term debt has been respectively rated (i) P-1 and A1, with a rating under review for upgrade outlook, by Moody's and (ii) A-1 and A+, with a stable outlook, by S&P.

MSBV is not rated.

As of the date of this Base Prospectus, MSFL's long-term debt has been respectively rated (i) A3, with a rating under review for upgrade outlook, by Moody's, (ii) BBB+, with a stable outlook, by S&P and (iii) A, with a negative outlook, by Fitch.

Notes issued under the Programme may be rated or unrated. The rating of Notes, if any, will be disclosed in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning credit rating agency.

Notes will be issued outside the United States in dematerialised form, either in bearer dematerialised form (*au porteur*) or registered dematerialised form (*au nominatif*).

Notes will be issued in such denominations as may be specified in the applicable Final Terms save that the minimum denomination at the issue date of each Note admitted to trading on a regulated market within the EEA or in the United Kingdom or offered by way of non-exempt offer in a Member State of the EEA or in the United Kingdom will be €1,000 (or the equivalent amount in the specified currency). The aggregate principal amount of Notes outstanding issued under the Programme shall not at any time exceed €2,000,000,000.

The Notes will be governed by French law and the Guarantee will be governed by New York law.

This Base Prospectus replaces and supersedes the Base Prospectus in relation to the Programme dated 18 July 2019.

The language of this Base Prospectus is French.

Investing in the Notes involves risks. See "*Risk Factors*" below.

Distribution Agent

Morgan Stanley & Co. International plc

IMPORTANT NOTICES

PRIIPs/IMPORTANT – EEA AND UK RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**) or in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of:

- (A) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (**MiFID II**);
- (B) a customer within the meaning of Directive 2016/97/EU, as amended (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (C) not a qualified investor as defined in the Prospectus Regulation.

Consequently, if the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", no key information document required by Regulation (EU) No 1286/2014, as amended (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been or will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "**MiFID II Product Governance / Target Market**" which will outline the target market assessment in respect of the Notes and which strategies for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution strategies.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Distribution Agent subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Distribution Agent nor any of its respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

THE NOTES, ANY INTEREST THEREIN AND THE GUARANTEE IN RESPECT THEREOF, HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OF AMERICA, ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS AND MAY NOT BE OFFERED, SOLD, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES (WHICH TERM INCLUDES THE TERRITORIES, THE POSSESSIONS AND ALL OTHER AREAS SUBJECT TO THE JURISDICTION OF THE UNITED STATES) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT). SEE "SUBSCRIPTION AND SALE".

For payments in respect of a Note issued by Morgan Stanley or MSFL, in order to avoid U.S. withholding taxes, the beneficial owner of the Note that is not a United States person (or a financial institution holding the Note on behalf of the beneficial owner) is required to comply with certain tax identification and certification requirements, generally by furnishing the appropriate U.S. Internal Revenue Service Form W- 8BEN or W-8BEN-E on which the beneficial owner certifies under penalty of perjury that it is not a United States person. Certain tax identification and certification requirements apply as well to holders of Notes of all Issuers with respect to "FATCA". In addition, U.S. withholding taxes could be imposed in respect of certain Equity-Linked Notes issued by any Issuer. See below under "United States Federal Taxation".

Each investor must comply with all applicable laws and regulations in each country or jurisdiction in or from which the investor purchases, offers, sells or delivers the Notes or has in the investor's possession or distributes this Base Prospectus or any accompanying Final Terms.

THE NOTES ARE NOT DEPOSITS OR SAVINGS ACCOUNTS AND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR DEPOSIT PROTECTION SCHEME ANYWHERE, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.

Hedging transactions involving "equity securities" of "domestic issuers" (as such terms are defined in the Securities Act and regulations thereunder) may not be conducted unless in compliance with the Securities Act.

No person has been authorised by any of Morgan Stanley, MSIP, MSBV or MSFL to give any information or to make any representation not contained or incorporated by reference in this Base Prospectus, and, if given or made, that information or representation should not be relied upon as having been authorised by Morgan Stanley, MSIP, MSBV or MSFL. Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes will, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial situation of any of Morgan Stanley, MSIP, MSBV or MSFL since the date hereof or, as the case may be, the date upon which this Base Prospectus has been most recently amended or supplemented or the balance sheet date of the most recent financial statements which have been incorporated into this Base Prospectus by way of a supplement to this Base Prospectus, or that any other information supplied from time to time is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Investors should review, *inter alia*, the most recent financial statements of Morgan Stanley, MSIP, MSBV and/or MSFL (as applicable) when evaluating any Notes or an investment therein (such financial statements shall not form a part of this Base Prospectus unless they have been expressly incorporated herein, including by way of a supplement to this Base Prospectus).

The distribution of this Base Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by Morgan Stanley, MSIP, MSBV and MSFL to inform themselves about and to observe those restrictions.

The Issuers do not intend to provide post-issuance information in respect of the Notes except if required by any applicable laws or regulations.

This Base Prospectus should be read and construed with any supplement thereto and with any other documents incorporated by reference therein.

This Base Prospectus does not constitute an offer of or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by any of Morgan Stanley, MSIP, MSBV MSFL or the Distribution Agent that any recipient of this Base Prospectus should subscribe for or purchase any Notes. Each recipient of this Base Prospectus will be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of Morgan Stanley, MSIP, MSBV or MSFL (as applicable) and of the particular terms of any offered Notes.

Neither this Base Prospectus nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which that offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

All references in this Base Prospectus to Sterling and £ are to the lawful currency of the United Kingdom, all references to U.S. Dollars, U.S. and \$ are to the lawful currency of the United States of America, all references to Japanese Yen and ¥ are to the lawful currency of Japan, all references to Swiss Francs and CHF are to the lawful currency of Switzerland, all references to Australian Dollars and AUD are to the lawful currency of the Commonwealth of Australia, all references to New Zealand Dollars and NZD are to the lawful currency of New Zealand, and all references to euro, € and EUR are to the lawful single currency of the member states of the European Union (each a **Member State**) who have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time).

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE RELEVANT ISSUER AND, WHERE APPLICABLE, THE GUARANTOR AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE NOTES HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

FORWARD-LOOKING STATEMENTS

This Base Prospectus (including the documents incorporated by reference) contains certain statements that are forward-looking including statements with respect to the Issuers and Guarantor's business strategies, expansion and growth of operations, trends in its business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "**believe**", "**expect**", "**project**", "**anticipate**", "**seek**", "**estimate**" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. These forward-looking statements do not constitute profit forecasts or estimates under the Commission Delegated Regulation 2019/980 supplementing the Prospectus Regulation.

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GENERAL DESCRIPTION OF THE PROGRAMME

The following overview describes the key features of the Notes that each Issuer may issue under the Program in general terms only. Investors should read this general description together with the more detailed information that is contained in this Base Prospectus and in the applicable Final Terms.

This General Description constitutes a general description of the Programme for the purposes of Article 25.1(b) of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019. It does not, and is not intended to, constitute a summary of this Prospectus within the meaning of Article 7 of the Prospectus Regulation or any implementing regulation thereof.

The following overview is qualified in its entirety by the remainder of this Base Prospectus.

Issuers	Morgan Stanley, MSI plc, MSBV, MSFL.
Guarantor	In the case of Notes issued by MSBV or MSFL, Morgan Stanley.
Distribution Agents	Morgan Stanley & Co. International plc or any other entity approved as such from the Morgan Stanley group.
Fiscal Agent	Citibank N.A. London Branch.
Notes	Notes which are issued under this €2,000,000,000 Programme for the issuance of notes (the Programme) are issued pursuant to an agency agreement dated 17 July 2020 (the Agency Agreement) between the Issuers, the Guarantor and Citibank N.A. London Branch as fiscal agent. For the avoidance of doubt, this Base Prospectus does not relate to or describe any securities other than the Notes.
Programme Amount	<p>The Euro value, determined as of the respective issue dates, of the aggregate principal amount of Notes issued under the Programme which are outstanding shall not at any one time exceed €2,000,000,000.</p> <p>The maximum aggregate amount of Notes permitted to be outstanding at any one time under this Programme may be increased from time to time.</p>
Issuance in Series	Notes issued under the Programme are issued in series (each a Series) and each Series may comprise one or more tranches (each a Tranche) of Notes. Each Series may comprise one or more Tranches issued on different issue dates and subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches.
Forms of Notes	<p>Notes will be issued in dematerialised form.</p> <p>Title to Notes will be evidenced in accordance with article L. 211-3 of the <i>Code monétaire et financier</i> by book entries (<i>inscriptions en compte</i>). No physical document of title (including certificats représentatifs pursuant to article R. 211-7 of the <i>Code monétaire et financier</i>) will be issued in respect of Notes.</p>

Notes are issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France which shall credit the accounts of Euroclear France Account Holders, or in registered dematerialised form (*nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*nominatif administré*) inscribed in the books of a Euroclear France Account Holder or in fully registered form (*nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or by the Registration Agent acting on behalf of the Issuer.

Terms and Conditions

Each Tranche is the subject of a set of Final Terms (each, a **Final Terms**) which complete these terms and conditions (the **Conditions**) and specify, among other matters, the additional terms and conditions set out in 0 (*Additional Terms & Conditions*) below (the **Additional Terms and Conditions**), if any, applicable in relation to such Series. The terms and conditions applicable to any particular Tranche of Notes are these Conditions (including the applicable provisions of the Additional Terms and Conditions) as completed by the applicable Final Terms.

Any Issuer may issue Notes that are Equity-Linked Notes, Currency-Linked Notes, Inflation-Linked Notes, Fund-Linked Notes, Futures Contract-Linked Notes and/or any combination thereof (each as defined in Condition 8 (*Equity-Linked, Currency-Linked, Inflation-Linked, Fund-Linked and Futures Contract-Linked Notes Provisions*) of "Terms and Conditions of the Notes" hereof).

Specified Currency

Notes may be denominated or payable in any currency as set out in the applicable Final Terms, subject to all applicable consents being obtained and compliance with all applicable legal and regulatory requirements.

Status

Notes will be direct and general obligations of the relevant Issuer which rank *pari passu* among themselves and *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights.

With respect to MSIP Notes only, pursuant to the exercise of the bail-in power by the U.K. Regulatory Authority, the outstanding amount of Notes may be reduced (in whole or in part), converted into equity (in whole or in part) or cancelled and/or the maturity of the Notes or the amount of interest or the date on which the interest becomes payable may be amended.

Guarantee

The payment of all amounts due in respect of Notes issued by MSBV or MSFL will be unconditionally and irrevocably guaranteed by Morgan Stanley pursuant to a guarantee dated as of 17 July 2020 (as supplemented and/or amended and/or restated and/or replaced from time to time).

Payment of amounts due in respect of MSIP Notes are not guaranteed by Morgan Stanley.

Issue Price

Notes may be issued at any price, as specified in the applicable Final Terms, subject to compliance with all applicable legal and regulatory requirements.

Maturities

Notes will have maturities as specified in the applicable Final Terms, subject to compliance with all applicable legal and regulatory requirements.

Relevant Underlying:

The interest and/or redemption amounts payable on Notes may be linked to the value or performance of (each, a **Relevant Underlying**) (i) one or more shares (such Notes, the **Share-Linked Notes**), (ii) one or more equity indices (such Notes, the **Index-Linked Notes**), (iii) interests in one or more exchange traded funds (such Notes, the **ETF-Linked Notes**), (iv) one or more currencies (such Notes, the **Currency-Linked Notes**), (v) one or more inflation indices (such Notes, the **Inflation-Linked Notes**), (vi) interests in one or more funds (such Notes, the **Fund-Linked Notes**), or (vii) one or more futures contracts (such Notes, the **Futures Contracts-Linked Notes**).

Redemption

Notes may be redeemed at Par or at such other amount as may be specified as the Final Redemption Amount in the applicable Final Terms. The amount payable on redemption of Derivative Notes may be an amount which is linked to the performance of the Relevant Underlying comprising one or more shares, indices, exchange traded funds, currency pairs, inflation indices, funds, futures contracts or a combination of any of the foregoing.

Early Redemption

Notes may be redeemed early for tax reasons at the option of the Issuer at the Early Redemption Amount specified in the Final Terms or in case of illegality or regulatory reasons at an amount representing either the fair market value of the Note less costs, the fair market value of the Note or at Par. If so specified in the applicable Final Terms, the Notes may also be redeemed early at the option of the Issuer and/or at the option of any Noteholder at the Optional Redemption Amount (Call) or the Optional Redemption Amount (Put), as the case may be.

Interest

Notes may be interest-bearing or non-interest-bearing. Interest (if any) may accrue at a fixed rate (which may be zero), a floating rate, a rate which varies during the lifetime of the relevant Series, or a rate which is linked to the performance of a Relevant Underlying. For the avoidance of doubt, in no event, will the relevant Interest Amount be less than zero.

Denominations

The minimum denomination at the issue date of each Note admitted to trading on a EEA exchange and/or offered to the public in an EEA State will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation

All payments of principal and interest by the Issuers and the Guarantor (if applicable) in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied collected, withheld or assessed by any jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law or agreement with such taxing authority. None of the Issuers or the Guarantor (if applicable) shall be required to make any additional payments on account of any such withholding or deduction.

For payments in respect of a Note issued by Morgan Stanley or MSFL, in order to avoid U.S. withholding taxes, the beneficial owner of the Note that is not a United States person (or a financial institution holding the Note on behalf of the beneficial owner) is required to comply with certain tax identification and certification requirements, generally by furnishing the appropriate U.S. Internal Revenue Service Form W- 8BEN or W-8BEN-E published by the U.S Internal Revenue Service on which the beneficial owner certifies under penalty of perjury that it is not a United States person.

Benefit Plan Investors

The Notes may not be acquired or held by, or acquired with the assets of, any employee benefit plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, or any entity whose underlying assets include "plan assets" within the meaning of Section 3(42) of ERISA by reason of any such employee benefit plan's account's or plan's investment therein.

Use of Proceeds

The net proceeds of each issue of Notes will be used by the relevant Issuer for general corporate purposes and/or, in connection with hedging its obligations under the Notes unless otherwise specified in the applicable Final Terms.

In respect of MSBV, at least 95% of the proceeds will be invested (*uitzetten*) within the group of which it forms part.

MSFL intends to lend the net proceeds from the sale of the Notes it offers to Morgan Stanley. Morgan Stanley intends to use the proceeds from such loans for general corporate purposes.

Listing and admission to trading

Application may be made for Notes to be displayed on the Luxembourg Stock Exchange Securities Official List (LuxSE SOL) (without admission to trading) or admitted to trading on (a) Euronext Paris or (b) either of the regulated market or the EuroMTF Market of the Luxembourg Stock Exchange, or (c) any other stock exchange(s) of the European Union.

Each Issuer may also issue unlisted Notes.

Clearing Systems	Euroclear France, Euroclear, Clearstream, and/or such other relevant clearing system as may be specified in the applicable Final Terms.
Governing Law	The Notes will be governed by French law (except in relation to the Issuer's right to repurchase Notes) and the Guarantee is governed by New York law.
Restrictions on sale to U.S. Persons	The Notes may not be offered, sold, pledged, assigned, delivered or otherwise transferred, exercised or redeemed <i>at any time</i> , directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act).
Selling Restrictions	For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of offering material in the United States, the EEA, the United Kingdom and the Netherlands, see " <i>Subscription and Sale</i> " hereof.
Certain Restrictions	In respect of Share-Linked Notes (as defined in the paragraph headed " <i>Relevant Underlying</i> " above), the issuer or issuers of the specified share or shares to which such Share-Linked Notes relate shall not be Morgan Stanley, MSI plc, MSBV or MSFL or any legal entity belonging to the same group as Morgan Stanley, MSI plc, MSBV or MSFL.
Subordination	<p><i>Structural subordination; Morgan Stanley's access to assets held by subsidiaries may be restricted:</i> The Notes issued by Morgan Stanley, including the guarantees of the Notes issued by MSBV and MSFL, are Morgan Stanley's unsecured senior obligations, but Morgan Stanley's assets consist primarily of equity in, and receivables from, its subsidiaries.</p> <p>As a result, Morgan Stanley's ability (i) to make payments on its Notes (ii) to make payments with respect to its guarantee of Notes issued by MSBV and MSFL and (iii) to pay dividends on its preferred stock and common stock, in each case depends upon its receipt of dividends, loan payments and other funds from its subsidiaries. In addition, the direct creditors of any subsidiary will have a prior claim on the subsidiary's assets, if any, and Morgan Stanley's rights and the rights of its creditors, including a Noteholder's rights as an owner of Notes issued by Morgan Stanley or a Noteholder's rights under Morgan Stanley's guarantees of Notes issued by MSBV or MSFL, will be subject to that prior claim, except to the extent that any claims Morgan Stanley may have as a creditor of that subsidiary are paid. This subordination of parent company creditors to prior claims of creditors of subsidiaries over the subsidiaries' assets is referred to as structural subordination.</p> <p>In addition, various statutes and regulations restrict some of Morgan Stanley's subsidiaries from paying dividends or making loans or advances to Morgan Stanley. These restrictions could prevent those subsidiaries from paying the</p>

cash to Morgan Stanley that it needs in order to pay Noteholders. These restrictions include, without limitation:

- the net capital requirements under the Securities and Exchange Act of 1934, as amended, and the rules of some exchanges and other regulatory bodies, which apply to some of Morgan Stanley's principal subsidiaries, such as Morgan Stanley & Co. LLC and Morgan Stanley & Co. International plc, and
- **banking regulations, which apply to Morgan Stanley Bank, N.A., a national bank, Morgan Stanley Private Bank, National Association (formerly Morgan Stanley Trust FSB), a national bank, and other bank subsidiaries of Morgan Stanley.**

Status of Notes

Status of the MSI plc Notes; relationship with Morgan Stanley securities: The Notes issued by MSI plc are its unsecured obligations and holders of these Notes are direct creditors of MSI plc.

Status of the MSBV Notes; relationship with Morgan Stanley securities: The Notes issued by MSBV are its unsecured obligations and holders of these Notes are direct creditors of MSBV, as well as direct creditors of Morgan Stanley under the related guarantee. The Morgan Stanley guarantee will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of Morgan Stanley, present and future, but, in the event of insolvency, only to the extent permitted by laws affecting creditors' rights.

Status of the MSFL Notes; relationship with Morgan Stanley securities: The Notes issued by MSFL are its unsecured obligations and holders of these Notes are direct creditors of MSFL, as well as direct creditors of Morgan Stanley under the related guarantee. As a finance subsidiary, MSFL has no independent operations beyond the issuance and administration of its securities and is expected to have no independent assets available for distributions to holders of MSFL Notes if they make claims in respect of the securities in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related guarantee by Morgan Stanley and that guarantee will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of Morgan Stanley, present and future, but, in the event of insolvency, only to the extent permitted by laws affecting creditors' rights. Holders of Notes issued by MSFL should accordingly assume that in any such proceedings they would not have any priority over and should be treated *pari passu* with the claims of other unsecured, unsubordinated creditors of Morgan Stanley, including holders of Morgan Stanley-issued securities.

Substitution

Pursuant to Condition 29.1 (*Substitution of Issuer with Morgan Stanley Group entities*), the Issuer may be substituted for Morgan Stanley (if the original Issuer is not Morgan Stanley) or a subsidiary of Morgan Stanley without the consent of the Noteholders.

If Condition 29.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*), is specified as applicable to a Series of Notes, the Issuer or the Guarantor (in the case of MSBV or MSFL Notes) may, subject to the Conditions set out in Condition 29 (*Substitution*) including the rights of Noteholders under Condition 29.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*), but without the consent of Noteholders, upon the occurrence of a Substitution Event (as defined in Condition 29.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*)), substitute for itself any entity which is not a Morgan Stanley Group entity, provided that such entity satisfies the requirements set out in Condition 29.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*).

Upon a substitution of the Issuer or the Guarantor with a non Morgan Stanley Group entity pursuant to Condition 29.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*), Noteholders who object to the substitution will have the right to require the Issuer to redeem their Notes at a price determined in accordance with the provisions of Condition 29.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*), by providing notice of their intention to exercise such right in the manner set out in Condition 29.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*).

RISK FACTORS

Prospective investors should read the entire Base Prospectus (and where appropriate, any relevant final terms and summary). Words and expressions defined elsewhere in this Base Prospectus have the same meanings in this section.

Prospective investors should consider the factors described below and consult with their own professional advisors if they consider it necessary. Each of the Issuers and the Guarantor believe that such factors represent the principal risks inherent in investing in Notes issued under the Programme but the inability of an Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons, which may not be considered significant risks by such Issuer based on information currently available to it or which it may not currently be able to anticipate.

This section notably describes the most significant risks of investing in Notes linked to shares, indices, ETFs, inflation indices, funds or futures contracts. Each investor should carefully consider whether the Notes, as described herein and in the applicable Final Terms, are suited to its particular circumstances before deciding to subscribe for or to purchase any Notes.

An investment in Notes entails certain risks, which vary depending on the specific type and structure of the relevant Note and the Relevant Underlying to which the Notes are linked. Such risks can be divided into the following categories 1 to 7 (each a **Risk Category**):

1. Risk Factors relating to the Issuers and Guarantor (**Risk Category 1**), divided into sub-categories (each a **Sub-Category**) which are the followings:
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 - 1.2 Risks relating to the operation of Morgan Stanley's business activities..... 40
 - 1.3 Legal, regulatory and compliance risk..... 45
 - 1.4 Other risks relating to Morgan Stanley's business activities 50
 - 1.5 Risk factors specific to MSBV 54
 - 1.6 Risk factors specific to MSI plc..... 55
 - 1.7 Risk factors specific to MSFL 58
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3. Risks related to the market generally (**Risk Category 3**) which are the followings:
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7.3	Risk relating to the early redemption of the Notes	73
7.4	Notes issued at a substantial discount or premium	74

The most material risk or risks in each Risk Category or Sub-Category are specified first in each such category or sub-category, as the case may be.

1. Risk Factors relating to the Issuers and Guarantor

Risk factors are presented on the basis of an evaluation of their materiality, with the most material risks indicated first within each category. The risk exposure or measurement figures included in the risk factors provide information on the Group's exposure level but are not necessarily representative of future evolution.

Morgan Stanley is the ultimate parent company of the Morgan Stanley group of companies (Morgan Stanley and its consolidated subsidiaries, the **Morgan Stanley Group**). Morgan Stanley B.V., Morgan Stanley Finance LLC and Morgan Stanley & Co. International plc are part of the Morgan Stanley Group.

All material assets of Morgan Stanley B.V. and Morgan Stanley Finance LLC are obligations of one or more of the Morgan Stanley Group companies and securities issued by Morgan Stanley B.V. and Morgan Stanley Finance LLC are guaranteed by Morgan Stanley.

There are substantial inter-relationships between Morgan Stanley & Co. International plc and Morgan Stanley as well as other Morgan Stanley Group companies, including the provision of funding, capital services and logistical support to or by Morgan Stanley & Co. International plc, as well as common or shared business or operational platforms or systems, including employees.

The principal risks with respect to Morgan Stanley described below will also represent (together with the risk factors specific to such entities as described below) the principal risks with respect to Morgan Stanley B.V., Morgan Stanley Finance LLC and Morgan Stanley & Co. International plc, either as individual entities or as part of the Morgan Stanley Group.

1.1 *Risks relating to the financial situation of Morgan Stanley*

(a) *The results of operations of Morgan Stanley have been, and will likely continue to be, adversely affected by the COVID-19 pandemic.*

The coronavirus disease (**COVID-19**) pandemic has, and will likely continue to, severely impact global economic conditions, resulting in substantial volatility in the global financial markets, increased unemployment, and operational challenges such as the temporary closures of businesses, sheltering-in-place directives and increased remote work protocols. Governments and central banks around the world have reacted to the economic crisis caused by the pandemic by implementing stimulus and liquidity programs and cutting interest rates, though it is unclear whether these or future actions will be successful in countering the economic disruption. If the pandemic is prolonged or the actions of governments and central banks are unsuccessful, the adverse impact on the global economy will deepen, and Morgan Stanley's results of operations and financial condition in future quarters will be adversely affected.

Towards the end of the first quarter of 2020 and into April 2020, the pandemic impacted each of Morgan Stanley's business segments and such impact will likely be greater in future quarters if conditions persist (e.g., decline and volatility of asset prices, reduction in interest rates, widening of credit spreads, credit deterioration, market volatility and reduced investment banking advisory activity). This resulted in significant decreases in the valuation of loans and commitments, investments and certain classes of trading assets, an increase in the allowance for credit losses, reduced net interest income, and reduced investment banking advisory fees. At the same time, increased revenues for certain products related to high levels of client trading activity, as well as balance sheet growth from increased deposits and derivative assets, may not be replicated in future quarters.

Should these global market conditions be prolonged or worsen, or the pandemic lead to additional market disruptions, Morgan Stanley could experience reduced client activity and demand for Morgan Stanley's products and services, higher credit and valuation losses in Morgan Stanley's loan and commitment and investment portfolios, impairments of other financial assets and other negative impacts on Morgan Stanley's financial position, including possible constraints on capital and liquidity, as well as a higher cost of capital, and possible changes or downgrades to Morgan Stanley's credit ratings. In addition, the sharp decline in interest rates will further decrease interest margins in Morgan Stanley's lending businesses across Wealth Management and Institutional Securities. A continued slowdown of commercial activity would cause overall investment banking revenues to decline and the decline in assets under management and client balances will also further reduce fee and financing revenues across all of Morgan Stanley's business segments.

Operationally, although Morgan Stanley has initiated a work remotely protocol and restricted business travel of Morgan Stanley's workforce, if significant portions of Morgan Stanley's

workforce, including key personnel, are unable to work effectively because of illness, government actions, or other restrictions in connection with the pandemic, the impact of the pandemic on Morgan Stanley's businesses could be exacerbated.

While the COVID-19 pandemic negatively impacted Morgan Stanley's results of operations in the first quarter of 2020, the extent to which it, and the related global economic crisis, affect Morgan Stanley's businesses, results of operations and financial condition, as well as Morgan Stanley's regulatory capital and liquidity ratios, will depend on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and any recovery period, future actions taken by governmental authorities, central banks and other third parties in response to the pandemic, and the effects on Morgan Stanley's customers, counterparties, employees and third-party service providers. Moreover, the effects of the COVID-19 pandemic will heighten the other risks described in the section entitled "Risk Factors" in Morgan Stanley's most recent Annual Report on Form 10-K and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K.

(b) Credit Risk

Credit risk refers to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations to Morgan Stanley. For more information on how Morgan Stanley monitors and manages credit risk, see "*Quantitative and Qualitative Disclosures about Risk—Credit Risk*" on pages 65 to 70 of the 2019 Morgan Stanley Annual Report which is incorporated by reference therein and from which the quantitative data reproduced in the paragraph "*Quantitative and Qualitative Disclosures about Risk—Credit Risk*" below this risk factor are extracted.

Morgan Stanley is exposed to the risk that third parties that are indebted to it will not perform their obligations.

Morgan Stanley incurs significant credit risk exposure through its Institutional Securities business segment. This risk may arise from a variety of business activities, including, but not limited to: extending credit to clients through various lending commitments; entering into swap or other derivative contracts under which counterparties have obligations to make payments to Morgan Stanley; providing short- or long-term funding that is secured by physical or financial collateral whose value may at times be insufficient to fully cover the loan repayment amount; posting margin and/or collateral and other commitments to clearing houses, clearing agencies, exchanges, banks, securities firms and other financial counterparties; and investing and trading in securities and loan pools whereby the value of these assets may fluctuate based on realised or expected defaults on the underlying obligations or loans.

Morgan Stanley also incurs credit risk in its Wealth Management business segment lending to mainly individual investors, including, but not limited to, margin- and securities-based loans collateralised by securities, residential mortgage loans and home equity lines of credit.

Morgan Stanley's valuations related to, and reserves for losses on, credit exposures rely on complex models, estimates, and subjective judgments about the future. While Morgan Stanley believes current valuations and reserves adequately address its perceived levels of risk, future economic conditions that differ from or are more severe than forecast, inaccurate models or assumptions, or external factors such as natural disasters, could lead to inaccurate measurement of or deterioration of credit quality of its borrowers and counterparties or the value of collateral and result in unexpected losses. In addition, Morgan Stanley may incur higher than anticipated credit losses in periods of market illiquidity or as a result of disputes with counterparties over the valuation of collateral during periods of economic stress.

Certain of Morgan Stanley's credit exposures are concentrated by product, industry or country. Although Morgan Stanley's models and estimates account for correlations among related types of exposures, a change in the market environment for a concentrated product or an external factor impacting a concentrated industry or country may result in credit losses in excess of amounts forecast. Concentrations of credit risk are managed through Morgan Stanley's comprehensive and global Credit Limits Framework.

In addition, as a clearing member of several central counterparties, Morgan Stanley is responsible for the defaults or misconduct of its customers and could incur financial losses in the event of default by other clearing members. Although Morgan Stanley regularly reviews its credit exposures, default risk may arise from events or circumstances that are difficult to detect or foresee.

A default by a large financial institution could adversely affect financial markets.

The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships among the institutions. Increased centralisation of trading activities through particular clearing houses, central agents or exchanges as required by provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the **Dodd-Frank Act**) may increase Morgan Stanley's concentration of risk with respect to these entities. As a result, concerns about, or a default or threatened default by, one institution could lead to significant market-wide liquidity and credit problems, losses or defaults by other institutions. This is sometimes referred to as systemic risk and may adversely affect financial intermediaries, such as clearing houses, clearing agencies, exchanges, banks and securities firms, with which Morgan Stanley interacts on a daily basis and, therefore, could adversely affect Morgan Stanley.

Quantitative and Qualitative Disclosures about Risk— Credit Risk

For more information on how Morgan Stanley monitors and manages credit risk, see “*Quantitative and Qualitative Disclosures about Risk—Credit Risk*” on pages 65 to 70 of the 2019 Morgan Stanley Annual Report which is incorporated by reference therein and from which the quantitative data reproduced in the paragraphs below are extracted.

Morgan Stanley primarily incurs credit risk to institutions and individuals through its Institutional Securities and Wealth Management business segments.

Morgan Stanley incurs credit risk in its Institutional Securities business segment through a variety of activities, including, but not limited to, the following:

- extending credit to clients through loans and lending commitments;
- entering into swap or other derivative contracts under which counterparties may have obligations to make payments to us;
- providing short- or long-term funding that is secured by physical or financial collateral whose value may at times be insufficient to fully cover the repayment amount;
- posting margin and/or collateral to clearinghouses, clearing agencies, exchanges, banks, securities firms and other financial counterparties;
- placing funds on deposit at other financial institutions to support its clearing and settlement obligations; and

- investing or trading in securities and loan pools, whereby the value of these assets may fluctuate based on realized or expected defaults on the underlying obligations or loans.

Morgan Stanley incurs credit risk in its Wealth Management business segment, primarily through lending to individuals and entities, including, but not limited to, the following:

- margin loans collateralized by securities;
- securities-based lending and other forms of secured loans, including tailored lending, to high net worth clients;
- single-family residential mortgage loans in conforming, non-conforming or HELOC form, primarily to existing Wealth Management clients; and
- employee loans granted primarily to recruit certain Wealth Management representatives.

Loans and Lending Commitments

<i>\$ in millions</i>	At December 31, 2019			
	IS	WM	IM ¹	Total
Corporate	\$ 30,431	\$ 18,320	\$ 5	\$ 48,756
Consumer	—	31,610	—	31,610
Residential real estate	—	30,184	—	30,184
Commercial real estate	7,859	—	—	7,859
Loans held for investment, gross of allowance	38,290	80,114	5	118,409
Allowance for loan losses	(297)	(52)	—	(349)
Loans held for investment, net of allowance	37,993	80,062	5	118,060
Corporate	10,515	—	—	10,515
Residential real estate	—	13	—	13
Commercial real estate	2,049	—	—	2,049
Loans held for sale	12,564	13	—	12,577
Corporate	7,785	—	251	8,036
Residential real estate	1,192	—	—	1,192
Commercial real estate	2,098	—	—	2,098
Loans held at fair value	11,075	—	251	11,326
Total loans	61,632	80,075	256	141,963
Lending commitments²	106,886	13,161	21	120,068
Total loans and lending commitments²	\$ 168,518	\$ 93,236	\$ 277	\$ 262,031

\$ in millions	At December 31, 2018			
	IS	WM	IM ¹	Total
Corporate	\$ 20,020	\$ 16,884	\$ 5	\$ 36,909
Consumer	—	27,868	—	27,868
Residential real estate	—	27,466	—	27,466
Commercial real estate ³	7,810	—	—	7,810
Loans held for investment, gross of allowance	27,830	72,218	5	100,053
Allowance for loan losses	(193)	(45)	—	(238)
Loans held for investment, net of allowance	27,637	72,173	5	99,815
Corporate	13,886	—	—	13,886
Residential real estate	1	21	—	22
Commercial real estate ³	1,856	—	—	1,856
Loans held for sale	15,743	21	—	15,764
Corporate	9,150	—	21	9,171
Residential real estate	1,153	—	—	1,153
Commercial real estate ³	601	—	—	601
Loans held at fair value	10,904	—	21	10,925
Total loans	54,284	72,194	26	126,504
Lending commitments²	95,065	10,663	—	105,728
Total loans and lending commitments²	\$ 149,349	\$ 82,857	\$ 26	\$ 232,232

1. Investment Management business segment loans are related to certain of our activities as an investment advisor and manager. At December 31, 2019, loans held at fair value are the result of the consolidation of a CLO, managed by Investment Management, composed primarily of senior secured corporate loans.
2. Lending commitments represent the notional amount of legally binding obligations to provide funding to clients for lending transactions. Since commitments associated with these business activities may expire unused or may not be utilized to full capacity, they do not necessarily reflect the actual future cash funding requirements.
3. Beginning in 2019, loans previously referred to as Wholesale real estate are referred to as Commercial real estate.

Morgan Stanley provides loans and lending commitments to a variety of Loans customers, from large corporate and institutional clients to high net worth individuals. In addition, Morgan Stanley purchases loans in the secondary market. Loans and lending commitments are either held for investment, held for sale or carried at fair value. In 2019, total loans and lending commitments increased by approximately \$30 billion, primarily in Corporate within the Institutional Securities business segment due to growth in secured lending facilities and increases in event- driven lending commitments. Also contributing to the increase was growth in Consumer securities-based lending, Residential real estate loans and tailored lending within the Management business segment.

Allowance for Loans and Lending Commitments Held for Investment

\$ in millions	At December 31, 2019	At December 31, 2018
Loans	\$ 349	\$ 238
Lending commitments	241	203
Total allowance for loans and lending commitments	\$ 590	\$ 441

Credit exposure arising from its loans and lending commitments is measured in accordance with its internal risk management standards. Risk factors considered in determining the aggregate allowance for loan and commitment losses include the borrower's financial strength, industry, facility structure, loan-to-value ratio, debt service ratio, collateral and covenants. Qualitative and environmental factors such as economic and business conditions, nature and volume of the portfolio and lending terms, and volume and severity of past due loans may also be considered.

The aggregate allowance for loans and lending commitment losses increased during 2019, primarily within the Institutional Securities business segment due to loan and lending commitment growth, deterioration of select credits and certain environmental factors.

Status of Loans Held for Investment

	At December 31, 2019		At December 31, 2018	
	IS	WM	IS	WM
Current	99.0%	99.9%	99.8 %	99.9 %
Nonaccrual ¹	1.0%	0.1%	0.2 %	0.1 %

1. These loans are on nonaccrual status because the loans were past due for a period of 90 days or more or payment of principal or interest was in doubt.

Institutional Securities Loans and Lending Commitments

At December 31, 2019						
\$ in millions	Contractual Years to Maturity				Total	
	Less than 1	1-3	3-5	Over 5		
Loans						
AA	\$	7 \$	50 \$	— \$	5 \$	62
A		955	923	516	277	2,671
BBB		2,297	5,589	3,592	949	12,427
NIG		13,051	16,824	12,047	2,592	44,514
Unrated ²		117	82	131	1,628	1,958
Total loans		16,427	23,468	16,286	5,451	61,632
Lending commitments						
AAA		—	50	—	—	50
AA		2,838	908	2,509	—	6,255
A		6,461	7,287	9,371	298	23,417
BBB		7,548	13,780	20,560	753	42,641
NIG		4,657	10,351	15,395	3,997	34,400
Unrated ²		—	9	107	7	123
Total lending commitments		21,504	32,385	47,942	5,055	106,886
Total exposure	\$	37,931 \$	55,853 \$	64,228 \$	10,506 \$	168,518

At December 31, 2018						
\$ in millions	Contractual Years to Maturity				Total	
	Less than 1	1-3	3-5	Over 5		
Loans						
AA	\$	7 \$	430 \$	— \$	19 \$	456
A		565	1,580	858	267	3,270
BBB		3,775	4,697	4,251	495	13,218
NIG		7,151	12,882	9,313	5,889	35,235
Unrated ²		88	95	160	1,762	2,105
Total loans		11,586	19,684	14,582	8,432	54,284
Lending commitments						
AAA		90	75	—	—	165
AA		2,491	1,177	2,863	—	6,531
A		2,892	6,006	9,895	502	19,295
BBB		2,993	11,825	19,461	638	34,917
NIG		1,681	10,604	16,075	5,751	34,111
Unrated ²		8	—	38	—	46
Total lending commitments		10,155	29,687	48,332	6,891	95,065
Total exposure	\$	21,741 \$	49,371 \$	62,914 \$	15,323 \$	149,349

NIG—Non-investment grade

1. Counterparty credit ratings are internally determined by CRM.

2. Unrated loans and lending commitments are primarily trading positions that are measured at fair value and risk managed as a component of market risk. For a further discussion of our market risk, see “Quantitative and Qualitative Disclosures about Risk—Market Risk” herein.

Institutional Securities Loans and Lending Commitments by Industry

<i>\$ in millions</i>	At December 31, 2019	At December 31, 2018
Financials	\$ 40,992	\$ 32,655
Real estate	28,348	24,133
Healthcare	14,113	10,158
Industrials	13,136	13,701
Communications services	12,165	11,244
Utilities	9,905	9,856
Consumer staples	9,724	7,921
Consumer discretionary	9,589	8,314
Energy	9,461	9,847
Information technology	9,201	9,896
Materials	5,577	5,969
Insurance	3,755	3,744
Other	2,552	1,911
Total	\$ 168,518	\$ 149,349

The principal Institutional Securities business segment lending activities include Corporate and Commercial real estate loans. Morgan Stanley's loans and lending commitments may have varying terms; may be senior or subordinated; may be secured or unsecured; are generally contingent upon representations, warranties and contractual conditions applicable to the borrower; and may be syndicated, traded or hedged by us.

Morgan Stanley also extends short- and long-term secured lending facilities with various types of collateral, including residential real estate, commercial real estate, corporate and financial assets. These collateralized loans and lending commitments generally provide for overcollateralization. Credit risk with respect to these loans and lending commitments arises from the failure of a borrower to perform according to the terms of the loan agreement and/or a decline in the underlying collateral value. Morgan Stanley monitors collateral levels against the requirements of lending agreements. In addition, Morgan Stanley participates in securitization activities whereby it transfers certain loans, primarily Commercial real estate, to a special purpose entity (SPE), which in turn securitizes the loans.

Institutional Securities Corporate Loans¹

<i>\$ in millions</i>	At December 31, 2019	At December 31, 2018
Corporate relationship and event-driven lending ²	\$ 11,638	\$ 13,317
Secured lending facilities ³	29,654	21,408
Securities-based lending and other ⁴	7,439	8,331
Total Corporate	\$ 48,731	\$ 43,056

1. Amounts include loans held for investment, gross of allowance, loans held for sale and loans measured at fair value. Loans at fair value are included in Trading assets in the balance sheets.

2. Relationship and event-driven loans typically consist of revolving lines of credit, term loans and bridge loans. For additional information on event-driven loans, see "Institutional Securities Event-Driven Loans and Lending Commitments" herein.

3. Secured lending facilities includes loans provided to clients to warehouse loans secured by underlying real estate and other assets.

4. Securities-based lending and other includes financing extended to sales and trading customers and corporate loans purchased in the secondary market.

Institutional Securities Event-Driven Loans and Lending Commitments

At December 31, 2019						
	Contractual Years to Maturity					
<i>\$ in millions</i>	Less than 1	1-3	3-5	Over 5		Total
Loans	\$ 1,194	\$ 1,024	\$ 839	\$ 390	\$	3,447
Lending commitments	7,921	5,012	2,285	3,090		18,308
Total loans and lending commitments	\$ 9,115	\$ 6,036	\$ 3,124	\$ 3,480	\$	21,755

At December 31, 2018						
	Contractual Years to Maturity					
<i>\$ in millions</i>	Less than 1	1-3	3-5	Over 5		Total
Loans	\$ 2,582	\$ 287	\$ 656	\$ 1,618	\$	5,143
Lending commitments	1,506	2,456	2,877	3,658		10,497
Total loans and lending commitments	\$ 4,088	\$ 2,743	\$ 3,533	\$ 5,276	\$	15,640

Event-driven loans and lending commitments, which comprise a portion of corporate loans and lending commitments, are associated with a particular event or transaction, such as to support client merger, acquisition, recapitalization or project finance activities. Balances may fluctuate as such lending is related to transactions that vary in timing and size from period to period.

Wealth Management Loans and Lending Commitments

At December 31, 2019						
	Contractual Years to Maturity					
<i>\$ in millions</i>	Less than 1	1-3	3-5	Over 5	Total	
Securities-based lending and other loans	\$ 41,863	\$ 3,972	\$ 2,783	\$ 1,284	\$ 49,902	
Residential real estate loans	13	11	—	30,149	30,173	
Total loans	\$ 41,876	\$ 3,983	\$ 2,783	\$ 31,433	\$ 80,075	
Lending commitments	10,219	2,564	71	307	13,161	
Total loans and lending commitments	\$ 52,095	\$ 6,547	\$ 2,854	\$ 31,740	\$ 93,236	

At December 31, 2018						
	Contractual Years to Maturity					
<i>\$ in millions</i>	Less than 1	1-3	3-5	Over 5	Total	
Securities-based lending and other loans	\$ 38,144	\$ 3,573	\$ 2,004	\$ 1,006	44,727	
Residential real estate loans	—	30	1	27,436	27,467	
Total loans	\$ 38,144	\$ 3,603	\$ 2,005	\$ 28,442	\$ 72,194	
Lending commitments	9,197	1,151	42	273	10,663	
Total loans and lending commitments	\$ 47,341	\$ 4,754	\$ 2,047	\$ 28,715	\$ 82,857	

The principal Wealth Management business segment lending activities include securities-based lending and residential real estate loans.

Securities-based lending allows clients to borrow money against the value of qualifying securities, generally for any purpose other than purchasing securities. Morgan Stanley

establishes approved credit lines against qualifying securities and monitor limits daily and, pursuant to such guidelines, require customers to deposit additional collateral, or reduce debt positions, when necessary. These credit lines are primarily uncommitted loan facilities, as Morgan Stanley reserves the right to not make any advances or may terminate these credit lines at any time. Factors considered in the review of these loans include, but are not limited to, the loan amount, the client's credit profile, the degree of leverage, collateral diversification, price volatility and liquidity of the collateral.

Residential real estate loans consist of first and second lien mortgages, including HELOCs. Morgan Stanley's underwriting policy is designed to ensure that all borrowers pass an assessment of capacity and willingness to pay, which includes an analysis utilizing industry standard credit scoring models (e.g., FICO scores), debt-to-income ratios and assets of the borrower. Loan- to-value ratios are determined based on independent third-party property appraisals and valuations, and security lien positions are established through title and ownership reports. The vast majority of mortgage loans, including HELOCs, are held for investment in the Wealth Management business segment's loan portfolio.

In 2019, Loans and Lending commitments associated with the Wealth Management business segment increased by approximately 13%, primarily due to growth in Securities-based lending, Residential real estate loans, and tailored lending.

Customer and Other Receivables

Margin Loans

<i>\$ in millions</i>	At December 31, 2019		
	IS	WM	Total
Customer receivables representing margin loans	\$ 22,216	\$ 9,700	\$ 31,916

<i>\$ in millions</i>	At December 31, 2018		
	IS	WM	Total
Customer receivables representing margin loans	\$ 14,842	\$ 11,383	\$ 26,225

The Institutional Securities and Wealth Management business segments provide margin lending arrangements, which allow customers to borrow against the value of qualifying securities. Margin lending activities generally have minimal credit risk due to the value of collateral held and their short-term nature. Amounts may fluctuate from period to period as overall client balances change as a result of market levels, client positioning and leverage.

Employee Loans

<i>\$ in millions</i>	At December 31, 2019	At December 31, 2018
Balance	\$ 2,980	\$ 3,415
Allowance for loan losses	(61)	(63)
Balance, net	\$ 2,919	\$ 3,352
Remaining repayment term, weighted average in years	4.8	4.3

In 2019, the balance of employee loans decreased as a result of the roll-off of certain acquisition-related employee retention loans and repayments, partially offset by new note

issuances. Employee loans are granted in conjunction with a program established primarily to recruit certain Wealth Management representatives, are full recourse and generally require periodic repayments. Morgan Stanley establishes an allowance for loan amounts it does not consider recoverable, and the related provision is recorded in Compensation and benefits expense.

Derivatives

Fair Value of OTC Derivative Assets

\$ in millions	Counterparty Credit Rating ¹					Total						
	AAA	AA	A	BBB	NIG							
At December 31, 2019												
<1 year	\$	371	\$	9,195	\$	31,789	\$	22,757	\$	6,328	\$	70,440
1-3 years		378		5,150		17,707		11,495		9,016		43,746
3-5 years		502		4,448		9,903		6,881		3,421		25,155
Over 5 years		3,689		24,675		70,765		40,542		14,587		154,258
Total, gross	\$	4,940	\$	43,468	\$	130,164	\$	81,675	\$	33,352	\$	293,599
Counterparty netting		(2,172)		(33,521)		(103,452)		(62,345)		(19,514)		(221,004)
Cash and securities collateral		(2,641)		(8,134)		(22,319)		(14,570)		(10,475)		(58,139)
Total, net	\$	127	\$	1,813	\$	4,393	\$	4,760	\$	3,363	\$	14,456

\$ in millions	Counterparty Credit Rating ¹					Total	
	AAA	AA	A	BBB	NIG		
At December 31, 2018							
<1 year	\$	878	\$ 7,430	\$ 38,718	\$ 15,009	\$ 7,183	\$ 69,218
1-3 years		664	2,362	22,239	10,255	7,097	42,617
3-5 years		621	2,096	11,673	6,014	2,751	23,155
Over 5 years		3,535	9,725	67,166	36,087	11,112	127,625
Total, gross	\$	5,698	\$ 21,613	\$ 139,796	\$ 67,365	\$ 28,143	\$ 262,615
Counterparty netting		(2,325)	(13,771)	(113,045)	(49,658)	(16,681)	(195,480)
Cash and securities collateral		(3,214)	(5,766)	(21,931)	(12,702)	(8,269)	(51,882)
Total, net	\$	159	\$ 2,076	\$ 4,820	\$ 5,005	\$ 3,193	\$ 15,253

\$ in millions	At	
	December 31, 2019	December 31, 2018
Industry		
Utilities	\$ 4,275	\$ 4,324
Financials	3,448	4,480
Healthcare	991	787
Industrials	914	1,335
Regional governments	791	779
Information technology	659	695
Not-for-profit organizations	657	583
Energy	524	199
Sovereign governments	403	385
Communications services	381	373
Consumer discretionary	370	188
Materials	325	275
Real estate	315	283
Insurance	214	235
Consumer staples	129	216
Other	60	116
Total	\$ 14,456	\$ 15,253

1. Counterparty credit ratings are determined internally by CRM.

Morgan Stanley incurs credit risk as a dealer in OTC derivatives. Credit risk with respect to derivative instruments arises from the possibility that a counterparty may fail to perform according to the terms of the contract.

Credit Derivatives

A credit derivative is a contract between a seller and buyer of protection against the risk of a credit event occurring on one or more debt obligations issued by a specified reference entity. The buyer typically pays a periodic premium over the life of the contract and is protected for the period. If a credit event occurs, defined events: bankruptcy, dissolution or insolvency of the referenced entity, failure to pay, obligation acceleration, repudiation, payment moratorium and restructuring.

Morgan Stanley trades in a variety of credit derivatives and may either purchase or write protection on a single name or portfolio of referenced entities. In transactions referencing a portfolio of entities or securities, protection may be limited to a tranche of exposure or a single name within the portfolio. Morgan Stanley is an active market maker in the credit derivatives markets. As a market maker, Morgan Stanley works to earn a bid-offer spread on client flow business and manage any residual credit or correlation risk on a portfolio basis. Further, Morgan Stanley uses credit derivatives to manage its exposure to residential and commercial mortgage loans and corporate lending exposures. The effectiveness of its CDS protection as a hedge of its exposures may vary depending upon a number of factors, including the contractual terms of the CDS.

Morgan Stanley actively monitors its counterparty credit risk related to credit derivatives. A majority of its counterparties are composed of banks, broker-dealers, insurance and other financial institutions.

Contracts with these counterparties may include provisions related to counterparty rating downgrades, which may result in the counterparty posting additional collateral to us. As with all derivative contracts, Morgan Stanley considers counterparty credit risk in the valuation of its positions and recognizes CVAs as appropriate within Trading revenues in the income statements.

(c) Market Risk

Market risk refers to the risk that a change in the level of one or more market prices, rates, indices, volatilities, correlations or other market factors, such as market liquidity, will result in losses for a position or portfolio owned by Morgan Stanley. For more information on how Morgan Stanley monitors and manages market risk, see “*Quantitative and Qualitative Disclosures about Risk—Market Risk*” and “*Quantitative and Qualitative Disclosures about Risk—Country Risk*” on pages 61 to 65 and 70 to 72, respectively, of the 2019 Morgan Stanley Annual Report which is incorporated by reference therein and from which the quantitative data reproduced in the paragraphs “*Quantitative and Qualitative Disclosures about Risk—Market Risk*” and “*Quantitative and Qualitative Disclosures about Risk—Country Risk*” below this risk factor are extracted.

Morgan Stanley's results of operations may be materially affected by market fluctuations and by global and economic conditions and other factors, including changes in asset values.

Morgan Stanley's results of operations have been in the past and may, in the future, be materially affected by market fluctuations due to global financial markets, economic conditions, changes to global trade policies and tariffs and other factors, including the level and volatility of equity, fixed income and commodity prices, the level and term structure of interest

rates, inflation and currency values, and the level of other market indices. The results of Morgan Stanley's Institutional Securities business segment, particularly results relating to Morgan Stanley's involvement in primary and secondary markets for all types of financial products, are subject to substantial market fluctuations due to a variety of factors that Morgan Stanley cannot control or predict with great certainty. These fluctuations impact results by causing variations in business flows and activity and in the fair value of securities and other financial products. Fluctuations also occur due to the level of global market activity, which, among other things, affects the size, number and timing of investment banking client assignments and transactions and the realisation of returns from Morgan Stanley's principal investments. During periods of unfavourable market or economic conditions, the level of individual investor participation in the global markets, as well as the level of client assets, may also decrease, which would negatively impact the results of Morgan Stanley's Wealth Management business segment. Substantial market fluctuations could also cause variations in the value of Morgan Stanley's investments in its funds, the flow of investment capital into or from assets under management or supervision and the way customers allocate capital among money market, equity, fixed income or other investment alternatives, which could negatively impact Morgan Stanley's Investment Management business segment.

The value of Morgan Stanley's financial instruments may be materially affected by market fluctuations. Market volatility, illiquid market conditions and disruptions in the credit markets may make it extremely difficult to value and monetise certain of Morgan Stanley's financial instruments, particularly during periods of market displacement. Subsequent valuations in future periods, in light of factors then prevailing, may result in significant changes in the values of these instruments and may adversely impact historical or prospective fees and performance-based fees (also known as incentive fees, which include carried interest) in respect of certain businesses. In addition, at the time of any sales and settlements of these financial instruments, the price Morgan Stanley ultimately realises will depend on the demand and liquidity in the market at that time and may be materially lower than their current fair value. Any of these factors could cause a decline in the value of Morgan Stanley's financial instruments, which may have an adverse effect on its results of operations in future periods.

In addition, financial markets are susceptible to severe events evidenced by rapid depreciation in asset values accompanied by a reduction in asset liquidity. Under these extreme conditions, hedging and other risk management strategies may not be as effective at mitigating trading losses as they would be under more normal market conditions. Moreover, under these conditions market participants are particularly exposed to trading strategies employed by many market participants simultaneously and on a large scale. Morgan Stanley's risk management and monitoring processes seek to quantify and mitigate risk to more extreme market moves. However, severe market events have historically been difficult to predict and Morgan Stanley could realise significant losses if extreme market events were to occur.

Holding large and concentrated positions may expose Morgan Stanley to losses.

Concentration of risk may reduce revenues or result in losses in Morgan Stanley's market-making, investing, underwriting including block trading, and lending businesses in the event of unfavourable market movements, or when market conditions are more favourable for its competitors. Morgan Stanley commits substantial amounts of capital to these businesses, which often results in its taking large positions in the securities of, or making large loans to, a particular issuer or issuers in a particular industry, country or region.

Quantitative and Qualitative Disclosures about Risk—Market Risk

For more information on how Morgan Stanley monitors and manages market risk, see “Quantitative and Qualitative Disclosures about Risk—Market Risk” on pages 61 to 65 of the 2019 Morgan Stanley Annual Report which is incorporated by reference therein and from which the quantitative data reproduced in the paragraphs below are extracted.

Generally, Morgan Stanley incurs market risk as a result of trading, investing and client facilitation activities, principally within the Institutional Securities business segment where the substantial majority of its VaR for market risk exposures is generated. In addition, Morgan Stanley incurs non-trading market risk within the Wealth Management and Investment Management business segments. The Wealth Management business segment primarily incurs non-trading market risk from lending and deposit-taking activities. The Investment Management business segment primarily incurs non-trading market risk from capital investments in alternative and other funds.

Market risk includes non-trading interest rate risk. Non-trading interest rate risk in the banking book (amounts classified for regulatory capital purposes under the banking book regime) refers to the exposure that a change in interest rates will result in prospective earnings changes for assets and liabilities in the banking book.

Trading Risks

Primary Market Risk Exposures and Market Risk Management

During 2019, Morgan Stanley had exposures to a wide range of interest rates, equity prices, foreign exchange rates and commodity prices— and the associated implied volatilities and spreads—related to the global markets in which Morgan Stanley conducts its trading activities.

Morgan Stanley is exposed to interest rate and credit spread risk as a result of its market-making activities and other trading in interest rate- sensitive financial instruments (e.g., risk arising from changes in the level or implied volatility of interest rates, the timing of mortgage prepayments, the shape of the yield curve and credit spreads). The activities from which those exposures arise and the markets in which Morgan Stanley is active include, but are not limited to, the following: derivatives, and corporate and government debt across both developed and emerging markets and asset- backed debt, including mortgage-related securities.

Morgan Stanley is exposed to equity price and implied volatility risk as a result of making markets in equity securities and derivatives and maintaining other positions, including positions in non-public entities. Positions in non-public entities may include, but are not limited to, exposures to private equity, venture capital, private partnerships, real estate funds and other funds. Such positions are less liquid, have longer investment horizons and are more difficult to hedge than listed equities.

Morgan Stanley is exposed to foreign exchange rate and implied volatility risk as a result of making markets in foreign currencies and foreign currency derivatives, from maintaining foreign exchange positions and from holding non-U.S. dollar- denominated financial instruments.

Morgan Stanley is exposed to commodity price and implied volatility risk as a result of market-making activities in commodity products related primarily to electricity, natural gas, oil and precious metals. Commodity exposures are subject to periods of high price volatility as a result of changes in supply and demand. These changes can be caused by weather conditions; physical

production and transportation; or geopolitical and other events that affect the available supply and level of demand for these commodities.

Value-at-Risk

Morgan Stanley uses Value-at-Risk (**VaR**) as one of a range of risk management tools. Among their benefits, VaR models permit estimation of a portfolio's aggregate market risk exposure, incorporating a range of varied market risks and portfolio assets. One key element of the VaR model is that it reflects risk reduction due to portfolio diversification or hedging activities. However, VaR has various limitations, which include, but are not limited to: use of historical changes in market risk factors, which may not be accurate predictors of future market conditions and may not fully incorporate the risk of extreme market events that are outsized relative to observed historical market behavior or reflect the historical distribution of results beyond the 95% confidence interval; and reporting of losses in a single day, which does not reflect the risk of positions that cannot be liquidated or hedged in one day. A small proportion of market risk generated by trading positions is not included in VaR.

The modeling of the risk characteristics of some positions relies on approximations that, under certain circumstances, could produce significantly different results from those produced using more precise measures. VaR is most appropriate as a risk measure for trading positions in liquid financial markets and will understate the risk associated with severe events, such as periods of extreme illiquidity. Morgan Stanley is aware of these and other limitations and, therefore, use VaR as only one component in its risk management oversight process. This process also incorporates stress testing and scenario analyses and extensive risk monitoring, analysis and control at the trading desk, division and Firm levels.

The following table presents the VaR for risk management purposes (**Management VaR**) for the Trading portfolio, on a period-end, annual average, and annual high and low basis. To further enhance the transparency of the traded market risk, the Credit Portfolio VaR has been disclosed as a separate category from the Primary Risk Categories. The Credit Portfolio includes counterparty CVA and related hedges, as well as loans that are carried at fair value and associated hedges.

95%/One-Day Management VaR

<i>\$ in millions</i>	2019			
	Period End	Average	High ²	Low ²
Interest rate and credit spread	\$ 26	\$ 29	\$ 43	\$ 24
Equity price	11	15	22	11
Foreign exchange rate	10	13	20	6
Commodity price	10	14	22	10
Less: Diversification benefit ¹	(27)	(35)	N/A	N/A
Primary Risk Categories	\$ 30	\$ 36	\$ 47	\$ 30
Credit Portfolio	15	16	19	13
Less: Diversification benefit ¹	(10)	(11)	N/A	N/A
Total Management VaR	\$ 35	\$ 41	\$ 51	\$ 33

\$ in millions	2018 ³			
	Period End	Average	High ²	Low ²
Interest rate and credit spread	\$ 44	\$ 34	\$ 53	\$ 25
Equity price	12	14	18	9
Foreign exchange rate	11	10	16	6
Commodity price	13	10	18	6
Less: Diversification benefit ¹	(27)	(29)	N/A	N/A
Primary Risk Categories	\$ 53	\$ 39	\$ 64	\$ 31
Credit Portfolio	14	11	16	8
Less: Diversification benefit ¹	(12)	(8)	N/A	N/A
Total Management VaR	\$ 55	\$ 42	\$ 62	\$ 34

1. Diversification benefit equals the difference between the total Management VaR and the sum of the component VaRs. This benefit arises because the simulated one-day losses for each of the components occur on different days; similar diversification benefits also are taken into account within each component.
2. The high and low VaR values for the total Management VaR and each of the component VaRs might have occurred on different days during the quarter, and therefore, the diversification benefit is not an applicable measure.
3. 2018 amounts have been revised to present the results of the new VaR model, in conformance with the 2019 presentation. The difference between the VaR measures produced by the new and old models was not significant.

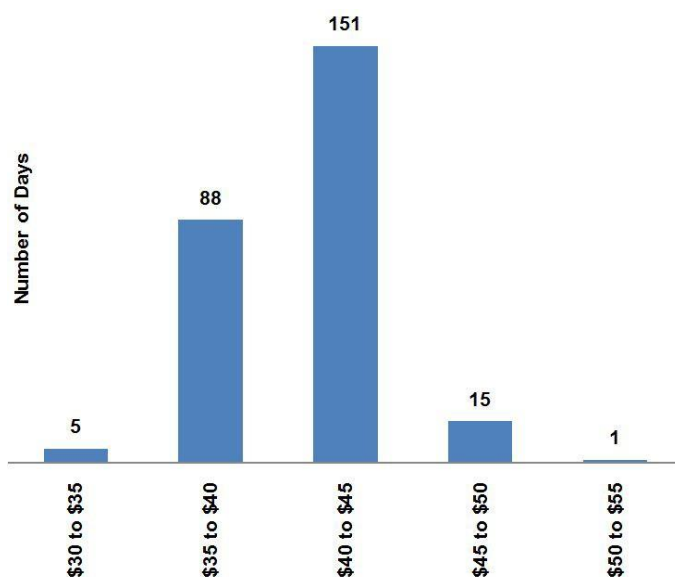
Average total Management VaR remained relatively unchanged from 2018. Average Management VaR for the Primary Risk Categories decreased from 2018 as reduced interest rate and credit spread risk was offset by increased Commodity and Foreign Exchange risk within the Fixed Income Division.

Distribution of VaR Statistics and Net Revenues

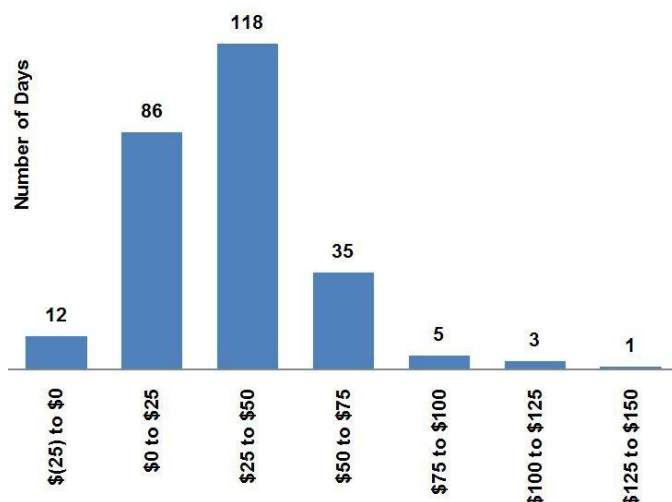
One method of evaluating the reasonableness of its VaR model as a measure of its potential volatility of net revenues is to compare VaR with corresponding actual trading revenues. Assuming no intraday trading, for a 95%/one-day VaR, the expected number of times that trading losses should exceed VaR during the year is 13, and, in general, if trading losses were to exceed VaR more than 21 times in a year, the adequacy of the VaR model would be questioned.

Morgan Stanley evaluates the reasonableness of its VaR model by comparing the potential declines in portfolio values generated by the model with corresponding actual trading results for Morgan Stanley, as well as individual business units. For days where losses exceed the VaR statistic, Morgan Stanley examines the drivers of trading losses to evaluate the VaR model's accuracy relative to realized trading results. There were no days in 2019 on which trading losses exceeded VaR.

Daily 95%/One-Day Total Management VaR for 2019 (\$ in millions)



Daily Net Trading Revenues for 2019 (\$ in millions)



The previous histogram shows the distribution of daily net trading revenues for 2019. Daily net trading revenues include profits and losses from Interest rate and credit spread, Equity price, Foreign exchange rate, Commodity price, and Credit Portfolio positions and intraday trading activities for its trading businesses. Certain items such as fees, commissions and net interest income are excluded from daily net trading revenues and the VaR model. Revenues required for Regulatory VaR backtesting further exclude intraday trading.

Non-Trading Risks

Morgan Stanley believes that sensitivity analysis is an appropriate representation of its non-trading risks. The following sensitivity analyses cover substantially all of the non-trading risk in its portfolio.

Credit Spread Risk Sensitivity¹

<i>\$ in millions</i>	At December 31, 2019	At December 31, 2018
Derivatives	\$ 6	\$ 6
Funding liabilities ²	42	34

1. Amounts represent the potential gain for each 1 bps widening of our credit spread.

2. Relates to Borrowings carried at fair value.

Credit spread risk sensitivity for funding liabilities as of December 31, 2019 has increased compared with December 31, 2018, primarily as a result of new issuances of Borrowings carried at fair value in the Fixed Income Division of the Institutional Securities business segment.

U.S. Bank Subsidiaries' Net Interest Income Sensitivity Analysis

<i>\$ in millions</i>	At December 31, 2019	At December 31, 2018
Basis point change		
+100	\$ 151	\$ 182
-100	(642)	(428)

The previous table presents an analysis of selected instantaneous upward and downward parallel interest rate shocks on net interest income over the next 12 months for its U.S. Bank Subsidiaries. These shocks are applied to its 12-month forecast, which incorporates market expectations of interest rates and its forecasted business activity.

Morgan Stanley does not manage to any single rate scenario but rather manage net interest income in its U.S. Bank Subsidiaries to optimize across a range of possible outcomes, including non-parallel rate change scenarios. The sensitivity analysis assumes that Morgan Stanley takes no action in response to these scenarios, assumes there are no changes in other macroeconomic variables normally correlated with changes in interest rates, and includes subjective assumptions regarding customer and market re-pricing behavior and other factors. The change in sensitivity to interest rates between December 31, 2019 and December 31, 2018 is primarily driven by lower market rates and changes in its asset- liability profile.

Investments Sensitivity, Including Related Performance Fees

<i>\$ in millions</i>	Loss from 10% Decline	
	At December 31, 2019	At December 31, 2018
Investments related to Investment Management activities	\$ 367	\$ 298
Other investments:		
MUMSS	169	165
Other Firm investments	195	179

MUMSS—Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

Morgan Stanley has exposure to public and private companies through direct investments, as well as through funds that invest in these assets. These investments are predominantly equity positions with long investment horizons, a portion of which is for business facilitation purposes. The market risk related to these investments is measured by estimating the potential reduction in net income associated with a 10% decline in investment values and related impact on performance-based fees, as applicable. The change in investments sensitivity related to Investment Management activities between December 31, 2019 and December 31, 2018 is primarily driven by higher unrealized carried interest and investment gains, primarily from an Asia private equity fund.

Equity Market Sensitivity

In the Wealth Management and Investment Management business segments, certain fee-based revenue streams are driven by the value of clients' equity holdings. The overall level of revenues for these streams also depends on multiple additional factors that include, but are not limited to, the level and duration of the equity market increase or decline, price volatility, the geographic and industry mix of client assets, the rate and magnitude of client investments and redemptions, and the impact of such market increase or decline and price volatility on client behavior. Therefore, overall revenues do not correlate completely with changes in the equity markets.

Quantitative and Qualitative Disclosures about Risk—Country Risk

Country risk exposure is the risk that events in, or that affect, a foreign country (any country other than the U.S.) might adversely affect us. Morgan Stanley actively manages country risk exposure through a comprehensive risk management framework that combines credit and market fundamentals and allows us to effectively identify, monitor and limit country risk.

Morgan Stanley's obligor credit evaluation process may also identify indirect exposures, whereby an obligor has vulnerability or exposure to another country or jurisdiction. Examples of indirect exposures include mutual funds that invest in a single country, offshore companies whose assets reside in another country to that of the offshore jurisdiction and finance company subsidiaries of corporations. Indirect exposures identified through the credit evaluation process may result in a reclassification of country risk.

Morgan Stanley conducts periodic stress testing that seeks to measure the impact on its credit and market exposures of shocks stemming from negative economic or political scenarios. When deemed appropriate by its risk managers, the stress test scenarios include possible contagion effects and second order risks. This analysis, and results of the stress tests, may result in the amendment of limits or exposure mitigation.

Morgan Stanley sovereign exposures consist of financial contracts and obligations entered into with sovereign and local governments. Its non-sovereign exposures consist of financial contracts and obligations entered into primarily with corporations and financial institutions. Index credit derivatives are included in the following country risk exposure table. Each reference entity within an index is allocated to that reference entity's country of risk. Index exposures are allocated to the underlying reference entities in proportion to the notional weighting of each reference entity in the index, adjusted for any fair value receivable or payable for that reference entity. Where credit risk crosses multiple jurisdictions, for example, a CDS purchased from an issuer in a specific country that references bonds issued by an entity in a different country, the fair value of the CDS is reflected in the Net Counterparty Exposure row based on the country of the CDS issuer. Further, the notional amount of the CDS adjusted for the fair value of the receivable or payable is reflected in the Net Inventory row based on the country of the underlying reference entity.

Top 10 Non-U.S. Country Exposures at December 31, 2019

United Kingdom			
<i>\$ in millions</i>	Sovereigns	Non-sovereigns	Total
Net inventory ¹	\$ (1,106)	\$ 1,958	\$ 852
Net counterparty exposure ²	—	10,583	10,583
Loans	—	2,845	2,845
Lending commitments	—	5,452	5,452
Exposure before hedges	(1,106)	20,838	19,732
Hedges ³	(312)	(1,350)	(1,662)
Net exposure	\$ (1,418)	\$ 19,488	\$ 18,070

Japan			
<i>\$ in millions</i>	Sovereigns	Non-sovereigns	Total
Net inventory ¹	\$ 2,175	\$ 776	\$ 2,951
Net counterparty exposure ²	26	3,657	3,683
Loans	—	730	730
Lending commitments	—	2	2
Exposure before hedges	2,201	5,165	7,366
Hedges ³	(93)	(131)	(224)
Net exposure	\$ 2,108	\$ 5,034	\$ 7,142

Germany			
<i>\$ in millions</i>	Sovereigns	Non-sovereigns	Total
Net inventory ¹	\$ (352)	\$ 228	\$ (124)
Net counterparty exposure ²	100	2,383	2,483
Loans	—	1,610	1,610
Lending commitments	—	3,685	3,685
Exposure before hedges	(252)	7,906	7,654
Hedges ³	(230)	(869)	(1,099)
Net exposure	\$ (482)	\$ 7,037	\$ 6,555

Spain			
<i>\$ in millions</i>	Sovereigns	Non-sovereigns	Total
Net inventory ¹	\$ 182	\$ (80)	\$ 102
Net counterparty exposure ²	—	270	270
Loans	—	3,828	3,828
Lending commitments	—	745	745
Exposure before hedges	182	4,763	4,945
Hedges ³	—	(137)	(137)
Net exposure	\$ 182	\$ 4,626	\$ 4,808

China			
<i>\$ in millions</i>	Sovereigns	Non-sovereigns	Total
Net inventory ¹	\$ (637)	\$ 1,007	\$ 370
Net counterparty exposure ²	47	200	247
Loans	—	1,950	1,950
Lending commitments	—	1,716	1,716
Exposure before hedges	(590)	4,873	4,283
Hedges ³	(82)	(80)	(162)
Net exposure	\$ (672)	\$ 4,793	\$ 4,121

France			
<i>\$ in millions</i>	Sovereigns	Non-sovereigns	Total
Net inventory ¹	\$ (1,720)	\$ 181	\$ (1,539)
Net counterparty exposure ²	—	2,070	2,070
Loans	—	620	620
Lending commitments	—	3,375	3,375
Exposure before hedges	(1,720)	6,246	4,526
Hedges ³	(6)	(600)	(606)
Net exposure	\$ (1,726)	\$ 5,646	\$ 3,920

Canada			
<i>\$ in millions</i>	Sovereigns	Non-sovereigns	Total
Net inventory ¹	\$ (490)	\$ 236	\$ (254)
Net counterparty exposure ²	109	2,000	2,109
Loans	—	182	182
Lending commitments	—	1,439	1,439
Exposure before hedges	(381)	3,857	3,476
Hedges ³	—	(152)	(152)
Net exposure	\$ (381)	\$ 3,705	\$ 3,324

Netherlands			
<i>\$ in millions</i>	Sovereigns	Non-sovereigns	Total
Net inventory ¹	\$ 46	\$ 545	\$ 591
Net counterparty exposure ²	—	748	748
Loans	—	946	946
Lending commitments	—	1,103	1,103
Exposure before hedges	46	3,342	3,388
Hedges ³	(32)	(158)	(190)
Net exposure	\$ 14	\$ 3,184	\$ 3,198

Australia			
<i>\$ in millions</i>	Sovereigns	Non-sovereigns	Total
Net inventory ¹	\$ 761	\$ 293	\$ 1,054
Net counterparty exposure ²	17	632	649
Loans	—	291	291
Lending commitments	—	978	978
Exposure before hedges	778	2,194	2,972
Hedges ³	—	(103)	(103)
Net exposure	\$ 778	\$ 2,091	\$ 2,869

India			
<i>\$ in millions</i>	Sovereigns	Non-sovereigns	Total
Net inventory ¹	\$ 1,273	\$ 556	\$ 1,829
Net counterparty exposure ²	—	518	518
Loans	—	247	247
Exposure before hedges	1,273	1,321	2,594
Net exposure	\$ 1,273	\$ 1,321	\$ 2,594

1. Net inventory represents exposure to both long and short single-name and index positions (*i.e.*, bonds and equities at fair value and CDS based on a notional amount assuming zero recovery adjusted for the fair value of any receivable or payable).
2. Net counterparty exposure (*e.g.*, repurchase transactions, securities lending and OTC derivatives) is net of the benefit of collateral received and also is net by counterparty when legally enforceable master netting agreements are in place. For more information, see “Additional Information—Top 10 Non-U.S. Country Exposures” herein.
3. Amounts represent net CDS hedges (purchased and sold) on net counterparty exposure and lending executed by trading desks responsible for hedging counterparty and lending credit risk exposures. Amounts are based on the CDS notional amount assuming zero recovery adjusted for any fair value receivable or payable. For further description of the contractual terms for purchased credit protection and whether they may limit the effectiveness of our hedges, see “Quantitative and Qualitative Disclosures about Risk—Credit Risk—Derivatives” herein.

Additional Information — Top 10 Non-U.S. Country Exposures

Collateral Held against Net Counterparty Exposure¹

<i>\$ in millions</i>	At December 31, 2019	
Counterparty credit exposure	Collateral²	
Germany	Italy and Germany	\$ 11,478
United Kingdom	U.K., U.S. and Spain	9,374
Other	Japan, U.S. and France	17,312

1. The benefit of collateral received is reflected in the Top 10 Non-U.S. Country Exposures at December 31, 2019.
2. Collateral primarily consists of cash and government obligations.

(d) ***Liquidity Risk***

Liquidity risk refers to the risk that Morgan Stanley will be unable to finance its operations due to a loss of access to the capital markets or difficulty in liquidating its assets. Liquidity risk also encompasses Morgan Stanley's ability (or perceived ability) to meet its financial obligations without experiencing significant business disruption or reputational damage that may threaten its viability as a going concern as well as the associated funding risks triggered by the market or idiosyncratic stress events that may negatively affect Morgan Stanley's liquidity and may impact its ability to raise new funding.

For more information on how Morgan Stanley monitors and manages liquidity risk, see "Quantitative and Qualitative Disclosures about Risk—Liquidity Risk" on page 74 of the 2019 Morgan Stanley Annual Report which is incorporated by reference therein and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" on pages 44 to 50 of the 2019 Morgan Stanley Annual Report which is incorporated by reference therein and from which the paragraphs "Global Liquidity Reserve" and "Liquidity Coverage Ratio" below this risk factor are extracted.

Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations.

Liquidity is essential to Morgan Stanley's businesses. Morgan Stanley's liquidity could be negatively affected by its inability to raise funding in the long-term or short-term debt capital markets, its inability to access the secured lending markets, or unanticipated outflows of cash or collateral by customers or clients. Factors that Morgan Stanley cannot control, such as disruption of the financial markets or negative views about the financial services industry generally, including concerns regarding fiscal matters in the U.S. and other geographic areas, could impair Morgan Stanley's ability to raise funding. In addition, Morgan Stanley's ability to raise funding could be impaired if investors or lenders develop a negative perception of Morgan Stanley's long-term or short-term financial prospects due to factors such as an incurrence of large trading losses, a downgrade by the rating agencies, a decline in the level of its business activity, or if regulatory authorities take significant action against Morgan Stanley or its industry, or Morgan Stanley discovers significant employee misconduct or illegal activity. If Morgan Stanley is unable to raise funding using the methods described above, it would likely need to finance or liquidate unencumbered assets, such as its investment portfolios or trading assets, to meet maturing liabilities or other obligations. Morgan Stanley may be unable to sell some of its assets, or it may have to sell assets at a discount to market value, either of which could adversely affect Morgan Stanley's results of operations, cash flows and financial condition.

Morgan Stanley's borrowing costs and access to the debt capital markets depend on its credit ratings.

The cost and availability of unsecured financing generally are impacted by Morgan Stanley's long-term and short-term credit ratings. The rating agencies continue to monitor certain company-specific and industry-wide factors that are important to the determination of Morgan Stanley's credit ratings. These include governance, the level and quality of earnings, capital adequacy, liquidity and funding, risk appetite and management, asset quality, strategic direction, business mix, regulatory or legislative changes, macro-economic environment, and perceived levels of support, and it is possible that they could downgrade Morgan Stanley's ratings and those of similar institutions.

Morgan Stanley's credit ratings also can have a significant impact on certain trading revenues, particularly in those businesses where longer term counterparty performance is a key

consideration, such as over-the-counter (**OTC**) and other derivative transactions, including credit derivatives and interest rate swaps. In connection with certain OTC trading agreements and certain other agreements associated with Morgan Stanley's Institutional Securities business segment, Morgan Stanley may be required to provide additional collateral to, or immediately settle any outstanding liability balance with, certain counterparties in the event of a credit ratings downgrade. Termination of Morgan Stanley's trading and other agreements could cause Morgan Stanley to sustain losses and impair its liquidity by requiring it to find other sources of financing or to make significant cash payments or securities movements. The additional collateral or termination payments which may occur in the event of a future credit rating downgrade vary by contract and can be based on ratings by either or both of Moody's Investors Services, Inc. (**Moody's**) and S&P Global Ratings (**S&P**).

Morgan Stanley is a holding company and depends on payments from its subsidiaries.

Morgan Stanley has no operations and depends on dividends, distributions and other payments from its subsidiaries to fund dividend payments and to fund all payments on its obligations, including debt obligations. Regulatory restrictions, tax restrictions or elections and other legal restrictions may limit Morgan Stanley's ability to transfer funds freely, either to or from its subsidiaries. In particular, many of Morgan Stanley's subsidiaries, including its bank and broker-dealer subsidiaries, are subject to laws, regulations and self-regulatory organisation rules that limit, as well as authorise regulatory bodies to block or reduce the flow of funds to Morgan Stanley, or that prohibit such transfers or dividends altogether in certain circumstances, including steps to "ring fence" entities by regulators outside of the U.S. to protect clients and creditors of such entities in the event of financial difficulties involving such entities. These laws, regulations and rules may hinder Morgan Stanley's ability to access funds that it may need to make payments on its obligations. Furthermore, as a bank holding company, Morgan Stanley may become subject to a prohibition or to limitations on its ability to pay dividends. The Board of Governors of the Federal Reserve System (the **Federal Reserve**), the Office of the Comptroller of the Currency (**OCC**) and the Federal Deposit Insurance Corporation (**FDIC**) have the authority, and under certain circumstances the duty, to prohibit or to limit the payment of dividends by the banking organisations they supervise, including Morgan Stanley and its U.S. bank subsidiaries, Morgan Stanley Bank, N.A. and Morgan Stanley Private Bank, National Association (collectively, **U.S. Bank Subsidiaries**).

Morgan Stanley's liquidity and financial condition have in the past been, and in the future could be, adversely affected by U.S. and international markets and economic conditions.

Morgan Stanley's ability to raise funding in the long-term or short-term debt capital markets or the equity markets, or to access secured lending markets, has in the past been, and could in the future be, adversely affected by conditions in the U.S. and international markets and economies. In particular, Morgan Stanley's cost and availability of funding in the past have been, and may in the future be, adversely affected by illiquid credit markets and wider credit spreads. Significant turbulence in the U.S., the European Union and other international markets and economies could adversely affect Morgan Stanley's liquidity and financial condition and the willingness of certain counterparties and customers to do business with Morgan Stanley.

Global Liquidity Reserve (GLR)

Morgan Stanley maintains sufficient liquidity reserves to cover daily funding needs and to meet strategic liquidity targets sized by the Required Liquidity Framework and Liquidity Stress Tests. The size of the GLR is actively managed by Morgan Stanley considering the following components: unsecured debt maturity profile; balance sheet size and composition; funding needs in a stressed environment, inclusive of contingent cash outflows; legal entity, regional and segment liquidity requirements; regulatory requirements; and collateral requirements.

In addition, Morgan Stanley's GLR includes a discretionary surplus based on risk tolerance and is subject to change depending on market and Firm-specific events. The GLR is held within the Parent Company and its major operating subsidiaries. The GLR consists of cash and unencumbered securities sourced from trading assets, investment securities and securities received as collateral.

GLR by Type of Investment

<i>\$ in millions</i>	At December 31, 2019	At December 31, 2018
Cash deposits with banks ¹	\$ 9,856	\$ 10,441
Cash deposits with central banks ¹	34,922	36,109
Unencumbered highly liquid securities:		
U.S. government obligations	88,665	119,138
U.S. agency and agency mortgage-backed securities	50,054	41,473
Non-U.S. sovereign obligations ²	31,460	39,869
Other investment grade securities	2,500	2,705
Total	\$ 217,457	\$ 249,735

1. Included in Cash and due from banks and Interest bearing deposits with banks in the balance sheets.

2. Primarily composed of unencumbered U.K., Japanese, French, German and Brazilian government obligations.

GLR Managed by Bank and Non-Bank Legal Entities

<i>\$ in millions</i>	At December 31, 2019	At December 31, 2018	Average Daily Balance Three Months Ended December 31, 2019
Bank legal entities			
Domestic	\$ 75,565	\$ 88,809	\$ 73,107
Foreign	5,317	4,896	5,661
Total Bank legal entities	80,882	93,705	78,768
Non-Bank legal entities			
Domestic:			
Parent Company	53,042	64,262	58,955
Non-Parent Company	29,656	40,936	31,188
Total Domestic	82,698	105,198	90,143
Foreign	53,877	50,832	54,654
Total Non-Bank legal entities	136,575	156,030	144,797
Total	\$ 217,457	\$ 249,735	\$ 223,565

GLR may fluctuate from period to period based on the overall size and composition of Morgan Stanley's balance sheet, the maturity profile of our unsecured debt and estimates of funding needs in a stressed environment, among other factors.

Liquidity Coverage Ratio

Morgan Stanley and its U.S. Bank Subsidiaries are subject to LCR requirements, including a requirement to calculate each entity's LCR on each business day. The requirements are designed to ensure that banking organizations have sufficient HQLA to cover net cash outflows arising from significant stress over 30 calendar days, thus promoting the short-term resilience of the liquidity risk profile of banking organizations.

The regulatory definition of HQLA is substantially the same as its GLR, with the primary difference being the treatment of certain cash balances and unencumbered securities.

As of December 31, 2019, Morgan Stanley and its U.S. Bank Subsidiaries are compliant with the minimum required LCR of 100%.

HQLA by Type of Asset and LCR

\$ in millions	Average Daily Balance Three Months Ended	
	December 31, 2019	September 30, 2019
HQLA		
Cash deposits with central banks	\$ 29,597	\$ 33,053
Securities ¹	148,221	141,806
Total	\$ 177,818	\$ 174,859
LCR	134%	140%

1. Primarily includes U.S. Treasuries, U.S. agency mortgage-backed securities, sovereign bonds and investment grade corporate bonds.

The decrease in the LCR in the quarter ended December 31, 2019 is primarily due to higher outflows related to secured funding and lower inflows related to secured lending.

1.2 *Risks relating to the operation of Morgan Stanley's business activities*

(a) *Operational Risk*

Operational risk refers to the risk of loss, or of damage to Morgan Stanley's reputation, resulting from inadequate or failed processes or systems, from human factors or from external events (e.g., fraud, theft, legal and compliance risks, cyber attacks or damage to physical assets). Morgan Stanley may incur operational risk across the full scope of its business activities, including revenue-generating activities (e.g., sales and trading) and support and control groups (e.g., information technology and trade processing). Legal, regulatory and compliance risk is included in the scope of operational risk and is discussed below under "*Legal, Regulatory and Compliance Risk*". For more information on how Morgan Stanley monitors and manages operational risk, see "*Quantitative and Qualitative Disclosures about Risk—Operational Risk*" on pages 72 and 73 of the 2019 Morgan Stanley Annual Report which is incorporated by reference therein.

Morgan Stanley is subject to operational risks, including a failure, breach or other disruption of its operations or security systems or those of Morgan Stanley's third parties (or third parties thereof), as well as human error or malfeasance, which could adversely affect its businesses or reputation.

Morgan Stanley's businesses are highly dependent on its ability to process and report, on a daily basis, a large number of transactions across numerous and diverse markets in many currencies. Morgan Stanley may introduce new products or services or change processes or reporting, including in connection with new regulatory requirements, resulting in new operational risk that Morgan Stanley may not fully appreciate or identify. The trend toward direct access to automated, electronic markets and the move to more automated trading platforms has resulted in the use of increasingly complex technology that relies on the continued effectiveness of the programming code and integrity of the data to process the trades. Morgan Stanley relies on the ability of its employees, consultants, its internal systems and systems at technology centres maintained by unaffiliated third parties to operate its different businesses and process a high volume of transactions. Additionally, Morgan Stanley is subject to complex and evolving laws and regulations governing cybersecurity, privacy and data protection, which may differ and potentially conflict, in various jurisdictions.

As a major participant in the global capital markets, Morgan Stanley faces the risk of incorrect valuation or risk management of its trading positions due to flaws in data, models, electronic trading systems or processes or due to fraud or cyber attack.

Morgan Stanley also faces the risk of operational failure or disruption of any of the clearing agents, exchanges, clearing houses or other financial intermediaries it uses to facilitate its lending, securities and derivatives transactions. In the event of a breakdown or improper operation of Morgan Stanley's or a direct or indirect third party's systems (or third parties thereof) or processes or improper or unauthorised action by third parties, including consultants and subcontractors or Morgan Stanley's employees, Morgan Stanley could suffer financial loss, an impairment to its liquidity position, a disruption of its businesses, regulatory sanctions or damage to its reputation. In addition, the interconnectivity of multiple financial institutions with central agents, exchanges and clearing houses, and the increased importance of these entities, increases the risk that an operational failure at one institution or entity may cause an industry-wide operational failure that could materially impact Morgan Stanley's ability to conduct business. Furthermore, the concentration of company and personal information held by a handful of third parties increases the risk that a breach at a key third party may cause an industry-wide data breach that could significantly increase the cost and risk of conducting business.

There can be no assurance that Morgan Stanley's business contingency and security plans fully mitigate all potential risks to Morgan Stanley. Morgan Stanley's ability to conduct business may be adversely affected by a disruption in the infrastructure that supports its businesses and the communities where Morgan Stanley is located, which are concentrated in the New York metropolitan area, London, Hong Kong and Tokyo, as well as Baltimore, Glasgow, Frankfurt, Budapest and Mumbai. This may include a disruption involving physical site access; cybersecurity incidents; terrorist activities; political unrest; disease pandemics; catastrophic events; climate-related incidents and natural disasters (such as earthquakes, tornadoes, hurricanes and wildfires); electrical outage; environmental hazard; computer servers; communications or other services Morgan Stanley uses; its employees or third parties with whom Morgan Stanley conducts business.

Although Morgan Stanley employs backup systems for its data, those backup systems may be unavailable following a disruption, the affected data may not have been backed up or may not be recoverable from the backup, or the backup data may be costly to recover, which could adversely affect Morgan Stanley's business.

Notwithstanding evolving technology and technology-based risk and control systems, Morgan Stanley's businesses ultimately rely on people, including Morgan Stanley's employees and those of third parties with which Morgan Stanley conducts business. As a result of human error or engagement in violations of applicable policies, laws, rules or procedures, certain errors or violations are not always discovered immediately by Morgan Stanley's technological processes or by Morgan Stanley's controls and other procedures, which are intended to prevent and detect such errors or violations. These can include calculation errors, mistakes in addressing emails or other communications, errors in software or model development or implementation, or errors in judgment, as well as intentional efforts to disregard or circumvent applicable policies, laws, rules or procedures. Human errors and malfeasance, even if promptly discovered and remediated, can result in material losses and liabilities for Morgan Stanley.

Morgan Stanley conducts business in various jurisdictions outside the U.S., including jurisdictions that may not have comparable levels of protection for their corporate assets such as intellectual property, trademarks, trade secrets, know-how and customer information and records. The protection afforded in those jurisdictions may be less established and/or predictable than in the U.S. or other jurisdictions in which Morgan Stanley operates. As a result,

there may also be heightened risks associated with the potential theft of their data, technology and intellectual property in those jurisdictions by domestic or foreign actors, including private parties and those affiliated with or controlled by state actors. Any theft of data, technology or intellectual property may negatively impact Morgan Stanley's operations and reputation, including disrupting the business activities of its subsidiaries, affiliates, joint ventures or clients conducting business in those jurisdictions.

A cyber attack, information or security breach or a technology failure could adversely affect Morgan Stanley's ability to conduct its business, manage its exposure to risk or result in disclosure or misuse of confidential or proprietary information and otherwise adversely impact its results of operations, liquidity and financial condition, as well as cause reputational harm.

Morgan Stanley maintains a significant amount of personal information on its customers, clients, employees and certain counterparties that Morgan Stanley is required to protect under various state, federal and international data protection and privacy laws. These laws may be in conflict with one another, or courts and regulators may interpret them in ways that Morgan Stanley had not anticipated or that adversely affect Morgan Stanley's business.

Cybersecurity risks for financial institutions have significantly increased in recent years in part because of the proliferation of new technologies, the use of the internet, mobile telecommunications and cloud technologies to conduct financial transactions, and the increased sophistication and activities of organised crime, hackers, terrorists and other external extremist parties, including foreign state actors, in some circumstances as a means to promote political ends. In addition to the growing sophistication of certain parties, the commoditisation of cyber tools which are able to be weaponised by less sophisticated actors has led to an increase in the exploitation of technological vulnerabilities. Global events and geopolitical instability may lead to increased nation state targeting of financial institutions in the U.S. and abroad. Foreign state actors have become more sophisticated over time, increasing the risk of such an attack. Any of these parties may also attempt to fraudulently induce employees, customers, clients, vendors or other third parties or users of Morgan Stanley's systems to disclose sensitive information in order to gain access to its data or that of Morgan Stanley's employees or clients. Cybersecurity risks may also derive from human error, fraud or malice on the part of its employees or third parties, including third party providers, or may result from accidental technological failure. In addition, third parties with whom Morgan Stanley does business, their service providers, as well as other third parties with whom Morgan Stanley's customers do business, may also be sources of cybersecurity risks, particularly where activities of customers are beyond Morgan Stanley's security and control systems. There is no guarantee that the measures Morgan Stanley takes will provide absolute security or recoverability given the techniques used in cyber attacks are complex and frequently change, and may not be able to be anticipated.

Like other financial services firms, Morgan Stanley, its third party providers, and its clients continue to be the subject of unauthorised access attacks, mishandling or misuse of information, computer viruses or malware, cyber attacks designed to obtain confidential information, destroy data, disrupt or degrade service, sabotage systems or cause other damage, denial of service attacks, data breaches and other events. There can be no assurance that such unauthorised access, mishandling or misuse of information or cyber incidents will not occur in the future, and they could occur more frequently and on a more significant scale.

A cyber attack, information or security breach or a technology failure of Morgan Stanley or of a third party could jeopardise its or its clients', employees', partners', vendors' or counterparties' personal, confidential, proprietary or other information processed and stored in, and transmitted through, its and its third parties' computer systems. Furthermore, such events could cause interruptions or malfunctions in Morgan Stanley's, its clients', employees', partners', vendors',

counterparties' or third parties' operations, as well as the unauthorised release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of Morgan Stanley, of its employees, of its customers or of other third parties. Any of these events could result in reputational damage with Morgan Stanley's clients and the market, client dissatisfaction, additional costs to Morgan Stanley to maintain and update its operational and security systems and infrastructure, regulatory investigations, litigation or enforcement, or regulatory fines or penalties, any of which could adversely affect Morgan Stanley's business, financial condition or results of operations.

Given Morgan Stanley's global footprint and the high volume of transactions Morgan Stanley processes, the large number of clients, partners, vendors and counterparties with which Morgan Stanley does business, and the increasing sophistication of cyber attacks, a cyber attack, information or security breach could occur and persist for an extended period of time without detection. Morgan Stanley expects that any investigation of a cyber attack would be inherently unpredictable and that it would take time before the completion of any investigation and before there is availability of full and reliable information. During such time Morgan Stanley would not necessarily know the extent of the harm or how best to remediate it, and certain errors or actions could be repeated or compounded before they are discovered and remediated, all or any of which would further increase the costs and consequences of a cyber attack.

While many of Morgan Stanley's agreements with partners and third party vendors include indemnification provisions, Morgan Stanley may not be able to recover sufficiently, or at all, under such provisions to adequately offset any losses Morgan Stanley may incur. In addition, although Morgan Stanley maintains insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber and information security risks, such insurance coverage may be insufficient to cover all losses.

Morgan Stanley continues to make investments with a view toward maintaining and enhancing its cybersecurity posture. The cost of managing cyber and information security risks and attacks along with complying with new, increasingly expansive, and evolving regulatory requirements could adversely affect Morgan Stanley's results of operations and business.

(b) Risk Management

Morgan Stanley's risk management strategies, models and processes may not be fully effective in mitigating its risk exposures in all market environments or against all types of risk, which could result in unexpected losses.

Morgan Stanley has devoted significant resources to develop its risk management capabilities and expects to continue to do so in the future. Nonetheless, Morgan Stanley's risk management strategies, models and processes, including its use of various risk models for assessing market exposures and hedging strategies, stress testing and other analysis, may not be fully effective in mitigating Morgan Stanley's risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. As Morgan Stanley's businesses change and grow, and the markets in which Morgan Stanley operates evolve, its risk management strategies, models and processes may not always adapt with those changes. Some of Morgan Stanley's methods of managing risk are based upon its use of observed historical market behaviour and management's judgment. As a result, these methods may not predict future risk exposures, which could be significantly greater than the historical measures indicate. In addition, many models Morgan Stanley uses are based on assumptions or inputs regarding correlations among prices of various asset classes or other market indicators and therefore cannot anticipate sudden, unanticipated or unidentified market or economic movements, which could cause Morgan Stanley to incur losses.

Management of market, credit, liquidity, operational, model, legal, regulatory and compliance risks requires, among other things, policies and procedures to record properly and verify a large number of transactions and events, and these policies and procedures may not be fully effective. Morgan Stanley's trading risk management strategies and techniques also seek to balance its ability to profit from trading positions with its exposure to potential losses. While Morgan Stanley employs a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the timing of such outcomes. For example, to the extent that Morgan Stanley's trading or investing activities involve less liquid trading markets or are otherwise subject to restrictions on sales or hedging, Morgan Stanley may not be able to reduce its positions and therefore reduce its risk associated with such positions. Morgan Stanley may, therefore, incur losses in the course of its trading or investing activities.

Planned replacement of London Interbank Offered Rate and replacement or reform of other interest rate benchmarks could adversely affect Morgan Stanley's business, financial condition and results of operations.

Central banks around the world, including the Federal Reserve, have commissioned working groups of market participants and official sector representatives to replace LIBOR or reform other interest rate benchmarks (collectively, the **IBORs**). A transition away from the widespread use of such rates to alternative rates and other potential interest rate benchmark reforms has begun and will continue over the course of the next few years. For example, the United Kingdom Financial Conduct Authority (**FCA**), which regulates LIBOR, has announced that it has commitments from panel banks to continue to contribute to LIBOR through the end of 2021, but that it will not use its powers to compel contributions beyond such date. As a result, there is considerable uncertainty regarding the publication of LIBOR beyond 2021, and regulators globally have continued to emphasize the need for the industry to plan accordingly.

The Federal Reserve Bank of New York now publishes three reference rates based on overnight U.S. Treasury repurchase agreement transactions, including the Secured Overnight Financing Rate, which had been recommended as the alternative to U.S. dollar LIBOR by the Alternative Reference Rates Committee convened by the Federal Reserve and the Federal Reserve Bank of New York. Further, the Bank of England is publishing a reformed Sterling Overnight Index Average, comprised of a broader set of overnight Sterling money market transactions, which has been selected by the Working Group on Sterling Risk-Free Reference Rates as the alternative rate to Sterling LIBOR. Central bank-sponsored committees in other jurisdictions, including Europe, Japan and Switzerland, have selected alternative reference rates denominated in other currencies.

The market transition away from IBORs to alternative reference rates is complex and could have a range of adverse impacts on Morgan Stanley's business, financial condition and results of operations. In particular, such transition or reform could:

- adversely impact the pricing, liquidity, value of, return on and trading for a broad array of financial products, including any IBOR-linked securities, loans and derivatives that are included in Morgan Stanley's financial assets and liabilities;
- require extensive changes to documentation that governs or references IBOR or IBOR-based products, including, for example, pursuant to time-consuming renegotiations of existing documentation to modify the terms of outstanding securities and related hedging transactions;

- Result in a population of products with documentation that governs or references IBOR or IBOR-based products but that cannot be amended due to an inability to obtain sufficient consent from counterparties or product owners;
- result in inquiries or other actions from regulators in respect of Morgan Stanley's (or the market's) preparation and readiness for the replacement of an IBOR with one or more alternative reference rates;
- result in disputes, litigation or other actions with clients, counterparties and investors, in various scenarios, such as regarding the interpretation and enforceability of provisions in IBOR-based products such as fallback language or other related provisions, including in the case of fallbacks to the alternative reference rates, any economic, legal, operational or other impact resulting from the fundamental differences between the IBORs and the various alternative reference rates;
- require the transition and/or development of appropriate systems and analytics to effectively transition Morgan Stanley's risk management processes from IBORs to those based on one or more alternative reference rates in a timely manner, including by quantifying value and risk for various alternative reference rates, which may prove challenging given the limited history of the proposed alternative reference rates; and
- cause Morgan Stanley to incur additional costs in relation to any of the above factors.

Other factors include the pace of the transition to the alternative reference rates, timing mismatches between cash and derivative markets, the specific terms and parameters for and market acceptance of any alternative reference rate, market conventions for the use of any alternative reference rate in connection with a particular product (including the timing and market adoption of any conventions proposed or recommended by any industry or other group), prices of and the liquidity of trading markets for products based on alternative reference rates, and Morgan Stanley's ability to transition and develop appropriate systems and analytics for one or more alternative reference rates.

1.3 ***Legal, regulatory and compliance risk***

Legal, regulatory and compliance risk includes the risk of legal or regulatory sanctions, material financial loss including fines, penalties, judgments, damages and/or settlements, or loss of reputation Morgan Stanley may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards and codes of conduct applicable to its business activities. This risk also includes contractual and commercial risk, such as the risk that a counterparty's performance obligations will be unenforceable. It also includes compliance with anti-money laundering, anti-corruption and terrorist financing rules and regulations. For more information on how Morgan Stanley monitors and manages legal, regulatory and compliance risk, see “*Quantitative and Qualitative Disclosures about Risk—Legal and Compliance Risk*” on page 74 of the 2019 Morgan Stanley Annual Report which is incorporated by reference therein. For additional information relating to Morgan Stanley's litigations see “*Commitments, Guarantees and Contingencies – Contingencies - Legal*” and “*Legal Proceedings*” on pages 124 to 126 and 159 to 163, respectively, of the 2019 Morgan Stanley Annual Report which is incorporated by reference therein.

The financial services industry is subject to extensive regulation, and changes in regulation will impact Morgan Stanley's business.

Like other major financial services firms, Morgan Stanley is subject to extensive regulation by U.S. federal and state regulatory agencies and securities exchanges and by regulators and

exchanges in each of the major markets where Morgan Stanley conducts its business. These laws and regulations significantly affect the way Morgan Stanley does business and can restrict the scope of its existing businesses and limit its ability to expand its product offerings and pursue certain investments.

Morgan Stanley and its employees are, or will become, subject to (among other things) wide-ranging regulation and supervision, intensive scrutiny of its businesses and any plans for expansion of those businesses, limitations on new activities, a systemic risk regime that imposes heightened capital and liquidity and funding requirements and other enhanced prudential standards, resolution regimes and resolution planning requirements, requirements for maintaining minimum amounts of total loss-absorbing capacity and external long-term debt, restrictions on activities and investments imposed by a section of the Bank Holding Company Act of 1956, as amended (the **BHC Act**) added by the Dodd-Frank Act referred to as the **Volcker Rule**, comprehensive derivatives regulation, market structure regulation, tax regulations, antitrust laws, trade and transaction reporting obligations, and broadened fiduciary obligations. In some areas, regulatory standards are subject to final rulemaking or transition periods or may otherwise be revised in whole or in part. Ongoing implementation of, or changes in, laws and regulations could materially impact the profitability of Morgan Stanley's businesses and the value of assets it holds, expose it to additional costs, require changes to business practices or force it to discontinue businesses, adversely affect its ability to pay dividends and repurchase its stock, or require it to raise capital, including in ways that may adversely impact its shareholders or creditors. In addition, regulatory requirements that are being imposed by foreign policymakers and regulators may be inconsistent or conflict with regulations that Morgan Stanley is subject to in the U.S. and may adversely affect it. Legal and regulatory requirements continue to be subject to ongoing change, which may result in significant new costs to comply with new or revised requirements as well as to monitor for compliance on an ongoing basis.

The application of regulatory requirements and strategies in the U.S. or other jurisdictions to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for Morgan Stanley's security holders, and subject Morgan Stanley to other restrictions.

Pursuant to the Dodd-Frank Act, Morgan Stanley is required to periodically submit to the Federal Reserve and the FDIC a resolution plan that describes its strategy for a rapid and orderly resolution under the U.S. Bankruptcy Code in the event of material financial distress or failure. If the Federal Reserve and the FDIC were to jointly determine that Morgan Stanley's resolution plan submission was not credible or would not facilitate an orderly resolution, and if Morgan Stanley were unable to address any deficiencies identified by the regulators, Morgan Stanley or any of its subsidiaries may be subject to more stringent capital, leverage, or liquidity requirements or restrictions on its growth, activities, or operations, or after a two year period, Morgan Stanley may be required to divest assets or operations.

In addition, provided that certain procedures are met, Morgan Stanley can be subject to a resolution proceeding under the orderly liquidation authority under Title II of the Dodd-Frank Act with the FDIC being appointed as receiver. The FDIC's power under the orderly liquidation authority to disregard the priority of creditor claims and treat similarly situated creditors differently in certain circumstances, subject to certain limitations, could adversely impact holders of Morgan Stanley's unsecured debt.

Further, because both Morgan Stanley's resolution plan contemplates a single point of entry (SPOE) strategy under the U.S. Bankruptcy Code and the FDIC has proposed an SPOE strategy through which it may apply its orderly liquidation authority powers, Morgan Stanley believes that the application of an SPOE strategy is the reasonably likely outcome if either its resolution plan were implemented or a resolution proceeding were commenced under the orderly

liquidation authority. An SPOE strategy generally contemplates the provision of adequate capital and liquidity by Morgan Stanley to certain of its subsidiaries so that such subsidiaries have the resources necessary to implement the resolution strategy, and Morgan Stanley has entered into a secured amended and restated support agreement with its material entities, as defined in Morgan Stanley's resolution plan pursuant to which it would provide such capital and liquidity to such entities.

In further development of our SPOE strategy, we have created a wholly owned, direct subsidiary of the Parent Company, Morgan Stanley Holdings LLC (**Funding IHC**), to serve as a resolution funding vehicle. The Parent Company has transferred, and has agreed to transfer on an ongoing basis, certain assets to the Funding IHC. In the event of a resolution scenario, the Parent Company would be obligated to contribute all of its material assets that can be contributed under the terms of the amended and restated support agreement (other than shares in subsidiaries of Morgan Stanley and certain other assets) (**Contributable Assets**), to the Funding IHC. The Funding IHC would be obligated to provide capital and liquidity, as applicable, to its material entities. The obligations of Morgan Stanley and the Funding IHC under the amended and restated support agreement are in most cases secured on a senior basis by the assets of Morgan Stanley (other than shares in subsidiaries of Morgan Stanley and certain other assets), and the assets of the Funding IHC. As a result, claims of Morgan Stanley's material entities, including the Funding IHC, against the assets of Morgan Stanley with respect to such secured assets are effectively senior to unsecured obligations of Morgan Stanley. Although an SPOE strategy, whether applied pursuant to Morgan Stanley's resolution plan or in a resolution proceeding under the orderly liquidation authority, is intended to result in better outcomes for creditors overall, there is no guarantee that the application of an SPOE strategy, including the provision of support to Morgan Stanley's material entities pursuant to the secured amended and restated support agreement, will not result in greater losses for holders of Morgan Stanley's securities compared to a different resolution strategy for Morgan Stanley.

Regulators have taken and proposed various actions to facilitate an SPOE strategy under the U.S. Bankruptcy Code, the orderly liquidation authority and other resolution regimes. For example, the Federal Reserve requires top-tier bank holding companies of U.S. global systemically important banks, including Morgan Stanley, to maintain minimum amounts of equity and eligible long-term debt (**total loss-absorbing capacity** or **TLAC**) in order to ensure that such institutions have enough loss-absorbing resources at the point of failure to be recapitalised through the conversion of debt to equity or otherwise by imposing losses on eligible TLAC where the SPOE strategy is used. The combined implication of the SPOE resolution strategy and the TLAC requirement is that Morgan Stanley's losses will be imposed on the holders of eligible long-term debt and other forms of eligible TLAC issued by Morgan Stanley before any losses are imposed on the holders of the debt securities of Morgan Stanley's operating subsidiaries or before putting U.S. taxpayers at risk.

In addition, certain jurisdictions, including the United Kingdom (**U.K.**) and other European Union (**E.U.**) jurisdictions, have implemented, or are in the process of implementing, changes to resolution regimes to provide resolution authorities with the ability to recapitalise a failing entity organised in such jurisdiction by writing down certain unsecured liabilities or converting certain unsecured liabilities into equity. Such "bail-in" powers are intended to enable the recapitalisation of a failing institution by allocating losses to its shareholders and unsecured creditors. Non-U.S. regulators are also considering requirements that certain subsidiaries of large financial institutions maintain minimum amounts of total loss-absorbing capacity that would pass losses up from the subsidiaries to Morgan Stanley and, ultimately, to security holders of Morgan Stanley in the event of failure.

Morgan Stanley may be prevented from paying dividends or taking other capital actions because of regulatory constraints or revised regulatory capital standards.

Morgan Stanley is subject to comprehensive consolidated supervision, regulation and examination by the Federal Reserve, which requires Morgan Stanley to submit, on an annual basis, a capital plan describing proposed dividend payments to shareholders, proposed repurchases of its outstanding securities and other proposed capital actions that it intends to take. The Federal Reserve may object to, or otherwise require Morgan Stanley to modify, such plan, or may object or require modifications to a resubmitted capital plan, any of which would adversely affect shareholders. In addition, beyond review of the plan, the Federal Reserve may impose other restrictions or conditions on Morgan Stanley that prevent it from paying or increasing dividends, repurchasing securities or taking other capital actions that would benefit shareholders. Finally, the Federal Reserve may change regulatory capital standards to impose higher requirements that restrict Morgan Stanley's ability to take capital actions or may modify or impose other regulatory standards that increase Morgan Stanley's operating expenses and reduce its ability to take capital actions.

The financial services industry faces substantial litigation and is subject to extensive regulatory and law enforcement investigations, and Morgan Stanley may face damage to its reputation and legal liability.

As a global financial services firm, Morgan Stanley faces the risk of investigations and proceedings by governmental and self-regulatory organisations in all countries in which it conducts its business. Investigations and proceedings initiated by these authorities may result in adverse judgments, settlements, fines, penalties, injunctions or other relief. In addition to the monetary consequences, these measures could, for example, impact Morgan Stanley's ability to engage in, or impose limitations on, certain of its businesses. These investigations and proceedings, as well as the amount of penalties and fines sought, continue to impact the financial services industry and certain U.S. and international governmental entities have brought criminal actions against, or have sought criminal convictions, pleas or deferred prosecution agreements from, financial institutions. Significant regulatory or law enforcement action against Morgan Stanley could materially adversely affect its business, financial condition or results of operations or cause it significant reputational harm, which could seriously harm its business. The Dodd-Frank Act also provides compensation to whistleblowers who present the United States Securities and Exchange Commission (the **SEC**) or the United States Commodity Futures Trading Commission (the **CFTC**) with information related to securities or commodities law violations that leads to a successful enforcement action. As a result of this compensation, it is possible Morgan Stanley could face an increased number of investigations by the SEC or CFTC.

Morgan Stanley has been named, from time to time, as a defendant in various legal actions, including arbitrations, class actions and other litigation, as well as investigations or proceedings brought by regulatory agencies, arising in connection with its activities as a global diversified financial services institution. Certain of the actual or threatened legal or regulatory actions include claims for substantial compensatory and/or punitive damages, claims for indeterminate amounts of damages, or may result in penalties, fines, or other results adverse to Morgan Stanley. In some cases, the issuers that would otherwise be the primary defendants in such cases are bankrupt or are in financial distress. In other cases, including antitrust litigation, Morgan Stanley may be subject to claims for joint and several liability with other defendants for treble damages or other relief related to alleged conspiracies involving other institutions. Like any large corporation, Morgan Stanley is also subject to risk from potential employee misconduct, including non-compliance with policies and improper use or disclosure of confidential information, or improper sales practices or conduct.

Morgan Stanley may be responsible for representations and warranties associated with residential and commercial real estate loans and may incur losses in excess of its reserves.

Morgan Stanley originates loans secured by commercial and residential properties. Further, Morgan Stanley securitises and trades in a wide range of commercial and residential real estate and real estate-related whole loans, mortgages and other real estate and commercial assets and products, including residential and commercial mortgage-backed securities. In connection with these activities, Morgan Stanley has provided, or otherwise agreed to be responsible for, certain representations and warranties. Under certain circumstances, Morgan Stanley may be required to repurchase such assets or make other payments related to such assets if such representations and warranties were breached. Morgan Stanley has also made representations and warranties in connection with its role as an originator of certain commercial mortgage loans that it securitised in commercial mortgage-backed securities.

Morgan Stanley currently has several legal proceedings related to claims for alleged breaches of representations and warranties. If there are decisions adverse to Morgan Stanley in those legal proceedings, it may incur losses substantially in excess of its reserves. In addition, Morgan Stanley's reserves are based, in part, on certain factual and legal assumptions. If those assumptions are incorrect and need to be revised, Morgan Stanley may need to adjust its reserves substantially.

Morgan Stanley's commodities activities and investments subject it to extensive regulation, and environmental risks and regulation that may expose it to significant costs and liabilities.

In connection with the commodities activities in its Institutional Securities business segment, Morgan Stanley executes transactions involving the storage, transportation and market-making of several commodities, including metals, natural gas, electric power, environmental attributes and other commodity products. In addition, Morgan Stanley is an electricity power marketer in the U.S. These activities subject Morgan Stanley to extensive energy, commodities, environmental, health and safety and other governmental laws and regulations.

Although Morgan Stanley has attempted to mitigate its environmental risks by, among other measures, limiting the scope of activities involving storage and transportation, adopting appropriate policies and procedures, and implementing emergency response programs, these actions may not prove adequate to address every contingency. In addition, insurance covering some of these risks may not be available, and the proceeds, if any, from insurance recovery may not be adequate to cover liabilities with respect to particular incidents. As a result, Morgan Stanley's financial condition, results of operations and cash flows may be adversely affected by these events.

During the past several years, intensified scrutiny of certain energy markets by federal, state and local authorities in the U.S. and abroad and by the public has resulted in increased regulatory and legal enforcement, litigation and remedial proceedings involving companies conducting the activities in which Morgan Stanley is engaged. In addition, enhanced regulation of OTC derivatives markets in the U.S. and the E.U., as well as similar legislation proposed or adopted elsewhere, will impose significant costs and requirements on Morgan Stanley's commodities derivatives activities. Morgan Stanley may incur substantial costs or loss of revenue in complying with current or future laws and regulations and its overall businesses and reputation may be adversely affected by the current legal environment. In addition, failure to comply with these laws and regulations may result in substantial civil and criminal fines and penalties.

A failure to address conflicts of interest appropriately could adversely affect Morgan Stanley's businesses and reputation.

As a global financial services firm that provides products and services to a large and diversified group of clients, including corporations, governments, financial institutions and individuals, Morgan Stanley faces potential conflicts of interest in the normal course of business. For example, potential conflicts can occur when there is a divergence of interests between Morgan Stanley and a client, among clients, between an employee on the one hand and Morgan Stanley or a client on the other, or situations in which Morgan Stanley may be a creditor of a client. Morgan Stanley has policies, procedures and controls that are designed to identify and address potential conflicts of interest, and utilises various measures, such as the use of disclosure, to manage these potential conflicts. However, identifying and mitigating potential conflicts of interest can be complex and challenging and can become the focus of media and regulatory scrutiny. Indeed, actions that merely appear to create a conflict can put Morgan Stanley's reputation at risk even if the likelihood of an actual conflict has been mitigated. It is possible that potential conflicts could give rise to litigation or enforcement actions, which may lead to Morgan Stanley's clients being less willing to enter into transactions in which a conflict may occur and could adversely affect Morgan Stanley's businesses and reputation.

Morgan Stanley's regulators have the ability to scrutinise its activities for potential conflicts of interest, including through detailed examinations of specific transactions. For example, Morgan Stanley's status as a bank holding company supervised by the Federal Reserve subjects it to direct Federal Reserve scrutiny with respect to transactions between Morgan Stanley's U.S. Bank Subsidiaries and their affiliates. Further, the Volcker Rule subjects Morgan Stanley to regulatory scrutiny regarding certain transactions between Morgan Stanley and its clients.

1.4 *Other risks relating to Morgan Stanley's business activities*

(a) *Competitive Environment*

Morgan Stanley faces strong competition from financial services firms and others which could lead to pricing pressures that could materially adversely affect its revenue and profitability.

The financial services industry and all aspects of Morgan Stanley's businesses are intensely competitive, and Morgan Stanley expects them to remain so. Morgan Stanley competes with commercial banks, brokerage firms, insurance companies, exchanges, electronic trading and clearing platforms, financial data repositories, sponsors of mutual funds, hedge funds, energy companies, financial technology firms and other companies offering financial or ancillary services in the U.S., globally and digitally or through the internet. Morgan Stanley competes on the basis of several factors, including transaction execution, capital or access to capital, products and services, innovation, technology, reputation, risk appetite and price. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have left businesses, been acquired by or merged into other firms or have declared bankruptcy. Such changes could result in Morgan Stanley's remaining competitors gaining greater capital and other resources, such as the ability to offer a broader range of products and services and geographic diversity, or new competitors may emerge. Morgan Stanley has experienced and may continue to experience pricing pressures as a result of these factors and as some of its competitors seek to obtain market share by reducing prices or providing more favourable terms of business. In addition, certain of Morgan Stanley's competitors may be subject to different, and, in some cases, less stringent, legal and regulatory regimes, than Morgan Stanley is, thereby putting it at a competitive disadvantage. Some new competitors in the financial technology sector have sought to target existing segments of

Morgan Stanley's businesses that could be susceptible to disruption by innovative or less regulated business models.

For more information regarding the competitive environment in which Morgan Stanley operates, see “*Business—Competition*” and “*Business—Supervision and Regulation*” on pages 1 to 9 of the 2019 Morgan Stanley Annual Report which is incorporated by reference therein.

Automated trading markets and the introduction and application of new technologies may adversely affect Morgan Stanley's business and may increase competition.

Morgan Stanley has experienced intense price competition in some of its businesses in recent years. In particular, the ability to execute securities, derivatives and other financial instrument trades electronically on exchanges, swap execution facilities, other automated trading platforms and the introduction and application of new technologies has increased the pressure on bid-offer spreads, commissions, markups or comparable fees. The trend toward direct access to automated, electronic markets will likely continue and will likely increase as additional markets move to more automated trading platforms. Morgan Stanley has experienced and it is likely that it will continue to experience competitive pressures in these and other areas in the future as some of its competitors may seek to obtain market share by reducing bid-offer spreads, commissions, markups or fees.

Morgan Stanley's ability to retain and attract qualified employees is critical to the success of its business and the failure to do so may materially adversely affect its performance.

Morgan Stanley's people are its most important resource and competition for qualified employees is intense. If Morgan Stanley is unable to continue to attract and retain highly qualified employees, or do so at levels or in forms necessary to maintain its competitive position, or if compensation costs required to attract and retain employees become more expensive, Morgan Stanley's performance, including its competitive position and results of operations, could be materially adversely affected. The financial industry has experienced and may continue to experience more stringent regulation of employee compensation, including limitations relating to incentive-based compensation, clawback requirements and special taxation, which could have an adverse effect on Morgan Stanley's ability to hire or retain the most qualified employees.

(b) *International Risk*

Morgan Stanley is subject to numerous political, economic, legal, tax, operational, franchise and other risks as a result of its international operations which could adversely impact its businesses in many ways.

Morgan Stanley is subject to numerous political, economic, legal, tax, operational, franchise and other risks that are inherent in operating in many countries, including risks of possible nationalisation, expropriation, price controls, capital controls, exchange controls, increased taxes and levies and other restrictive governmental actions, as well as the outbreak of hostilities or political and governmental instability. In many countries, the laws and regulations applicable to the securities and financial services industries are uncertain and evolving, and it may be difficult for Morgan Stanley to determine the exact requirements of local laws in every market. Morgan Stanley's inability to remain in compliance with local laws in a particular market could have a significant and negative effect not only on its business in that market but also on its reputation generally. Morgan Stanley is also subject to the risk that transactions it structures might not be legally enforceable in all cases.

Various emerging market countries have experienced severe political, economic or financial disruptions, including significant devaluations of their currencies, defaults or potential defaults on sovereign debt, capital and currency exchange controls, high rates of inflation and low or negative growth rates in their economies. Crime and corruption, as well as issues of security and personal safety, also exist in certain of these countries. These conditions could adversely impact Morgan Stanley's businesses and increase volatility in financial markets generally.

The emergence of a disease pandemic, such as the coronavirus, or other widespread health emergencies, natural disasters, terrorist activities or military actions, or social or political tensions, could create economic and financial disruptions in emerging markets or in other areas of the global economy that could adversely affect its businesses, or could lead to operational difficulties (including travel limitations) that could impair Morgan Stanley's ability to manage or conduct its businesses around the world.

As a U.S. company, Morgan Stanley is required to comply with the economic sanctions and embargo programs administered by the U.S. Treasury's Office of Foreign Assets Control and similar multi-national bodies and governmental agencies worldwide, as well as applicable anti-corruption laws in the jurisdictions in which Morgan Stanley operates, such as the U.S. Foreign Corrupt Practices Act and the United Kingdom Bribery Act. A violation of a sanction, embargo program, or anti-corruption law could subject Morgan Stanley, and individual employees, to a regulatory enforcement action as well as significant civil and criminal penalties.

For more information on Morgan Stanley's country risk see "*Quantitative and Qualitative Disclosures about Risk—Country Risk*" below the "*Market Risk*" risk factor above. In addition to its country risk exposure, Morgan Stanley discloses its cross-border risk exposure in "*Financial Statements and Supplementary Data—Financial Data Supplement (Unaudited)-Cross-Border Outstandings*" on pages 153 to 154 of the 2019 Morgan Stanley Annual Report which is incorporated by reference therein.

(c) Acquisition, Divestiture and Joint Venture Risk

Morgan Stanley may be unable to fully capture the expected value from acquisitions, divestitures, joint ventures, minority stakes or strategic alliances.

In connection with past or future acquisitions, divestitures, joint ventures, minority stakes or strategic alliances (including with Mitsubishi UFJ Financial Group, Inc.), Morgan Stanley faces numerous risks and uncertainties combining, transferring, separating or integrating the relevant businesses and systems, including the need to combine or separate accounting and data processing systems and management controls and to integrate relationships with clients, trading counterparties and business partners. Certain of these strategic initiatives, and integration thereof, may cause us to incur incremental expenses and may also require incremental financial, management and other resources. In the case of joint ventures and minority stakes, Morgan Stanley is subject to additional risks and uncertainties because it may be dependent upon, and subject to liability, losses or reputational damage relating to, systems, controls and personnel that are not under its control.

In addition, conflicts or disagreements between Morgan Stanley and any of its joint venture partners may negatively impact the benefits to be achieved by the relevant joint venture.

There is no assurance that any of Morgan Stanley's acquisitions, divestitures or investments will be successfully integrated or disaggregated or yield all of the positive benefits and synergies anticipated. If Morgan Stanley is not able to integrate or disaggregate successfully its past and future acquisitions or dispositions, there is a risk that its results of operations, financial condition and cash flows may be materially and adversely affected.

Certain of Morgan Stanley's business initiatives, including expansions of existing businesses, may bring Morgan Stanley into contact, directly or indirectly, with individuals and entities that are not within its traditional client and counterparty base and may expose it to new asset classes, services, competitors, and new markets. These business activities expose Morgan Stanley to new and enhanced risks, greater regulatory scrutiny of these activities, increased credit-related, sovereign and operational risks, and reputational concerns regarding the manner in which these assets are being operated or held, or services are being delivered.

(d) *The U.K.'s withdrawal from the E.U. could adversely affect Morgan Stanley and MSIP*

It is difficult to predict the future of the U.K.'s relationship with the E.U., the uncertainty of which may increase the volatility in the global financial markets in the short- and medium-term and may negatively disrupt regional and global financial markets. Additionally, depending on the outcome, such uncertainty may adversely affect the manner in which Morgan Stanley and MSIP operate certain of their businesses in Europe. For more information on Morgan Stanley's country risk exposure related to the U.K. see "*Quantitative and Qualitative Disclosures about Risk—Country Risk—Country Risk Exposures Related to the U.K.*" below this risk factor.

On January 31, 2020, the U.K. withdrew from the E.U. under the terms of a withdrawal agreement between the U.K. and the E.U. The withdrawal agreement provides for a transition period to the end of December 2020, during which time the U.K. will continue to apply E.U. law as if it were a member state, and U.K. firms' passporting rights to provide financial services in E.U. jurisdictions will continue.

With respect to financial services, the withdrawal agreement provides that the U.K. and the E.U. will endeavor to conclude whether they will grant each other equivalence under European financial regulations. Equivalence would provide a degree of access to E.U. markets for U.K. financial firms, although the extent and duration of such access remains subject to negotiation.

If equivalence (or any alternative arrangement) is not agreed, Morgan Stanley's U.K. licensed entities may be unable to provide regulated services in a number of E.U. jurisdictions from the end of December 2020, absent further regulatory relief.

Potential effects of the U.K. exit from the E.U. and potential mitigation actions may vary considerably depending on the nature of the future trading arrangements between the U.K. and the E.U.

In order to prepare for this risk, Morgan Stanley and MSIP are taking steps to make changes to their European operations in an effort to ensure that they can continue to provide cross-border banking and investment and other services in E.U. member states without the need for separate regulatory authorisations in each member state.

These changes include use of a new licenced investment firm, Morgan Stanley Europe S.E (MSESE) based in Germany, which is passported throughout the EU and serves EU-based clients where required; and the existing EU German licensed bank Morgan Stanley Bank AG (MSBAG), which will provide licensable banking activities where required. In addition, a new holding company for this structure has been incorporated, Morgan Stanley Europe Holding SE (MSEHSE). The Morgan Stanley Group will also serve EU clients out of branches of these entities in the EU and existing regulated entities in France and Spain as necessary.

This new operating model went live in the first quarter of 2019, with MSESE commencing cash securities and derivatives trading. MSIP has taken steps to support the build out of this new operating model, including transferring employees to MSESE and migrating a significant number of clients during 2019. The Morgan Stanley Group is continuing to build out the

capabilities of its EU entities. MSIP has taken steps to prepare the transfer of its existing branch operations in The Netherlands and Poland to MSESE. In addition, the Morgan Stanley Group expects that further clients of MSIP, and activities currently transacted by MSIP, including capital markets activities will move from the MSIP to MSESE. The extent and timing of these moves will depend on client preferences and on licencing rules, which in turn will depend on the form of any future trading agreement between the UK and the EU in relation to financial services.

Following the reorganisations mentioned, the MSIP Group's principal activity and risks remain unchanged and the majority of current profitability and balance sheet remain within the MSIP Group.

However, as a result of the political uncertainty described above, it is currently unclear what the final post-Brexit structure of Morgan Stanley's and MSIP's European operations will be. Given the potential negative disruption to regional and global financial markets, and depending on the extent to which Morgan Stanley and MSIP may be required to make material changes to their European operations beyond those currently planned, Morgan Stanley's and MSIP's results of operations and business prospects could be negatively affected.

Quantitative and Qualitative Disclosures about Risk—Country Risk---Country Risk Exposures Related to the U.K.

At December 31, 2019, its country risk exposures in the U.K. included net exposures of \$18,070 million (as shown in the Top 10 Non-U.S. Country Exposures table) and overnight deposits of \$6,378 million. The \$19,488 million of exposures to non- sovereigns were diversified across both names and sectors and include \$6,804 million to U.K.-focused counterparties that generate more than one-third of their revenues in the U.K., \$4,817 million to geographically diversified counterparties, and \$5,946 million to exchanges and clearing houses.

1.5 *Risk factors specific to MSBV*

All material assets of MSBV are obligations of one or more companies in the Morgan Stanley Group and MSBV's ability to perform its obligations is dependent upon such companies fulfilling their obligations to MSBV.

MSBV enters into the majority of its financial asset transactions with other Morgan Stanley Group undertakings, primarily in Luxembourg and the United States of America. Both MSBV and the other Morgan Stanley Group companies are wholly-owned subsidiaries of the same ultimate parent entity, Morgan Stanley. As part of its hedging strategy for the obligations arising pursuant to the issuance of the structured notes such as the Notes, all material assets of MSBV are obligations of (or securities issued by) one or more Morgan Stanley Group companies. As at 31 December 2019, loans to other Morgan Stanley Group companies represented €7,065,314,000. Subject to the provisions of the Guarantee granted by Morgan Stanley under the terms of the Notes, if any of these Morgan Stanley Group companies incurs losses with respect to any of its activities (irrespective of whether those activities relate to MSBV or not) the ability of such company to fulfil its obligations to MSBV could be impaired, thereby exposing Noteholders MSBV to a risk of loss of all or part of their investment in the Notes.

Risks relating to insolvency proceedings in the Netherlands.

The validity or enforceability of any documents or any legal act (*rechtshandeling*) forming part thereof or contemplated thereby in relation to any securities issued by MSBV (including the Notes) are subject to and limited by the protection afforded by Netherlands law to creditors whose interests have been adversely affected pursuant to the rules of Netherlands law relating

to (x) unlawful acts (*onrechtmatige daden*) based on Section 6:162 et seq. of the Netherlands Civil Code (*Burgerlijk Wetboek*) and (y) fraudulent conveyance or preference (*actio pauliana*) within the meaning of Section 3:45 of the Netherlands Civil Code (*Burgerlijk Wetboek*). Furthermore, in the event of any insolvency proceedings being opened in the Netherlands in relation to MSBV, Dutch laws in relation to bankruptcy proceedings, in particular Section 42 et seq. of the Netherlands Bankruptcy Act (*Faillissementswet*) in relation to fraudulent conveyance or preference (*actio pauliana*) would apply. The commencement of bankruptcy proceedings against MSBV would have a material adverse effect on the market value of Notes issued by MSBV. Any decisions taken in the context of bankruptcy proceedings against MSBV could negatively impact the Noteholders and cause them to lose all or part of their investment, should they not be able to recover amounts due to them from the Guarantor under the Guarantee.

1.6 ***Risk factors specific to MSI plc***

There are substantial inter-relationships between MSI plc and other Morgan Stanley Group companies.

Morgan Stanley is the holding company of a global financial services group. MSI plc is one of the principal operating companies in the Morgan Stanley Group. MSI plc itself provides a wide range of financial and securities services. There are substantial inter-relationships between MSI plc and Morgan Stanley as well as other companies in the Morgan Stanley Group, including the provision of funding, capital, services and logistical support to or by MSI plc, as well as common or shared business or operational platforms or systems, including employees. As at 31 December 2019, the net credit exposure (i.e. the credit exposure remaining after the effect of the credit enhancements) to other Morgan Stanley Group undertakings amounted to \$ 10.585 billions. As a consequence of such inter-relationships, and of the participation of both MSI plc and other Morgan Stanley Group companies in the global financial services sector, factors which could affect the business and condition of Morgan Stanley or other companies in the Morgan Stanley Group may also affect the business and condition of MSI plc. Any such effect could be direct, for example, where economic or market factors directly affect the markets in which MSI plc and other companies in the Morgan Stanley Group operate, or indirect, for example where any factor affects the ability of other companies in the Morgan Stanley Group to provide services or funding or capital to MSI plc or, directly or indirectly, to place business with MSI plc. Similarly, any development affecting the reputation or standing of Morgan Stanley or other companies in the Morgan Stanley Group may have an indirect effect on MSI plc. Such inter-relationships should therefore be taken into account in any assessment of MSI plc as they may cause MSI plc incurring losses with respect to any of its activities which may reduce the ability of MSI plc to fulfil its obligations under the Notes, thereby exposing Noteholders of MSI plc to a risk of loss of all or part of their investment in the Notes.

No guarantee.

Notes issued by MSI plc will not be guaranteed by Morgan Stanley. Although Morgan Stanley has in the past provided financial support to MSI plc through capital injection and debt financing, Morgan Stanley may not be able to do so in the future.

Risk is an inherent part of both Morgan Stanley's and the MSI plc Group's (as defined below) business activity and is managed by the MSI plc Group within the context of the broader Morgan Stanley Group. The Morgan Stanley Group seeks to identify, assess, monitor and manage each of the various types of risk involved in its activities on a global basis, in accordance with defined policies and procedures and in consideration of the individual legal entities. The MSI plc Group's own risk management policies and procedures are consistent with those of the Morgan Stanley Group. However, such risk management policies and procedures may not be fully effective in mitigating its risk exposures in all market environments

or against all types of risk, which could result in unexpected losses for MSI plc which may reduce the ability of MSI plc to fulfil its obligations under the Notes, thereby exposing Noteholders of MSI plc to a risk of loss of all or part of their investment in the Notes.

Applicable Resolution Powers

Powers under the Banking Act 2009.

MSI plc, as an investment firm for the purposes of the Banking Act 2009 (the **Banking Act**), is subject to provisions of that Act which give wide powers in respect of U.K. banks and investment firms (such as MSI plc) to HM Treasury, the Bank of England, the Prudential Regulation Authority and the FCA (each a **relevant U.K. Regulatory Authority**) in circumstances where the relevant U.K. bank or investment firm (a "relevant financial institution") is failing or is likely to fail. The Banking Act implements the provisions of Directive 2014/59/EU (the **Bank Recovery and Resolution Directive** or **BRRD**).

These powers include powers to: (a) transfer all or some of the liability in respect of the securities issued by a relevant financial institution, or all or some of the property, rights and liabilities of a relevant financial institution (which could include instruments issued by MSI plc and guarantee liabilities of MSI plc), to a commercial purchaser or, in the case of securities, to HM Treasury or an HM Treasury nominee, or, in the case of property, rights or liabilities, to an entity owned by the Bank of England; (b) override any default provisions in contracts or other agreements, including provisions that would otherwise allow a party to terminate a contract or accelerate the payment of an obligation; (c) commence certain insolvency procedures in relation to a relevant financial institution; and (d) override, vary or impose contractual obligations, for reasonable consideration, between a relevant financial institution and its parent, in order to enable any transferee or successor of the relevant financial institution to operate effectively. The Banking Act also gives power to HM Treasury to make further amendments to the law for the purpose of enabling it to use the special resolution regime powers effectively, potentially with retrospective effect.

By reason of its group relationship with certain other Morgan Stanley Group companies (including companies incorporated outside the U.K.) which are banks, investment firms, EU institutions or third-country institutions for the purposes of the Banking Act, MSI plc is a banking group company within the meaning of the Banking Act. Accordingly, the relevant U.K. Regulatory Authority can exercise substantially similar special resolution powers in respect of MSI plc in its capacity as a banking group company where the Prudential Regulation Authority, an EU resolution authority or third country authority having jurisdiction over the relevant Morgan Stanley Group company is satisfied that such Morgan Stanley Group company meets the relevant conditions for resolution action (including that it is failing or likely to fail, that it is not reasonably likely that other measures would prevent its failure, and that it is in the public interest to exercise those powers) or that it satisfies an equivalent test in the relevant jurisdiction (irrespective of whether at that time MSI plc is failing or likely to fail). Additionally, where a relevant third country Morgan Stanley Group company becomes subject to resolution or similar measures, the relevant U.K. Regulatory Authority may recognise the application of some of those measures to MSI plc (irrespective of whether at that time MSI plc is failing or likely to fail).

The implementation of these powers with respect to MSI plc may result in significant structural changes to MSI plc and Noteholders may lose all or part of their initial investment and/or may not receive the expected return.

Bail-in Power.

The powers granted to the relevant U.K. Regulatory Authority include (but are not limited to) a "bail-in" power.

The "bail-in" power gives the relevant U.K. Regulatory Authority the power, in relation to a failing relevant financial institution or a banking group company in respect of a bank, investment firm, EU institution or third-country institution (whether or not incorporated in the U.K.) which is failing or likely to fail, to cancel all or a portion of certain of its unsecured liabilities and/or to convert certain of its liabilities into another security, including ordinary shares of the surviving entity, if any. Under the Banking Act, such power could be utilised in relation to MSI plc were it to be failing or likely to fail, or were a bank, investment firm, EU institution or third-country institution (whether or not incorporated in the U.K.) in respect of which MSI plc is a banking group company to be failing or likely to fail. Were such power to be utilised in relation to MSI plc, it could be utilised in relation to securities issued by MSI plc or guarantee liabilities of MSI plc.

The Banking Act requires the relevant U.K. Regulatory Authority to apply the "bail-in" power in accordance with a specified preference order which differs from the ordinary insolvency order. In particular, the relevant U.K. Regulatory Authority must write-down or convert debts in the following order: (i) additional tier 1, (ii) tier 2, (iii) other subordinated claims and (iv) eligible senior claims.

Although the exercise of the bail-in power under the Banking Act is subject to certain pre-conditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of MSI plc or not directly related to MSI plc) which the relevant U.K. Regulatory Authority would consider in deciding whether to exercise such power with respect to MSI plc and its securities or other liabilities. Moreover, as the relevant U.K. Regulatory Authority may have considerable discretion in relation to how and when it may exercise such power, holders of securities issued or guaranteed by MSI plc may not be able to refer to publicly available criteria in order to anticipate a potential exercise of such power and consequently its potential effect on MSI plc and securities issued or guaranteed by MSI plc. If the bail-in power were to be implemented in relation to MSI plc, Noteholders may lose all or part of their initial investment and/or may not receive the expected return.

Other powers.

As well as a "bail-in" power, the powers of the relevant U.K. Regulatory Authority under the Banking Act include broad powers to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge institution" (an entity created for such purpose that is wholly or partially in public control) and (iii) separate assets by transferring impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only). The Bank of England has broad powers to make one or more share transfer instruments (in the case of a transfer to a private sector purchaser described in (i) or a transfer to a "bridge institution" in the case of (ii)) or one or more property transfer instruments (in all three cases). A transfer pursuant to a share transfer instrument or a property transfer instrument will take effect despite any restriction arising by virtue of contract or legislation or in any other way.

In addition, the Banking Act gives the relevant U.K. Regulatory Authority power to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments and/or discontinue the listing and admission to trading of debt instruments.

The Banking Act provides that HM Treasury must, in making regulations about compensation arrangements in the case of the exercise of a bail-in power, have regard to the "no creditor worse off" principle, and HM Treasury has made regulations governing compensation arrangements upon the exercise of a bail-in power. Notwithstanding the foregoing, the exercise by the relevant U.K. Regulatory Authority of any of the above powers under the Banking Act (including especially the bail-in power) could lead to the holders of securities issued or guaranteed by MSI plc losing some or all of their investment. Moreover, trading behaviour in relation to the securities issued or guaranteed by MSI plc, including market prices and volatility, may be affected by the use or any suggestion of the use of these powers and accordingly, in such circumstances, such securities are not necessarily expected to follow the trading behaviour associated with other types of securities. There is no certainty that the taking of any actions under the Banking Act by the relevant U.K. Regulatory Authority or the manner in which its powers under the Banking Act are exercised will not materially adversely affect the rights of holders of securities issued or guaranteed by MSI plc (such as the Notes), the market value of an investment in such securities and/or MSI plc's ability to satisfy its obligations under, or under its guarantee of, such securities.

Extraordinary public financial support to be used only as a last resort.

Subject to certain conditions being met, the BRRD also makes provision for extraordinary public financial support to be provided to an institution subject to resolution in the form of provision of capital to such institution in exchange for common equity tier 1 instruments, additional tier 1 instruments or tier 2 instruments or in the form of taking such institution into temporary public ownership. However, such extraordinary public financial support should only be used as a last resort. Therefore, if MSI plc is subject to resolution, the relevant UK Regulatory Authority is only likely (if at all) to provide extraordinary public financial support only after it has assessed and exploited, to the maximum extent practicable, all other applicable resolution tools described above, which may result in the Noteholders losing all or part of their initial investment and/or may not receive the expected return.

1.7 *Risk factors specific to MSFL*

As a finance subsidiary, MSFL has no independent operations and is expected to have no independent assets

The principal risks with respect to Morgan Stanley described above will also represent the principal risks with respect to MSFL, either as an individual entity or as part of the Morgan Stanley Group.

Morgan Stanley Finance LLC is a "finance subsidiary" of Morgan Stanley, as defined in Securities and Exchange Commission Regulation S-X. MSFL issues structured notes to the marketplace. Proceeds from issuances are lent to Morgan Stanley in the form of intercompany notes. As at 31 December 2019, notes receivable from Morgan Stanley amounted to \$18,900 millions and trading assets (mainly representing OTC derivative transactions MSFL enters into with Morgan Stanley to economically hedge its borrowings (structured notes) and market movements on those OTC derivative transactions) amounted to \$903 millions, resulting in MSFL total assets of \$19,955 millions. MSFL has no independent operations beyond the issuance and administration of its securities and is expected to have no independent assets available for distributions to holders of MSFL Notes if they make claims in respect of the Notes in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such Noteholders will be limited to those available under the related Guarantee by Morgan Stanley and that Guarantee will rank equally with all other outstanding unsecured and unsubordinated obligations of Morgan Stanley present and future, but, in the event of insolvency, only to the extent permitted by laws affecting creditors' rights. Holders will have recourse only to a single

claim against Morgan Stanley and its assets under the Guarantee. Holders of Notes issued by MSFL should accordingly assume that in any such proceedings they would not have any priority over and should be treated equally with the claims of other unsecured, unsubordinated creditors of Morgan Stanley, including holders of Morgan Stanley-issued securities. Holders of the Notes issued by MSFL should therefore be aware that in any such proceedings a Holder's recoveries in respect of its claims under the Guarantee may be less than if it had such priority. As a results Noteholders may lose all or part of their initial investment and/or may not receive the expected return.

Risk Factors relating to the Notes

2. Risks for the Noteholders as creditors of the Issuer

2.1 *Credit risk*

Pursuant to Condition 4 (*Status*), the obligations of the Issuers under the Notes and of the Guarantor under the Guarantee are unsecured. Noteholders bear the credit risk of the Issuer and/or, if applicable, the Guarantor, that is the risk that the relevant Issuer and/or, if applicable, the Guarantor, is not able to meet its obligations under such Notes, irrespective of whether such Notes are referred to as capital or principal protected or how any principal, interest or other payments under such Notes are to be calculated. If the Issuer and/or the Guarantor is not able to meet its obligations under the Notes, then that would have a material negative impact on the investor's return on the Notes and an investor may lose up to its entire investment.

3. Risks related to the market generally

3.1 *Exchange rates may affect the value or return of the Notes*

Noteholders may be exposed to exchange rate risks where (i) the Notes are Currency-Linked Notes, (ii) the Relevant Underlying(s) specified in the applicable Final Terms is or are denominated or priced in currencies other than the currency in which the Notes are denominated, (iii) the value of the components is determined in a different currency to the value of the Relevant Underlying, or (iv) the Notes and/or such Relevant Underlying specified in the applicable Final Terms are denominated in currencies other than the currency of the country in which the Noteholder is resident. There may be significant changes in exchange rates due to economic or political events and/or due to governments using a variety of techniques to influence exchange rates such as (i) the imposition or modification of regulatory controls or taxes, which may also affect the availability of a currency (ii) intervention by a country's central bank, (iii) changes in interest rates, (iv) issuing a new currency to replace an existing currency. Depending on the terms of the Notes, any such significant change(s) in exchange rates may materially and adversely affect the value of such Notes. As a result, Noteholders may receive less interest or principal than expected, or no interest or principal as measured in the Noteholders' currency.

3.2 *Secondary trading of the Notes may be limited*

The nature and extent of any secondary market in the Notes cannot be predicted and there may be little or no secondary market in the Notes. As a consequence any person intending to hold the Notes should consider liquidity in the Notes as a risk. Where the Notes are admitted to listing, trading and/or quoted by or on any listing authority, exchange or quotation system, this does not imply greater or lesser liquidity than if equivalent Notes were not so listed, traded or quoted and the Issuer cannot guarantee that the admission to listing, trading or quotation will be permanently maintained. Where the Notes are not admitted to listing, trading and/or quotation, it becomes more difficult to subscribe or purchase and sell such Notes and there may also be a lack of transparency with regard to pricing information. This may impact the ability of a Noteholder to sell the Notes at any time. Noteholders may not be able to sell their Notes readily or at prices that will enable investors to realise their anticipated yield. This could have a significant adverse impact on the Noteholders and, as a result, Noteholders could lose all or part of their investment in the Notes.

Further, although an Issuer may apply to have certain issuances of Notes admitted to trading on Euronext Paris, on the Luxembourg Regulated Market, on the Luxembourg Stock Exchange's Euro MTF market, displayed on the Luxembourg Stock Exchange Securities Official List

(LuxSE SOL) (without admission to trading) or to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, approval for any listing is subject to meeting the relevant listing requirements. Even if there is a secondary market, it may not provide enough liquidity to allow the investor to sell or trade the Notes easily. MSIP and other Affiliates of Morgan Stanley may from time to time, make a market in the Notes, but they are not contractually required to do so. If at any time MSIP and other Affiliates of the Issuers were to cease making a market in the Notes, it is likely that there would be little or no secondary market for the Notes. This may impact the ability of a Noteholder to sell the Notes at any time. This could have a significant adverse impact on the Noteholders and, as a result, Noteholders could lose all or part of their investment in the Notes.

3.3 *Effect on the Notes of hedging transactions by the Issuer*

As disclosed in the applicable Final Terms, the Issuer may use a portion of the total proceeds from the issue of the Notes for transactions to hedge the risks of the Issuer relating to the Notes. In such case, the Issuer or any of its Affiliates may conclude transactions that correspond to the obligations of the Issuer under the Notes. As a rule, such transactions are concluded prior to or on the Issue Date, but it is also possible to conclude such transactions after issue of the Notes. On or before a valuation date, the Issuer or any of its Affiliates may take the steps necessary for closing out any hedging transactions. It cannot, however, be ruled out that the price, level or value of a Relevant Underlying will be influenced by such transactions. Entering into or closing out these hedging transactions could affect the price, rate, level or other value of the Relevant Underlying(s) and as a result may influence the probability of occurrence or non-occurrence of determining events in the case of Notes. For instance, where "barrier" is used to identify the terms for determining interest payable on any Notes, hedging activities may result in a lower price for the Relevant Underlying which may remain below the barrier value on Determination Date; in such case the barrier condition would not be satisfied and the amount of interest payable under the Notes will be zero. Accordingly, the hedging activities of the Issuer and its affiliates could have a significant negative impact on the investor's return on the Notes.

3.4 *Payments on Notes issued by Morgan Stanley or MSFL may be subject to U.S. withholding tax in certain circumstances*

Payments on a Note issued by Morgan Stanley or MSFL may in certain circumstances be subject to U.S. withholding tax of 30 per cent. For example, such U.S. withholding may apply (i) under the provisions of U.S. tax law commonly known as FATCA, (ii) with respect to certain securities linked to U.S. equities or indices that include U.S. equities (**U.S. equity-linked securities**), or (iii) if investors fail to establish their non-U.S. status and FATCA exemption by furnishing to the payee the applicable IRS certification forms. See "Taxation - United States Federal Taxation" below for further discussion of these rules. If U.S. withholding tax is imposed, including due to the failure by a beneficial owner (or financial institution holding a Note on behalf of a beneficial owner) to establish an exemption from withholding, or because withholding is required on U.S. equity-linked securities, none of the Issuers, the Guarantor or any intermediary will be required to pay any additional amounts or otherwise indemnify a holder with respect to the amounts so withheld. In such cases investors will receive significantly less than the amounts they would have been entitled to receive if such U.S. withholding tax had not been imposed, which may significantly reduce the return on the Notes.

4. Risks relating to specific provisions governing Noteholders' rights under the Notes

4.1 *Limited Events of Default under the Notes*

Events of Default with respect to Notes are limited to (i) a failure to pay, by the relevant Issuer or the Guarantor, as the case may be, any amount of principal or interest in respect of the Notes within thirty days of the due date for payment thereof, or (ii) the bankruptcy, insolvency or reorganisation of the relevant Issuer, all as further described under Condition 18 (*Events of Default*).

The Notes will not have the benefit of any cross-default or cross-acceleration with other indebtedness of MSIP, MSBV, MSFL or Morgan Stanley, as applicable. Other than the covenant to pay, there are no covenants under the Notes and a breach of any obligations under the Notes other than a failure to pay (as detailed above) by MSIP, MSBV, MSFL or Morgan Stanley, as Issuer, does not constitute an event of default under the Notes. In addition, a breach of any obligations under the Notes other than a failure to pay (as detailed above) by Morgan Stanley as guarantor, or an event of bankruptcy, insolvency or reorganization of Morgan Stanley as guarantor, does not constitute an event of default with respect to any Notes issued by MSBV or MSFL. As a result, in such circumstances Noteholders will not be able to declare the Notes immediately due and payable pursuant to the Terms and Conditions of the Notes. This may have a material negative impact on the market value of the Notes and Noteholders may lose all or part of their investment.

4.2 *Modification and waiver*

Conditions 22 (*Representation of Noteholders*) contain provisions for the representation of Noteholders to consider matters affecting their interests generally. Noteholders may through collective decision deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to potential litigation claim against the relevant Issuer. These provisions permit defined majorities to bind all holders of the relevant Notes, including holders who did not attend or were not represented at the relevant meeting and holders who voted in a manner contrary to the majority. If Holders of the Notes are not part of the defined majority, including if such holder did not attend the relevant meeting, they will be bound by the decision of the defined majority on matters which may negatively affect the interests of the such holder. This may have a significant negative impact on the market value of the Notes and hence Noteholders may lose part of their investment.

4.3 *The Issuer or the Guarantor, as the case may be, may be substituted by another entity*

The Terms and Conditions of the Notes set out that the Issuer can, without the consent of Noteholders and without taking into consideration the interest of Noteholders, agree to be substituted by another as principal debtor of the Notes, subject to the conditions set out in Condition 29 (*Substitution*). The substitution can, in particular, but without limitation, be conditional to the fact that Morgan Stanley or MSI plc, as the case may be, guarantee the obligations of the substitute issuer under the Notes (as further described in Condition 29.1 (*Substitution of Issuer with Morgan Stanley Group entities*)) or that the Issuer or the Guarantor can, in certain cases, be substituted by other entities outside Morgan Stanley Group, Noteholders having, in such case, the right to request the early redemption of their Notes in certain timing (as further described in Condition 29.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*)). In addition, the substitute shall receive all necessary regulatory authorizations in order to comply with its commitments under the Notes or to the Guarantee (as applicable) and this substitution shall be permitted by any regulated market on which one the Notes are, as the case may be, admitted to trading and potential requirements applicable to this regulated market shall be complied with so that the

Notes remain admitted to trading on this regulated market. If the Issuer substitutes an entity for the Issuer as the principal debtor in respect of the Notes, the tax consequences (including the withholding tax consequences) of holding the Notes may change. Except as otherwise set out in the Terms and Conditions, if withholding is required on the Notes the Issuer will not be required to pay any additional amounts (as further described in Condition 29.7 (*Tax consequences of the substitution*)). For further explanations, please refer to Condition 29 (*Substitution*). Any such substitution may result in a reduction in the value of the Notes and the Noteholders may lose all or part of their investment in the Notes.

5. Risks in connection with termination and adjustment rights due to event(s) affecting the Relevant Underlying(s)

5.1 *Market Disruption Event, Disrupted Day, Adjustments and Early Redemption of Notes*

In accordance with Condition 9 (*Provisions Relating to Equity-Linked Notes*), the Determination Agent may determine in its reasonable discretion that a Market Disruption Event or a failure to open of an Exchange or Related Exchange has occurred or exists on a relevant date of valuation, and any consequential postponement of such date of valuation may have a material adverse effect on the value of the Notes.

In addition the Determination Agent may in its reasonable discretion make adjustments to the Notes to account for relevant adjustments or events in relation to the Relevant Underlying including, but not limited to, determining a successor to the Relevant Underlying or its sponsor (in the case of an Index), determining a successor or substitute futures contract (in the case of a Futures Contract). In addition, in certain circumstances, the Issuer may redeem the Notes prior to the Maturity Date following any such event. In this case, in relation to each Note, the Issuer will pay an amount, if any, determined as provided in the Terms and Conditions.

In making these adjustments the Determination Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion. The Determination Agent is not required but has the discretion to make adjustments with respect to each and every corporate action.

5.2 *Determinations made by the Issuer and the Determination Agent in respect of Potential Adjustment Events, Merger Events, Tender Offers, Delisting, Nationalisations, Insolvencies and Additional Disruption Events may have an adverse effect on the value of the Share-Linked Notes*

Upon the determination by the Determination Agent, in its reasonable discretion, that a Potential Adjustment Event (as defined in Condition 9.7 (*Definitions applicable to Equity-Linked Notes*)), Merger Event, Tender Offer (as defined in Condition 9.4(a) (*Merger Event or Tender Offer*)), Delisting, Nationalisation, Insolvency (as defined in Condition 9.4(b) (*Nationalisation, Insolvency and Delisting*)) or Additional Disruption Event (as defined in Condition 9.6 (*Additional Disruption Events*)) has occurred in relation to an underlying Share or Share Company, the Issuer (in the case of a Merger Event, Tender Offer, Delisting, Nationalisation, Insolvency or an Additional Disruption Event) will, in its reasonable discretion, determine whether the relevant Share-Linked Notes shall continue or shall be redeemed early, any of which determinations may have an adverse effect on the value of the Share-Linked Notes and, in the case of a Potential Adjustment Event, the Determination Agent may, in its reasonable discretion, make certain determinations to account for the occurrence of the relevant event, including to make adjustments to the terms of the Share-Linked Notes. If the Issuer determines that the relevant Share-Linked Notes shall be redeemed early, the Issuer shall provide notice of such early redemption to Noteholders a prescribed number of days prior to the date fixed for redemption. In the event that the Share-Linked Notes are early settled/redeemed, the amount

payable to Holders may be significantly less than the investor's initial investment, and may be as low as zero.

If the Issuer determines that the relevant Share-Linked Notes shall continue following the occurrence of such an event, the Determination Agent may, in its reasonable discretion, make certain determinations to account for the occurrence of the relevant event, including to make adjustments to the terms of the Share-Linked Notes. The application of any of these adjustments may significantly and adversely affect the value of the Noteholder's investment in the Share-Linked Notes.

As further described in Condition 9.7 (*Definitions applicable to Equity-Linked Notes*), Potential Adjustment Events include (a) a sub-division, consolidation or re-classification of the Shares, (b) an extraordinary dividend, (c) a call of the Shares that are not fully paid, (d) a repurchase by the Share Company, or an affiliate thereof, of the Shares, (e) a separation of rights from the Shares or (f) any event having a dilutive or concentrative effect on the value of the Shares. As further described in Condition 9.6 (*Additional Disruption Events*), Additional Disruption Events include, (1) a change in applicable law since the Trade Date that makes it illegal to hold, acquire or dispose of the Shares or more expensive for the relevant Issuer to hedge its obligations under the relevant Share-Linked Notes, (2) an insolvency filing by or on behalf of any issuer of the relevant Share(s), (3) Increased Cost of Hedging and (4) Hedging Disruption.

In making these adjustments the Determination Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion. The Determination Agent is not required but has the discretion to make adjustments with respect to each and every corporate action.

5.3 *Exposure to Index Modification, Index Cancellation, Index Disruption, Administrator/Benchmark Event and correction of Index levels*

In accordance with Condition 9.2 (*Adjustments to Indices*), the Determination Agent may in its reasonable discretion make certain determinations and adjustments, to replace the original Relevant Underlying with another and/or to cause early redemption/settlement of the Notes, any of which may be adverse to Holders in connection with Index Modification, Index Cancellation, Index Disruption and Administrator/ Benchmark Event (all as defined in Condition 9.2 (*Adjustments to Indices*)). The Determination Agent may determine that the consequence of any such event is to make adjustments to the amounts payable by the Issuer under the Notes, to make adjustments to the other terms and conditions of the Notes, or to replace such Index with another or pursuant to 9.2 (d) (*Redemption for Index Adjustment Event*) in certain circumstances the Issuer may, in its reasonable discretion, determine that the Notes shall be redeemed. If the Issuer decides to redeem the Notes, each Note will be redeemed at an amount equal to (i) if “*Early Redemption Amount (Index Cancellation) - Fair Market Value Less Costs*” is specified in the Final Terms, the fair market value of such Note less the proportion attributable to that Notes of the reasonable cost to the Issuer and/ or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements or (ii) if “*Early Redemption Amount (Index Cancellation) - Fair Market Value*” is specified in the Final Terms the fair market value of such Note, in each case as calculated by the Determination Agent. In accordance with Condition 9.2(e) (*Correction of Index Levels*), the Determination Agent may also amend the relevant Index level due to corrections in the level reported by the Index Sponsor. The consequences of such amendments could significantly and adversely affect the market value of the Index-Linked Notes.

In making these adjustments and calculation the Determination Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion.

5.4 ***Administrator/Benchmark Events***

Where the Relevant Underlying or otherwise any rate by reference to which interest is payable under the Notes is an index, benchmark, rate or price source, the administrator or sponsor may be required to be authorised, registered, recognised, endorsed or otherwise included in an official register in order for the Issuer, the Determination Agent or the Calculation Agent to be permitted to use the Relevant Benchmark and perform their respective obligations under the Notes. In the case where the Relevant Underlying or the rate by reference to which interest is payable under the Notes is a “Relevant Benchmark” and the Determination Agent determines that any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register of the Relevant Benchmark or its administrator or sponsor has not been obtained with the effect that any of the Issuer, the Determination Agent or Calculation Agent is not or will not be permitted to use the Relevant Benchmark in respect of the Notes, an “Administrator/ Benchmark Event”(as defined in Condition 2 (*Interpretation*)) will occur. In such a case the Determination Agent will apply certain fallbacks. These may include one or more of replacing the Relevant Benchmark with any “Alternative Pre-nominated Index” (in the case of a Relevant Underlying) or any “Alternative Pre-nominated Reference Rate” (otherwise in the case of a rate by reference to which interest is payable under the Notes) which has been specified in the applicable Final Terms, making adjustments to the amounts payable by the Issuer under the Notes, adjusting the other terms and conditions of the Notes or redeeming the Notes. The application of any of these fallbacks may significantly and adversely affect the value of the Noteholder’s investment in the Notes.

In making these adjustments the Calculation Agent or the Determination Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion.

See also “*Risk Factors—LIBOR, EURIBOR and Benchmark rates discontinuance or prohibition on use may lead to adjustments to the terms of the Notes or an early redemption of the Notes*” below. Such adjustments to the terms of the Notes or early redemption of the Notes may adversely impact the return on and value of the Notes.

5.5 ***LIBOR, EURIBOR and other benchmark rate discontinuance or prohibition on use may lead to adjustments to the terms of the Notes or an early redemption of the Notes***

Pursuant to Condition 6.11 (*Relevant Rates Benchmark Discontinuance or Prohibition on Use*) applicable to Notes which pay a floating rate of interest (including notably Floating Rate Notes), if the Relevant Rates Benchmark has been discontinued certain fallback provisions will apply. These provisions apply to “Relevant Rates Benchmarks” (which will include LIBOR, EURIBOR and other similar interbank rates). The fallback provisions will be triggered if the Determination Agent determines that (i) the administrator or regulatory supervisor (or other applicable regulatory body) in connection with such Relevant Rates Benchmark announces that the administrator has ceased or will cease permanently or indefinitely to provide such Relevant Rates Benchmark and there is no successor administrator that will continue to provide the Relevant Rates Benchmark, (ii) where the Relevant Rates Benchmark is a LIBOR, a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Rates Benchmark announcing that the Relevant Rates Benchmark is no longer representative, or (iii) unless otherwise specified in the applicable Final Terms, an Administrator/Benchmark Event occurs in relation to such Relevant Rates Benchmark.

Following the occurrence of any of these events the Determination Agent may replace the Relevant Rates Benchmark with any “Alternative Pre-nominated Reference Rate” which has been specified in the applicable Final Terms or if no Alternative Pre-nominated Reference Rate is specified in the applicable Final Terms, with an alternative rate that is consistent with

accepted market practice for debt obligations such as the Notes. If an Alternative Pre-nominated Reference Rate or other alternative rate is used then the Determination Agent may also make other adjustments to the Notes, including to the new rate and to the Margin, which are consistent with accepted market practice. If the Determination Agent is unable to identify an alternative rate and determine the necessary adjustments to the terms of the Notes then the Issuer may redeem the Notes. If the Issuer decides to redeem the Notes, each Note will be redeemed at an amount equal to (i) if “*Early Redemption Amount (Benchmark Trigger Event) - Fair Market Value Less Costs*” is specified in the Final Terms, the fair market value of such Note less the proportion attributable to that Notes of the reasonable cost to the Issuer and/ or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements or (ii) if “*Early Redemption Amount (Benchmark Trigger Event) - Fair Market Value*” is specified in the Final Terms the fair market value of such Note, in each case as calculated by the Determination Agent. Such adjustments to the terms of the Notes or early redemption of the Notes may adversely impact the return on and value of the Notes.

Any determination, calculation or decision of the Determination Agent described above will be made in the Determination Agent’s discretion (in some cases after consultation with the Issuer).

In addition, (i) the composition and characteristics of the Alternative Pre-nominated Reference Rate or other alternative rate will not be the same as those of the Relevant Rates Benchmark which it replaces, the Alternative Pre-nominated Reference Rate or other alternative rate will not be the economic equivalent of the Relevant Rates Benchmark that it replaces, there can be no assurance that the Alternative Pre-nominated Reference Rate or other alternative rate will perform in the same way as the Relevant Rates Benchmark that it replaces would have at any time and there is no guarantee that the Alternative Pre-nominated Reference Rate or other alternative rate will be a comparable substitute for the Relevant Rates Benchmark which it replaces, (each of which means that the replacement of the Relevant Rates Benchmark by the Alternative Pre-nominated Reference Rate or other alternative rate could adversely affect the value of the Notes, the return on the Notes and the price at which the Noteholder can sell such Notes), (ii) any failure of the Alternative Pre-nominated Reference Rate or other alternative rate to gain market acceptance could adversely affect the Notes, (iii) the Alternative Pre-nominated Reference Rate or other alternative rate may have a very limited history and the future performance of the Alternative Pre-nominated Reference Rate or other alternative rate cannot be predicted based on historical performance, (iv) the secondary trading market for Notes linked to the Alternative Pre-nominated Reference Rate or other alternative rate may be limited and (v) the administrator of the Alternative Pre-nominated Reference Rate or other alternative rate may make changes that could change the value of the Alternative Pre-nominated Reference Rate or other alternative rate or discontinue the Alternative Pre-nominated Reference Rate or other alternative rate and has no obligation to consider the Noteholder’s interests in doing so.

The application of any of these fallbacks may adversely affect the value of the Noteholder’s investment in the Notes. See also “*Risk Factors—Administrator/Benchmark Events*” above.

6. Risk Factors relating to the Relevant Underlying(s)

6.1 *Exposure to emerging market*

Fluctuations in the trading prices of the underlying emerging market share will affect the value of Equity-Linked Notes, Fund-Linked Notes or Futures Contract-Linked Notes where the underlying asset is such a share. Changes may result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in the related countries or member nations, including economic and political developments in other countries. **Of particular importance to potential risks are (i) rates of inflation; (ii) interest rate levels; (iii) balance of payments; and (iv) the extent of governmental surpluses or deficits in the**

relevant country. All of these factors are, in turn, sensitive to the monetary, fiscal and trade policies pursued by the related countries, the governments of the related countries and member nations (if any), and other countries important to international trade and finance. Governments use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes to affect the trading of the underlying equity. Thus, a special risk in purchasing such Notes is that their trading value and amount payable at maturity could be affected by the actions of governments, fluctuations in response to other market forces and the movement of currencies across borders. Emerging markets stocks may be more volatile than the stocks in more developed markets. **All these factors could materially and adversely affect the value of such Notes.**

Where the Notes are denominated in an emerging market currency or linked to one or more emerging market currencies, such emerging market currency can be significantly more volatile than currencies of more developed markets. Emerging markets currencies are highly exposed to the risk of a currency crisis happening in the future and this could trigger the need for the Determination Agent (MSIP or an affiliate) to make adjustments to the terms and conditions of the Notes. **Such adjustments may have a material adverse effect on the value or return of the Notes.**

6.2 *Notes linked to the performance of funds*

In accordance with Condition 12 (*Provisions relating to Fund-Linked Notes*), the relevant Issuer may issue Notes where the redemption amount or, if applicable, the interest amount in relation to Fund-Linked Notes or the return, in relation to Fund Securities (together with the Fund-Linked Notes, **Fund-Linked Notes**) is linked to the performance of a unit, share or other interest in a fund (each a **Fund Interest Unit**) or a basket of Fund Interest Units. Such funds may include mutual funds or any other types of fund in any jurisdiction, or any combination of the foregoing. The performance of Fund-Linked Notes is dependent upon the performance of relevant Fund Interest Unit, which may be influenced by the following factors: (i) different types of funds are subject to differing levels of regulatory supervision, (ii) funds may have varying restrictions on leverage and whilst leverage presents the potential for a higher rate of return, it also increases the volatility of a fund and risk of total loss, (iii) funds may have differing investment restrictions and some funds may invest in assets which are illiquid or difficult to transfer, this may have an effect on the realisation of such assets and in turn, the value and performance of the fund, (iv) the performance of a fund will be heavily dependent on the performance of investments selected by its advisers or investment managers and the skill and expertise of such service providers in making profitable investment decisions, should the key personnel leave or become no longer associated with the fund's adviser or investment manager, the value or profitability of the fund's investments may be adversely affected as a result. If a Fund Interest Unit does not perform as expected, this will materially and adversely affect the value of Fund-Linked Notes.

Payments on redemption or termination of Fund-Linked Notes at maturity, expiration, early redemption may be postponed, in accordance with the Conditions, up to a specified long stop date and if the specified long stop date is reached, for the purposes of determining the Redemption Amount or any other such redemption amounts, as applicable, the affected fund interest units or shares may be deemed to have a zero value. If one or more events occurs in relation to the Fund or any Fund Service Provider, including insolvency of the Fund or Fund Service Provider, then the Issuer, may in its reasonable discretion, determine whether the Fund-Linked Notes will continue or whether they will be redeemed or terminated early. If the Issuer determines that the Fund-Linked Notes will continue, this may result in the substitution of the affected Fund Interest Unit with other Fund Interest Units with similar characteristics or adjustments to the Conditions of the Notes to account for the occurrence of the relevant event. These actions may have an adverse effect on the return and risk profile of the relevant Fund-Linked Notes, and consequently, the value of such Fund-Linked Notes and if the Fund-Linked

Notes are redeemed or terminated early the amount investors receive may be considerably less than their original investment and may even be zero.

6.3 ***Risks relating to Index-Linked Notes***

(a) Factors affecting the performance of Indices may adversely affect the value of the Notes

In accordance with Condition 6 (*Floating Rate Note, Equity-Linked, Currency-Linked, Inflation-Linked Interest, Fund-Linked and Futures Contract-Linked Note Provisions*), the relevant Issuer may issue Notes where the redemption amount or, if applicable, the interest amount is linked to the performance of an index or a basket of indices. Indices are comprised of a synthetic portfolio of shares, bonds, currency exchange rates, commodities, property or other assets, and as such, the performance of an Index is dependent upon the performance of components of such Index, which may include interest rates, currency developments, political factors, market factors such as the general trends in capital markets or broad based indices and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. If an Index does not perform as expected, this will materially and adversely affect the value of Index-Linked Notes.

(b) A change in the composition or discontinuance of an Index could adversely affect the market value of the Notes

The sponsor of any Index can add, delete or substitute the components of such Index or make other methodological changes that could change the level of one or more components. The changing of components of any Index may affect the level of such Index as a newly added component may perform significantly worse or better than the component it replaces, which in turn may affect the payments made by the relevant Issuer to the Holders of the Index-Linked Notes. The sponsor of any such Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of an Index will have no involvement in the offer and sale of the Index-Linked Notes and will have no obligation to any Holder of such Notes. Accordingly, the sponsor of an Index may take any actions in respect of such Index without regard to the interests of the Holder of the Notes, and any of these actions could significantly and adversely affect the market value of the Index-Linked Notes.

(c) Reform of LIBOR and EURIBOR and other interest rate index and equity and foreign exchange rate index “Benchmarks”

The Final Terms for a Series of Floating Rate Notes may specify that the Rate of Interest for such Notes will be determined by reference to the London Interbank Offered Rate (**LIBOR**), the Euro Interbank Offered Rate (**EURIBOR**) and other indices which are deemed “benchmarks” are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such “benchmarks” to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to a “benchmark.”

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of “benchmarks” could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain “benchmarks,” trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the disappearance of certain “benchmarks.” The disappearance of a “benchmark” or changes in the manner of

administration of a “benchmark” could have materially adverse consequences in relation to Notes linked to such “benchmark”.

(d) ***Planned replacement of LIBOR may adversely affect the return on any Notes linked to LIBOR and their secondary market prices***

The Final Terms for a Series of Floating Rate Notes may specify that the Rate of Interest for such Notes will be determined by reference to the LIBOR. Central banks around the world, including the U.S. Federal Reserve, have commissioned working groups that include market participants (the **Alternative Rate Committees**) with the goal of finding suitable replacements for their currency’s LIBOR that are based on observable market transactions. The search for replacements accelerated after the Financial Stability Board reported that uncertainty surrounding the integrity of LIBOR represents a potentially serious systemic vulnerability and risk due to limited transactions in the underlying inter-bank lending market. In July 2017, the Chief Executive of the FCA, which regulates LIBOR, called for an orderly transition over a 4-5 year period from LIBOR to the reference rates selected by the Alternative Rate Committees. The FCA’s announcement stated that it expects that it would not be in a position to sustain LIBOR through its influence or legal compulsion powers after the end of 2021. Any transition away from LIBOR, as well as the uncertainty surrounding the future of LIBOR and future regulatory and market developments, could have a significant adverse effect on the return on any Notes linked to LIBOR and their secondary market prices. See also “*Risk Factors—Reform of LIBOR and EURIBOR and other interest rate index and equity and foreign exchange rate index ‘Benchmarks’*” above.

6.4 ***Risks relating to Share-Linked Notes***

Pursuant to Condition 9 (*Provisions Relating to Equity-Linked Notes*), the Issuers may issue Notes where the redemption amount or, if applicable, the interest amount is linked to the performance of the Shares of an entity or a basket of Shares. The performance of Shares is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors and company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. If the Share(s) do(es) not perform as expected, this will materially and adversely affect the value of Shared-Linked Notes.

6.5 ***Risks Relating to Futures Contract-Linked Notes***

Pursuant to Condition 13 (*Provisions Relating to Futures Contract-Linked Notes*), the Issuers may issue Notes where the redemption amount or, if applicable, the interest amount is linked to the performance of a futures contract (a **Futures Contract**) or a basket of Futures Contracts. The underlying of such Futures Contracts may include equity indices (including equity indices giving exposure to dividends paid by the constituent companies or the volatility of those constituent companies), single stocks, foreign exchange rates, bonds, or other types of underlying asset(s), contracts or property.

The value of the futures contract(s) underlying the Notes and, as a consequence, the value of Futures Contract-Linked Notes will depend on factors affecting any underlying of the futures contract(s) such as (i) the expectations of performance in relation to the underlying of the futures contract or the constituent assets of any index or indices underlying the Futures Contract from time to time; (ii) in the case of an index underlying the Futures Contract, any changes in the constituents of that index; (iii) market interest and yield rates; (iii) economic, political, structural supply and demand and macro-economic factors; (iv) changes in applicable law and regulation; and (v) in the case of Notes linked to dividend futures contracts (the value of which typically tracks dividends paid by the constituent companies of the underlying equity index

during a specified time period), the dividend policy of the relevant constituent companies of the related underlying index.

In addition, the value of future contract(s) also depends on factors relating to the relevant futures contract itself, such as the time remaining to the final settlement date, and the liquidity of such futures contract(s), the contract specification and the terms of the relevant underlying(s).

All these factors may have a significant adverse effect on the amounts payable in respect of the Futures Contract-Linked Notes and/or in a decline in the value of the Futures Contract-Linked Notes.

6.6 *Risks associated with Relevant Underlying comprised of a Basket*

(a) *Exposure to performance of Basket and its components*

In accordance with Condition 8 (*Equity-Linked, Currency-Linked, Inflation-linked, Fund-Linked and Futures Contract-Linked Notes Provisions*), the Issuers may issue Notes which are linked to or reference a Basket of assets, the investors in such Notes are exposed to the performance of such Basket. If the Basket does not perform as expected, this will materially and adversely affect the value of Notes with Relevant Underlying comprised of a Basket.

(b) *A high correlation of Basket Components may have a significant effect on amounts payable*

Some Notes are linked to Baskets of Relevant Underlying where the performance of such Relevant Underlying tends to move in the same direction, or correlate, as a result of changes in market conditions, such as a change in interest rates. Correlation of Basket Components indicates the level of interdependence among the individual Basket Components with respect to their performance. If, for example, all of the Basket Components originate from the same sector and the same country, a high positive correlation may generally be assumed. Past rates of correlation may not be determinative of future rates of correlation: though Basket Components may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general downturn or other economic or political event. Where the Basket Components are subject to high correlation, any move in the performance of the Basket Components will exaggerate the performance of the Notes and may have a significant negative effect on amounts payable under the Notes.

(c) *The negative performance of a single Basket Component may outweigh a positive performance of one or more other Basket Components*

Even in the case of a positive performance of one or more Basket Components, the performance of the Basket as a whole may be negative if the performance of the other Basket Components is negative to a greater extent, subject to the terms and conditions of the relevant Notes.

(d) *A change in composition of a Basket may have an adverse effect on Basket performance*

Where the Notes grant the Determination Agent the right, in certain circumstances, to adjust the composition of the Basket, any replacement Basket Component may perform differently from the original Basket Component, which may have an adverse effect on the performance of the Basket which will in turn have a significant adverse effect on the value of the Notes.

7. Risk Factors relating to the structure of a particular issue of Notes and certain product features

7.1 *Risk of loss of principal or of low or no returns for Notes whose redemption amount is determined by reference to a formula*

For certain Notes, the amount of principal payable by the Issuer may be determined in accordance with a formula linked to one or more observations of a price, value or level of one or more Relevant Underlying(s) observed during the life or at the maturity of the Notes. A series of Notes issued under the Programme may contain a combination of one or more of the features described in the paragraphs (a) to (d) below and any other Redemption Amount terms described in Section 6 (*Final Redemption Terms*) of the Additional Terms and Conditions.

Except in the case of Notes which are scheduled to repay 100 per cent. of their principal and where the Issuer (and, where applicable, the Guarantor) does not fail to make such payment, Noteholders may lose all or a substantial portion of their investment if the value/performance of the Relevant Underlying does not move in the anticipated direction, taking into account the above-mentioned features.

(a) *Barrier feature*

Where "barrier" is used to identify the terms for determining the Final Redemption Amount payable on any Notes (for instance, where "*Barrier Redemption*", as provided for in Section 6 (*Final Redemption Terms*) of the Additional Terms and Conditions, is applicable), the redemption amount payable will be (i) Par, if the value or performance of the Relevant Underlying, reach the specified barrier value, or (ii) **if such condition is not satisfied, an amount determined by reference to the performance of the Relevant Underlying, which may be less than Par and as a result Noteholders may lose all or a substantial portion of their investment.**

(b) *"Worst Performance" feature*

When Paragraph 25 (*Worst of – Non Equally Weighted Average Performance*) of Section 3 (*Performance Determination Terms*) of the Additional Terms and Conditions is specified as applicable in the applicable Final Terms, determinations of the Final Redemption Amount payable in respect of Notes linked to the value and/or performance of a basket of Relevant Underlyings will be made solely by reference to the worst performing Basket Component. **Noteholders may lose all or a substantial portion of their investment if the value/performance of the worst performing Relevant Underlying does not move in the anticipated direction.**

(c) *Participation feature (redemption)*

Where "participation" is used to identify the terms for determining the Final Redemption Amount payable on any Notes (for instance, where "*Participation (Conditional Floored) Redemption (Principal at Risk)*", as provided for in Section 6 (*Final Redemption Terms*) of the Additional Terms and Conditions, is applicable), the formula for determining such Final Redemption Amount will include a percentage multiplication factor (**Participation Rate**) applied to the calculation of the performance of the Relevant Underlying. Where such Participation Rate is less than 100 per cent., the Final Redemption Amount will accordingly be linked to part only of such performance and will be less than the amount that would have been payable if linked to the full value of such performance and as a result Noteholders may lose all or a substantial portion of their investment.

(d) *Caps*

The applicable Final Terms may provide for a maximum value, or cap, such that any value and/or performance of the Relevant Underlying (or individual Basket Components) in excess of the applicable cap will not be taken into account for the purposes of the relevant determination. Amounts payable on the Notes linked to such capped value and/or performance will be limited accordingly. This may significantly decreased rate of return on the Notes.

7.2 *Risk of low or no returns for Notes whose interest amount is determined by reference to a formula*

For certain Notes, the amount of interest payable by the Issuer are linked to changes in one or more Relevant Underlying(s). Such interest amounts may be determined in accordance with a formula based on one or more observations of a price, value or level of, one or more Relevant Underlying(s). A series of Notes issued under the Programme may contain a combination of one or more of the features described in the paragraphs (a) to (d) below, and any other Interest Provisions described in Section 4 (*Interest Provisions*) of the Additional Terms and Conditions.

Depending on the terms of the relevant Notes (i) Noteholders may receive no or a limited amount of interest, (ii) payments may occur at a different time than expected and (iii) in the event that an adverse change in the price, value or level of the Underlying(s), taking into account the above-mentioned features, investors may suffer a significantly decreased rate of return on the Notes or even no return whatsoever.

(a) *Barrier (including Double Barrier) feature*

Where "barrier" is used to identify the terms for determining interest payable on any Notes (for instance, where "Non Memory Barrier Conditional Coupon", as provided for in Section 4 (*Interest Provisions*) of the Additional Terms and Conditions, is applicable), each such payment of interest on the Notes will be conditional on the value or performance of the Relevant Underlying, reaching the specified barrier value, and if such condition is not satisfied, **then the amount of interest payable will be zero and as a result investors may suffer a significantly decreased rate of return on the Notes or even no return whatsoever.**

Where "Double Barrier" is used to identify the terms for determining the interest payable on any Notes (for instance, where Paragraph 21 (*Non Memory Double Barrier Conditional Coupon – Option 1*) of Section 4 (*Interest Provisions*) of the Additional Terms and Conditions is applicable), the interest amount payable will be conditional on two barriers, and a different interest amount may be payable depending on which of the two barrier conditions is satisfied. If neither barrier condition is satisfied, **then the amount of interest payable will be zero and as a result investors may suffer a significantly decreased rate of return on the Notes or even no return whatsoever.**

(b) *"Worst Performance" feature*

Where the determination of interest payable on the Notes includes a "Worst Performance" feature (where "Worst Performance" is specified as being applicable in the applicable Final Terms (where Paragraph 25 (*Worst of – Non Equally Weighted Average Performance*) of Section 3 (*Performance Determination Terms*) of the Additional Terms and Conditions is applicable), payment of interest will be conditional on the value/performance of the worst performing Basket Component reaching a specified barrier value, and if such condition is not satisfied, then the amount of interest payable will be zero. **Accordingly, if the "Worst Performance" feature is specified as being applicable, the interest payable may be zero even if the value/performance of the other Basket Components satisfy the specified**

barrier condition. As a result, Noteholders may suffer a significantly decreased rate of return on the Notes or even no return whatsoever.

(c) *Participation feature (interest)*

Where "participation" is used to identify the terms for determining interest payable on any Notes (for instance, where "Participation & Barrier(s) Conditional Coupon", as provided for in Section 4 (*Interest Provisions*) of the Additional Terms and Conditions, is applicable), the formula for determining such interest will include a percentage multiplication factor (**Participation Rate**) applied to the calculation of the performance of the Relevant Underlying. Where such Participation Rate is less than 100 per cent., interest payments will accordingly be linked to part only of such performance and will be less than the interest that would have been payable if linked to the full value of such performance and as a result investors may suffer a significantly decreased rate of return on the Notes.

(d) *Caps*

The applicable Final Terms may provide for a maximum value, or cap, such that any value and/or performance of the Relevant Underlying (or individual Basket Components) in excess of the applicable cap will not be taken into account for the purposes of the relevant determination. Amounts payable on the Notes linked to such capped value and/or performance will be limited accordingly.

If a maximum rate of interest is specified, the rate of interest payable on Floating Rate Notes will be limited to such maximum rate and Noteholders may receive payment(s) lower than they would have received if the relevant rate of interest had not been subject to the cap.

7.3 *Risk relating to the early redemption of the Notes*

In accordance with Condition 15.2 (*Tax Redemption*), in the event that the relevant Issuer or the Guarantor (if applicable) would be obliged by law to make any withholding or deduction for or on account of tax with respect to the Notes (as described in Condition 17 (*Taxation*)), the relevant Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions at the redemption price which can be Par Redemption or Qualified Financial Institution Determination, each as defined in Condition 15.2 (*Tax Redemption*) and as specified in the applicable Final Terms.

In accordance with Condition 15.4 (*Redemption at the Option of the Issuer*), if Call Option is specified in the applicable Final Terms as being applicable, the Issuer will have the right to terminate the Notes on any Optional Redemption Date (Call). It is likely that the Issuer will exercise the Call Option at a time in which the termination of the Notes is least favourable for the investors. The Issuer shall make such determination without taking into account the interests of the investors. Following the exercise by the Issuer of such Call Option, the investors will be entitled to receive a pre-determined amount which may be less than the amount that the investors would have been entitled to receive under the terms of the Notes if such Call Option had not been exercised.

Pursuant to Condition 19 (*Illegality and Regulatory Event*) Notes issued by MSBV provides that the Issuer shall have the right to redeem the Notes early (at the amount specified in the relevant Final Terms) if the Issuer has determined that a Regulatory Event has occurred. The circumstances in which a Regulatory Event may be deemed by the Issuer to have occurred are described in the definition of "Regulatory Event" under Condition 2.1 (*Definitions*).

Where one of the Early Redemption Terms provided for in Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions, is applicable, and an Automatic Early Redemption Event has occurred as of any Automatic Early Redemption Valuation Date (for example, where "Barrier Automatic Early Redemption" is specified as applicable, an Automatic Early Redemption Event will occur subject to a "barrier condition" or where "double barrier" is used to identify the terms for determining the Early Redemption Amount payable on any Notes (for example, where Paragraph 4 (*Double Barrier Automatic Early Redemption – Option 1*) of Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions is applicable), the Early Redemption Amount payable will be conditional on two barriers), then the Issuer shall redeem the Notes at a percentage (specified in the applicable Final Terms as the Autocall Early Redemption Rate) of Par.

In case of any early redemption pursuant to any of the events described above, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes and investors in the Notes will no longer be able to participate in the performance of the Relevant Underlying(s).

Any early redemption feature above in any particular Series of Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem Notes or the Automatic Early Redemption may occur, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed.

The amount payable by the Issuer in case of early redemption may be less than the amount that would have been paid had the Notes been redeemed at maturity.

Such early redemption could have a significant adverse effect and Noteholders could lose all or part of their investment in the Notes. Should the Notes at such time be trading well above the price set for redemption, the negative impact on the Noteholders' anticipated returns would be significant.

7.4 Notes issued at a substantial discount or premium

In accordance with Condition 7 (*Zero Coupon Note Provisions*) the relevant Issuer may issue Zero Coupon Note. Further, the relevant Final Terms of any Series of Notes will specify the relevant issue price. The market values of Notes issued at a substantial discount or premium from their principal amount (such as Zero Coupon Notes) tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing Notes. Generally, the longer the remaining term of such Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities. Any such volatility may have a significant adverse effect on the market value of the Notes.

DISCLAIMERS

The Issuers, the Guarantor and MSIP as Distribution Agent, disclaim any responsibility to advise prospective purchasers of any matters arising under the laws of the country in which they reside that may affect the purchase of, or holding of, or the receipt of payments on the Notes. These persons should consult their own legal and financial advisors concerning these matters.

1. *General Disclaimers*

1.1 The Notes may not be a suitable investment for all investors

The Notes are complex financial instruments. Each potential investor should determine whether an investment in the Notes is appropriate in its particular circumstances. An investment in the Notes requires a thorough understanding of the nature of the relevant transaction. Potential investors should be experienced with respect to an investment in the Notes and be aware of the related risks.

An investment in the Notes is only suitable for potential investors who:

- have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Notes and the information contained or incorporated by reference into this document;
- have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of the potential investor's particular financial situation and to evaluate the impact the Notes will have on their overall investment portfolio;
- understand thoroughly the terms of the Notes and are familiar with the behaviour of the Relevant Underlying and financial markets;
- are capable of bearing the economic risk of an investment in the Notes until the maturity date of the Notes;
- recognise that it may not be possible to dispose of the Notes for a substantial period of time, if at all before the maturity date; and
- are familiar with the behaviour of the Relevant Underlying and relevant financial markets and be able to evaluate (either alone or with the help of a financial and legal adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Each of the Issuer, the Guarantor (if applicable) and the Distribution Agent disclaims any responsibility to advise prospective investors of any matters arising under the law of the country in which they reside that may affect the purchase of, or holding of, or the receipt of payments or deliveries on the Notes.

1.2 Issuer's credit ratings may not reflect all risks

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

1.3 Selling Agent remuneration

Each Issuer may enter into distribution agreements with various financial institutions and other intermediaries as determined by such Issuer (each a **Selling Agent**). Each Selling Agent will agree, subject to the satisfaction of certain conditions, to subscribe for the Notes at a price equivalent to or below the Issue Price. Any difference between the price at which the Selling Agent subscribes the Notes and the price at which the Selling Agent sells the Notes to investors will be a remuneration of the Selling Agent. In addition, a periodic fee may also be payable to the Selling Agents in respect of all outstanding Notes up to and including the maturity date at a rate determined by the Issuer and which may vary from time to time. Any remuneration received by the Selling Agent including any periodic payments may also increase the purchase price to be paid by the investor. Each Selling Agent will agree to comply with the selling restrictions set out in the document as amended and supplemented by the additional selling restrictions set out in the relevant distribution agreements.

1.4 Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

2. *Disclaimers linked with the Relevant Underlying*

The underlying issuer for any single share or basket share, ETF, fund, or any Fund Advisor or the publisher of an index or of a futures contract will not be an Affiliate of Morgan Stanley, MSIP, MSBV or MSFL. Morgan Stanley or its subsidiaries may presently or from time to time engage in business with any underlying company, ETF or fund including entering into loans with, or making equity investments in, the underlying company, ETF, fund, or its affiliates or subsidiaries or providing investment advisory services to the underlying company or ETF, including merger and acquisition advisory services. Moreover, no Issuer has the ability to control or predict the actions of the underlying company, ETF, fund or index publisher or futures contract publisher, including any actions, or reconstitution of index components, of the type that would require the determination agent to adjust the payout to the investor at maturity. No underlying company, ETF, fund, Fund Advisor, index publisher or futures contract publisher for any issuance of Notes is involved in the offering of the Notes in any way or has any obligation to consider the investor's interest as an owner of the Notes in taking any corporate actions that might affect the value of the Notes. None of the money an investor pays for the Notes will go to the underlying company, ETF, fund or Fund Advisor for such Notes.

Notes relating to dividend futures contracts will give rise to obligations of the Issuer and will not give rise to any obligations under the relevant dividend futures contract or any obligations of any Constituent Company. No offer is made by the sponsor of the relevant dividend futures contract or any Constituent Company. No sponsor of the relevant dividend futures contract will have participated in the preparation of the applicable Final Terms or in establishing the terms of the Notes.

3. ***Representations and acknowledgments by Noteholders***

Each Noteholder shall be deemed to represent and acknowledge to the relevant Issuer and, if applicable, the Guarantor on acquiring any Note that:

- (a) none of the Issuer, (if applicable) the Guarantor or and/or any Affiliate nor any of their agents is acting as a fiduciary for it or provides investment, tax, accounting, legal or other advice in respect of the Notes and that such Noteholder and its advisors are not relying on any communication (written or oral and including, without limitation, opinions of third party advisors) of the Issuer, (if applicable) the Guarantor, or any Affiliate as (a) legal, regulatory, tax, business, investment, financial, accounting or other advice, (b) a recommendation to invest in any Notes or (c) an assurance or guarantee as to the expected results of an investment in the Notes (it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be any such advice, recommendation, assurance or guarantee and should be independently confirmed by the recipient and its advisors prior to making any such investment);
- (b) such Noteholder (a) has consulted with its own legal, regulatory, tax, business, investments, financial and accounting advisors to the extent that it has deemed necessary, and has made its own investment, hedging, and trading decisions based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, (if applicable) the Guarantor, or any Affiliate or any of their respective agents and (b) is acquiring the Notes with a full understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks; and
- (c) the Issuer, (if applicable) the Guarantor, and/or any Affiliates may have banking or other commercial relationships with issuers of any securities to which the Notes relate and may engage in proprietary trading in any equity securities, indices, fund interests or other Relevant Underlying to which the Notes relate or options, futures, derivatives or other instruments relating thereto (including such trading as the Issuer, (if applicable) the Guarantor, and/or any Affiliate deem appropriate in their sole discretion to hedge the market risk on the Notes and other transactions between the Issuer, (if applicable) the Guarantor, and/or any Affiliates and any third parties), and that such trading (a) may affect the price or level thereof and consequently the amounts payable under the Notes and (b) may be effected at any time, including on or near any Valuation Date, Observation Date, Interest Determination Date, Determination Date or Averaging Date.

4. ***Conflict of Interest***

4.1 Discretionary Determinations

The Issuer and the Determination Agent have certain discretions under the terms of the Notes following events or circumstances occurring in relation to a Relevant Underlying, including to defer valuations, make adjustments to the terms and conditions of such Notes and/or to redeem such Notes other than on the originally designated date of redemption. Such discretion is necessary as such events and circumstances may not be foreseen at the Trade Date of the relevant Notes but impact the economic or other terms of the Notes. For example, it may not be reasonably practicable or appropriate for certain valuations to be carried out in relation to the Notes without the exercise of the discretion. Furthermore, such events and circumstances may not be reflected in the pricing of the Notes and/or any arrangements entered into by the Issuer and/or any of its Affiliates to hedge obligations under Notes and, accordingly,

without such discretion to adjust the terms of the Notes the Issuer may not have been able to issue the Notes on the terms applicable on the Issue Date or at all.

4.2 Potential conflicts of interest between the investor and the determination agent

As determination agent for Notes linked to one or more shares, indices, ETFs, funds and/or futures contracts, MSIP (who can also act as Issuer) or an Affiliate will determine the payout to the investor at maturity. MSIP and other Affiliates may also carry out hedging activities related to any Notes linked to one or more shares, indices, ETFs, funds and/or futures contracts, including trading in the underlying shares, indices, ETFs, funds and/or futures contracts, as well as in other instruments related to the underlying shares, indices, ETFs, funds and/or futures contracts. MSIP and some of Morgan Stanley's other subsidiaries may also trade the applicable underlying shares, indices, ETFs, funds and/or futures contracts and other financial instruments related to the underlying shares, indices, ETFs, funds and/or futures contracts on a regular basis as part of their general broker-dealer and other businesses. Any of these activities could influence the Determination Agent's determination of adjustments made to any Notes linked to one or more shares, indices, ETFs, funds and/or futures contracts and any such trading activity could potentially affect the price, level or value of the underlying shares, indices, ETFs, funds and/or futures contracts and, accordingly, could affect the investor's payout on any Notes.

CONSENT TO THE USE OF THE BASE PROSPECTUS

In the context of any offer of Notes that is not made within an exemption from the requirement to publish a prospectus under the Prospectus Regulation (a **Non-exempt Offer**), in relation to any person (an **Investor**) to whom an offer of any Notes is made by any financial intermediary to whom the Responsible Persons (as defined below) have given their consent to use this Base Prospectus (an **Authorised Offeror**), where the offer is made during the period for which that consent is given and where the offer is made in the Member State or the United Kingdom for which that consent was given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Base Prospectus, each of Morgan Stanley, MSIP, MSBV and MSFL (together the **Responsible Persons**) accepts responsibility in each such Member State or the United Kingdom for the information relating to itself in this Base Prospectus. However, neither any Responsible Person nor any Distribution Agent has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The Issuers and the Guarantor consent to the use of this Base Prospectus in connection with a Non-exempt Offer during the Offer Period specified in the relevant Final Terms (the **Offer Period**) either (1) in the Member State(s) or the United Kingdom, as specified in the relevant Final Terms by any Authorised Offeror which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2014/65/EU as amended, **MiFID II**) and which satisfies the conditions (if any) specified in the relevant Final Terms or (2) by any Authorised Offeror specified in the relevant Final Terms, in the Member State(s) or the United Kingdom, as specified in the relevant Final Terms, for so long as they are authorised to make such offers under MiFID II. The Issuers and, if applicable, the Guarantor, may give consent to additional financial intermediaries after the date of the relevant Final Terms and, if they do so, the Issuers and, if applicable, the Guarantor, will publish the above information in relation to them on <http://sp.morganstanley.com/EU/Documents>.

Subject to the conditions specified in the relevant Final Terms, the consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus.

Any Authorised Offeror who wishes to use this Base Prospectus in connection with a Non-exempt Offer as set out in (1) above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Base Prospectus for such Non-exempt Offer in accordance with the consent of the Issuer and the conditions attached thereto.

To the extent specified in the relevant Final Terms, a Non-exempt Offer may be made during the relevant Offer Period by any of the Issuers, the Guarantor, the Distribution Agent or, subject to any restrictions on the consent, any relevant Authorised Offeror in any relevant Member State and subject to any relevant conditions, in each case all as specified in the relevant Final Terms.

Unless otherwise specified, neither the Issuers nor the Guarantor nor the Distribution Agent has authorised the making of any Non-exempt Offer of any Notes by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with its offer of any Notes. Any such Non-exempt Offers are not made by or on behalf of the Issuers, the Guarantor, the Distribution Agent or any Authorised Offeror and none of the Issuers, the Guarantor, the Distribution Agent or any Authorised Offeror has any responsibility or liability for the actions of any person making such offers.

An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be

made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation, settlement arrangements and any expenses or taxes to be charged to the Investor (the Terms and Conditions of the Non-exempt Offer). Neither the Issuers nor the Guarantor will be a party to any such arrangements with Investors (other than the Distribution Agent) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Non-exempt Offer shall be provided to Investors by that Authorised Offeror at the relevant time. None of the Issuers, the Guarantor, the Distribution Agent or other Authorised Offerors has any responsibility or liability for such information.

In the case of any Tranche of Notes which are being (a) offered to the public in the United Kingdom or a Member State (other than pursuant to one or more of the exemptions set out in Article 1(4) of the Prospectus Regulation) and/or (b) admitted to trading on a regulated market in the United Kingdom or a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may supplement any information in this Base Prospectus.

ONGOING NON-EXEMPT OFFERS

The series of Notes listed below are the subject of an ongoing Non-Exempt Offer as at the date of this Base Prospectus.

This Base Prospectus is applicable for the purposes of the ongoing Non-Exempt Offers listed below, and the information relating to the Issuer and the Guarantor, as the case may be, contained in such Base Prospectus will continue to be updated by supplement(s) until the end of its validity period (being 17 July 2021).

In accordance, 8.11 of the Prospectus Regulation, the new final terms relating to the ongoing Non-Exempt Offers listed below shall be available on a dedicated page of the website of the Issuers : <https://sp.morganstanley.com/EU/Documents/FinalTerms>.

In accordance, 8.11 of the Prospectus Regulation, investors who have agreed to purchase or subscribe for the securities during the validity period of the 2019 Base Prospectus have a right of withdrawal, unless the securities have already been delivered to them. Such right is exercisable within two working days after the publication of the Base Prospectus (i.e until 17 July 2020, 5 p.m (Paris time)). Investors that wish to exercise the right of withdrawal may contact the Authorised Offeror(s) of the relevant ongoing Non-Exempt Offers.

Series Number	Issue Date	Maturity Date	ISIN Code	Regulated Market	Non-Exempt Offer Jurisdiction(s)	Start Date	End Date	Place of publication of the Final Terms
F0673	21 February 2020	14 August 2030	FR0013483633	Luxembourg	France	21 February 2020	31 July 2020	Luxembourg

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents (see hyperlinks in blue below), which have been previously published or are published simultaneously with this Base Prospectus and that have been filed with the AMF for the purpose of the Prospectus Regulation, and shall be incorporated in, and form part of, this Base Prospectus:

- (a) the Registration Document of Morgan Stanley, MSIP, MSBV and MSFL approved by the Luxembourg *Commission de Surveillance du Secteur Financier* dated as of 13 December 2019 (the **2019 Registration Document**); <https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=bd30dfc2-de18-4afe-b883-b5cb1a0f2aef>
- (b) the First Supplement to the 2019 Registration Document approved by the Luxembourg *Commission de Surveillance du Secteur Financier* dated as of 7 July 2020 (the **First Registration Document Supplement**); <https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=066b3938-7d99-45b1-af01-443c94e0527f>
- (c) the Proxy Statement regarding Morgan Stanley dated as of 3 April 2020 (**Morgan Stanley Proxy Statement**); https://www.morganstanley.com/about-us-2020ams/pdf/2020_Proxy_Statement.pdf
- (d) Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2020 (**Morgan Stanley's First Quarterly Report for 2020**); <https://www.morganstanley.com/about-us-ir/shareholder/10q0320.pdf>
- (e) the annual audited consolidated financial statements of Morgan Stanley for the periods ended 31 December 2018 and 31 December 2019 and the respective auditor's reports thereon, being available as part of the Morgan Stanley Annual Report on Form 10-K for the year ended 31 December 2019 (**2019 Morgan Stanley Annual Report**); <https://www.morganstanley.com/about-us-ir/shareholder/10k2019/10k1219.pdf>
- (f) the audited consolidated financial statements of MSIP as at, and for the years ended, 31 December 2019 and the auditor's reports thereon, being available as part of the annual report for MSIP for 2019 (the **2019 MSIP Annual Report**) ; https://www.morganstanley.com/about-us-ir/pdf/MSIP_Group_Accounts_31_December_2019.pdf
- (g) the audited consolidated financial statements of MSIP as at, and for the years ended, 31 December 2018 and the auditor's reports thereon, being available as part of the annual report for MSIP for 2018 (the **2018 MSIP Annual Report**) ; https://www.morganstanley.com/about-us-ir/pdf/MSIP_Group_Accounts_31_December_2018.pdf
- (h) the audited annual financial statements of MSBV as at, and for the year ended, 31 December 2019, and the auditors' report thereon, being available as part of the MSBV Annual Report for 2019 (**2019 MSBV Annual Report**); <https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=8bdb5faa-8890-41b1-9362-e250e7b0c39b>
- (i) the audited annual financial statements of MSBV as at, and for the year ended, 31 December 2018, and the auditors' report thereon, being available as part of the MSBV Annual Report for 2018 (**2018 MSBV Annual Report**);

<https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=d922bb7f-ff1f-4d4e-80b6-c2528a597fd7>

- (j) the audited annual financial statements of MSFL as at, and for the year ended, 31 December 2019, and the auditors' report thereon, being available as part of the MSBV Annual Report for 2019 (**2019 MSFL Annual Report**); <https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=a7c53139-5be0-4e43-ba59-557bd0303bc0>
- (k) the audited annual financial statements of MSFL as at, and for the year ended, 31 December 2018, and the auditors' report thereon, being available as part of the MSBV Annual Report for 2018 (**2018 MSFL Annual Report**); <http://www.sp.morganstanley.com/EU/Download/GeneralDocument?documentID=d97d9d33-3968-44a1-ac1a-481bf5022b7d>
- (l) the "Terms and Conditions" which are included in pages 65 to 189 of the base prospectus dated 6 January 2015 filed with the AMF under number 15-002 <https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=a356211d-d004-4cc1-8b20-a1f9cd6f78da>, as supplemented, as the case may be, by page 13 of the supplement dated 18 June 2015 filed with the AMF under number 15-283 <https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=b73b9be0-08c2-47bb-87e3-d2589aef3f77> (the **2015 Terms and Conditions**), the "Terms and Conditions" which are included in pages 67 to 210 of the base prospectus dated 12 January 2016 filed with the AMF under number 16-022 <https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=df9023cc-a095-49bb-af1e-3f447c7dae14> (the **2016 Terms and Conditions**), and the "Terms and Conditions" which are included in pages 76 to 260 of the base prospectus dated 12 January 2017 filed with the AMF under number 17-014 <https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=098351a2-80aa-4b47-93cd-acf94403b8bf>, as amended by the supplement dated 7 November 2017 filed with the AMF under number 17-576 <https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=5ccb3bb4-4a3d-4703-85f6-1dc9e30f7ff4> (the **2017 Terms and Conditions**), the "Terms and Conditions" which are included in pages 84 to 274 of the base prospectus dated 7 December 2017 filed with the AMF under number 17-627 <https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=e5bb59ac-f635-43d3-8011-847c10e6b9ff> (the **December 2017 Terms and Conditions**), the "Terms and Conditions" which are included in pages 90 to 343 of the base prospectus dated 7 December 2018 filed with the AMF under number 18-554 <https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=dd56c22a-a6fc-42fd-846f-1a96e25ad582> (the **2018 Terms and Conditions**) and the "Terms and Conditions" which are included in pages 95 to 319 of the base prospectus dated 18 July 2019 filed with the AMF under number 19-381 <https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=429c44a6-8de0-4421-8c4a-aaa314653fa3> (the **2019 Terms and Conditions** and together with the 2015 Terms and Conditions, the 2016 Terms and Conditions, the December 2017 Terms and Conditions and the 2018 Terms and Conditions, the **Previous Terms and Conditions**); and
- (m) the pro-forma final terms included in pages 320 to 502 of the base prospectus dated 18 July 2019 filed with the AMF under number 19-381, the final terms dated 19 February 2020 (Series F0673 – Tranche 1);

save that the documents set out in paragraph (a) and (b) above contain information which is already incorporated by reference in this Base Prospectus but these two documents are

incorporated by reference to provide in a single document information about Morgan Stanley, MSBV, MSI plc and MSFL. It is also specified that save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that such statement is inconsistent with a statement contained in this Base Prospectus.

The Previous Terms and Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated and form a single series with Notes already issued pursuant to the Previous Terms and Conditions.

The information incorporated by reference above is available as follows:

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		(3)	Description of Morgan Stanley B.V.	70-72
		(4)	Description of Morgan Stanley Finance LLC	73-75
		(5)	Subsidiaries of Morgan Stanley as of 31 December 2018	76
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		(3)	Amendments to the “ <i>Description of Morgan Stanley B.V.</i> ” Section	45
		(4)	Amendments to the “ <i>Description of Morgan Stanley Financial LLC</i> ” Section	46
2.	Morgan Stanley			
2.1	Morgan Stanley's First Quarterly Report for 2020	(1)	Financial Information	2
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(6)	Report of Independent Registered Public Accounting Firm	75-76
(7)	Consolidated Income Statements	77
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	(3)	Statement of Changes in Equity	12
	(4)	Statement of Financial Position	13
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	(8)	Independent Auditors' Report	72-76
5.	Morgan Stanley Finance LLC		
5.1	2019 MSFL Annual Report		
	(1)	Annual director's report	8
	(2)	Director's Responsibility Statement	10
	(3)	Independent Auditors' Report	11(2)
	(4)	Statement of Financial Condition	12(3)
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	(3)	Independent Auditors' Report	10
	(4)	Statement of Financial Condition	11
	(5)	Statement of Comprehensive Income (Loss)	12
	(6)	Statement of Cash Flows	13
	(7)	Statement of Changes in Member's Equity (Deficit)	14
	(8)	Notes to Financial Statements	15-30

Cross-reference table
relating to information incorporated by reference in accordance with
Annex 6 - Registration Document for Retail Non-Equity Securities of Commission
Delegated Regulation (EU) 2019/979

	Information relating to MSIP	Information relating to MSBV	Information relating to MSFL	Information relating to Morgan Stanley
	Pages of the 2019 Registration Document unless otherwise specified			
4. INFORMATION ABOUT THE ISSUER				
4.1 <u>History and development of the Issuer:</u>				
4.1.1 the legal and commercial name of the issuer;	63	70	73	32
4.1.2 the place of registration of the issuer and its registration number and legal entity identifier ('LEI').	63	70	73	32
4.1.3 the date of incorporation and the length of life of the issuer, except where indefinite;	63	70	73	32
4.1.4 the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);	63	70	73	32
4.1.6 Details of any recent events particular to the issuer and which are to a material extent relevant to an evaluation of the issuer's solvency.	N/A	N/A	N/A	N/A
4.1.7 Information on the material changes in the issuer's borrowing and funding structure since the last financial year;	N/A	N/A	N/A	N/A
4.1.8 Description of the expected financing of the issuer's activities	N/A	N/A	N/A	N/A
5. BUSINESS OVERVIEW				
5.1 <u>Principal activities:</u>				
5.1.1 A description of the issuer's principal activities, including: (a) the main categories of products sold and/or services performed; (b) an indication of any significant new products or activities; (c) the principal markets in which the issuer competes.	64	70	74	33 of the First Registration Document Supplement
5.2 The basis for any statements made by the issuer regarding its competitive position.	N/A	N/A	N/A	N/A
6. ORGANISATIONAL STRUCTURE				

	Information relating to MSIP	Information relating to MSBV	Information relating to MSFL	Information relating to Morgan Stanley	
6.1	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	64	72	74	44 and 33 of the First Registration Document Supplement
6.2	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	64	72	74	44
7.	TREND INFORMATION				
7.1	Include a statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements. In the event that the issuer is unable to make such a statement, provide details of this material adverse change.	44 of the First Registration Document Supplement	45 of the First Registration Document Supplement	46 of the First Registration Document Supplement	39 of the First Registration Document Supplement
7.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	N/A	N/A	N/A	39 of the First Registration Document Supplement
9.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES				
9.1	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	64-67	70-71	74	45
9.2	Administrative, Management, and Supervisory bodies conflicts of interests	65	71	74	45
10.	MAJOR SHAREHOLDERS				
10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	66	72	74	50-51

	Information relating to MSIP	Information relating to MSBV	Information relating to MSFL	Information relating to Morgan Stanley
10.2 A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	N/A	N/A	N/A	N/A
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES				
11.1 <u>Historical Financial Information</u>	See the	See the	See the	See the
11.2 <u>Interim and other financial information</u>	"Incorporation by	"Incorporation by	"Incorporation by	"Incorporation by
11.3 <u>Auditing of historical annual financial information</u>	Reference Table" above	Reference Table" above	Reference Table" above	Reference Table" above
11.4 <u>Legal and arbitration proceedings</u>	66-69	72	74	33 to 39 of the First Registration Document Supplement
11.5 <u>Significant changes in the Issuer's financial position</u>	44 of the First Registration Document Supplement	45 of the First Registration Document Supplement	46 of the First Registration Document Supplement	39 and 40 of the First Registration Document Supplement
12. ADDITIONAL INFORMATION				
12.1 <u>Share Capital</u>	44 of the First Registration Document Supplement	72	75	40 of the First Registration Document Supplement
12.2 <u>Memorandum and Articles of Association</u>	69	72	75	60

Any document and/or information which is not contained in the cross-reference tables above and documents and/or information identified in the cross-reference table below and these documents and/or information are not incorporated by reference in this Base Prospectus.

Document filed

Morgan Stanley's First Quarterly Report for 2020

Morgan Stanley 2020 Proxy Statement

2019 Morgan Stanley Annual Report

2019 MSIP Annual Report

Information not incorporated by reference

Risk Factors

Exhibits

Exhibit Index

Notice of 2020 Annual Meeting of Shareholders

Exhibit Index

Exhibits

Strategic report

	Directors' report
2019 MSBV Annual Report	Directors' report
2019 MSFL Annual Report	Annual Directors' Report
2019 Registration Document	Information Incorporated by Reference Risks Factors
First Registration Document Supplement	Information Incorporated by Reference Amendments to the " <i>Information Incorporated by Reference</i> " Section Amendments to the " <i>Risks Factors</i> " Section

For the avoidance of doubt, the information requested to be disclosed by the Issuer as a result of Annex 6 of the Commission Delegated Regulation (EU) 2019/980 and not referred to in the cross-reference tables above is contained in the relevant sections of this Base Prospectus.

Any statement contained in this Base Prospectus or any documents incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference and in respect of which a supplement to this Base Prospectus is prepared modifies or supersedes such statement.

The information about Morgan Stanley, MSIP, MSBV and MSFL incorporated by reference in this Base Prospectus (the **Incorporated Information**) is considered to be part of this Base Prospectus. Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the AMF in accordance with Article 23 of the Prospectus Regulation and Article 18 of Commission Delegated Regulation (EU) 2019/979. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Any information or documents incorporated by reference into the documents listed above do not form part of this Base Prospectus.

Copies of the documents containing the sections incorporated by reference in this Base Prospectus can be obtained on the website <http://sp.morganstanley.com/EU/Documents>. This Base Prospectus and any supplement thereto will be published on the websites of (a) the AMF (www.amf-france.org) and (b) the Issuers (<http://sp.morganstanley.com/EU/Documents>). The Final Terms related to Notes admitted to trading on Euronext Paris will be published on the websites of (a) the AMF (www.amf-france.org) and (b) Morgan Stanley (<http://sp.morganstanley.com/EU/Documents>). If the Notes are listed and admitted to trading on a Regulated Market other than Euronext Paris, the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.

For the purposes of the Prospectus Regulation, the information incorporated by reference in this Base Prospectus is set out in the following cross-reference table below. For the avoidance of doubt, the information requested to Documents Incorporated by Reference be disclosed by the Issuers as a result of Annex 6 of Commission Delegated Regulation (EU) 2019/980 and not referred to in the cross-reference table above is either contained in the relevant sections of this Base Prospectus or is not relevant to the Issuers.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued under French law that, subject to completion in accordance with the provisions of the applicable Final Terms, shall be applicable to the Notes. In the case of any Tranche of Notes which are being (a) offered to the public in the United Kingdom or a Member State (other than pursuant to one or more of the exemptions set out in Article 1.4 of the Prospectus Regulation) or (b) admitted to trading on a regulated market in the United Kingdom or a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the applicable Final Terms. References in the Terms and Conditions to "the Notes" are to the Notes of one Series only, not to all Notes under the Programme.

PART 1 – GENERAL TERMS AND CONDITIONS

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1. INTRODUCTION

- 1.1 *Programme:* Morgan Stanley (**Morgan Stanley**), Morgan Stanley & Co. International plc (**MSIP**), Morgan Stanley B.V. (**MSBV**) and Morgan Stanley Finance LLC (**MSFL**) have established a Programme (the **Programme**) for the issuance of up to €2,000,000,000 in aggregate principal amount, *inter alia*, of notes which are expressed to be governed by French law (the **Notes**). References to the **Issuer** in these terms and conditions shall mean (i) if the Notes to which these terms and conditions apply are issued by Morgan Stanley, Morgan Stanley; (ii) if the Notes to which these terms and conditions apply are issued by MSIP, MSIP; (iii) if the Notes to which these terms and conditions apply are issued by MSBV, MSBV and (iv) if the Notes to which these terms and conditions apply are issued by MSFL, MSFL. The payment obligations of MSBV in respect of Notes issued by MSBV and the payment obligations of MSFL in respect of Notes issued by MSFL under the Programme are guaranteed by Morgan Stanley (in its capacity as Guarantor (the **Guarantor**) under the terms of a guarantee dated as of 17 July 2020 (the **Guarantee**).
- 1.2 *Final Terms:* Notes issued under the Programme are issued in series (each a **Series**) and each Series may comprise one or more tranches (each a **Tranche**) of Notes. Each Tranche is the subject of a set of Final Terms (each, a **Final Terms**) which complete these terms and conditions (the **Conditions**) and specify, among other matters, the additional terms and conditions set out in Part 2 (*Additional Terms & Conditions*) below (the **Additional Terms and Conditions**), if any, applicable in relation to such Series. The terms and conditions applicable to any particular Tranche of Notes are these Conditions (including the applicable provisions of the Additional Terms and Conditions) as completed by the applicable Final Terms.
- 1.3 *Agency Agreement:* The Notes are the subject of an agency agreement dated 17 July 2020 (the **Agency Agreement**) between Morgan Stanley, MSIP, MSBV, MSFL, Citibank N.A. London Branch as fiscal agent (the **Fiscal Agent**, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes and together with any additional paying agents appointed pursuant thereto, the **Paying Agents**, which expression includes any successor paying agents appointed from time to time in connection with the Notes). The Fiscal Agent is also appointed as initial calculation agent. In these Conditions references to the **Agents** are to the Paying Agents and any reference to an **Agent** is to any one of them.
- 1.4 *The Notes:* All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the applicable Final Terms. Copies of the applicable Final Terms are available for inspection by Noteholders during normal business hours at the Specified Office of the Fiscal Agent, the initial Specified Office of which is set out below.
- 1.5 *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and the Guarantee and are subject to their detailed provisions. The holders of the Notes (the **Noteholders**) are bound by, and are deemed to have notice of, all the provisions of the Guarantee as are applicable to them. The Guarantee is reproduced in full in the section "*Form of Guarantee of Morgan Stanley*" of this Base Prospectus. Copies of the Agency Agreement and the Guarantee are available for inspection by Noteholders during normal business hours at the Specified Office of the Fiscal Agent. In the event of a contradiction between the provisions of the Agency Agreement applicable to Noteholders, as the case may be, and the summary included in the Base Prospectus, the provisions of the Base Prospectus shall prevail.

2. INTERPRETATION

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

Accrual Yield means the rate specified as such in the applicable Final Terms;

Additional Business Centre(s) means the city or cities specified as such in the applicable Final Terms;

Administrator/Benchmark Event means, in respect of any Notes, a determination made by the Determination Agent that any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that any of the Issuer, the Determination Agent or the Calculation Agent is not, or will not be, permitted under any applicable law or regulation to use the Relevant Benchmark to perform its or their respective obligations in respect of the Notes;

Administrator/Benchmark Event Date means, in respect of any Notes and an Administrator/Benchmark Event, the date on which the authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is:

- (i) required under any applicable law or regulation; or
- (ii) rejected, refused, suspended or withdrawn, if the applicable law or regulation provides that the Relevant Benchmark is not permitted to be used under the Notes following rejection, refusal, suspension or withdrawal,

or, in each case, if such date occurs before the Issue Date, the Issue Date;

Alternative Pre-nominated Index means, in respect of a Relevant Benchmark, the first of the indices, benchmarks or other price sources specified in the applicable Final Terms as an “Alternative Pre-nominated Index” that is not subject to an Administrator/ Benchmark Event or (in the case of Equity-Linked Notes) an Index Cancellation or an Administrator/ Benchmark Event;

Business Day means any day, other than a Saturday or Sunday,

- (i) that is neither a legal holiday nor a day on which banking institutions are authorised or required by law or regulation to close (a) for Notes denominated in U.S. Dollars, in The City of New York or (b) for Notes denominated in Sterling, in London, or (c) for Notes denominated in a Specified Currency other than euro, U.S. Dollars or Australian Dollars, in the principal financial centre of the country of the Specified Currency, or (d) for Notes denominated in Australian Dollars, in Sydney, and in each (if any) Additional Business Centre.
- (ii) for Notes denominated in euro, that is also a TARGET Settlement Day and a day that is neither a legal holiday nor a day on which banking institutions are authorised or required by law or regulation to close in each (if any) Additional Business Centre;

Business Day Convention, in relation to any particular date, means one of Following Business Day Convention, Modified Following Business Day Convention (or Modified Business Day Convention), Preceding Business Day Convention, FRN Convention (or Floating Rate Convention or Eurodollar Convention) or No Adjustment (or Unadjusted), as specified in the applicable Final Terms. In this context, the following expressions shall have the following meanings:

- (i) **Following Business Day Convention** means that the relevant date shall be postponed to the first following day that is a Business Day;

- (ii) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **Preceding Business Day Convention** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **FRN Convention, Floating Rate Convention** or **Eurodollar Convention** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the applicable Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **No Adjustment** or **Unadjusted** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

Calculation Agent means, in respect of any Notes, the Fiscal Agent or such other Person specified in the applicable Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or any other amounts which may be specified as being calculated by the Calculation Agent in these Conditions;

Calculation Amount means, in relation to any Series of Notes, the Specified Denomination;

Clearstream means Clearstream Banking, S.A.;

Day Count Fraction means (subject as provided in Condition 5 (*Fixed Rate Note Provisions*)), in respect of the calculation of an amount for any period of time (the **Calculation Period**), such day count fraction as may be specified in these Conditions or the applicable Final Terms and:

- (i) if **Actual/Actual** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **Actual/365 (Fixed)** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iii) if **Actual/360** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (iv) if **30/360** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

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

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

- (v) if **30E/360** or **Eurobond Basis** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

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

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (vi) if **30E/360 (ISDA)** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

D₁ is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

Determination Agent means MSIP or, if different in relation to any Series of Notes, the Person or entity specified as such in the applicable Final Terms. The Determination Agent shall act as an expert and not as an agent for the Issuer or the Noteholders. All determinations, considerations and decisions made by the Determination Agent shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive and the Determination Agent shall have no liability in relation to such determinations except in the case of its wilful default or bad faith;

Early Redemption Amount means, in the case of acceleration of the Notes under Condition 18 (*Events of Default*),

- (i) in the case of Zero Coupon Notes, such amount as may be specified in the applicable Final Terms or, if applicable, determined in accordance with Condition 15.8 (*Early Redemption of Zero Coupon Notes*) and
- (ii) in the case of any other Notes such amount as may be specified in the applicable Final Terms or, if no other amount is specified,
 - (a) if "**Par Redemption**" is, in relation to Condition 18 (*Events of Default*) specified as being applicable in respect of the Notes in the applicable Final Terms, the principal amount of the Notes, together with accrued interest (if any); or
 - (b) if "**Qualified Financial Institution Determination**" is, in relation to Condition 18 (*Events of Default*) specified as being applicable in respect of the Notes in the applicable Final Terms, an amount determined by the Determination Agent, acting in good faith and in a commercially reasonable manner, as at such date as is selected by the Determination Agent in its reasonable discretion (**provided that** such day is not more than 15 Business Days prior to the date fixed for redemption of the Notes) to be the amount that a Qualified Financial Institution would charge either to assume all of the Issuer's payment and other obligations with respect to such Notes as if no such Event of Default had occurred or to undertake obligations that would have the effect of preserving the economic equivalent of any payment by the Issuer to the Noteholder with respect to the Notes.

Euroclear means Euroclear Bank S.A./N.V.;

Euroclear France means Euroclear France, a subsidiary of Euroclear;

Euroclear France Account Holder means any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, and includes Euroclear and the depositary bank for Clearstream;

Final Redemption Amount means, (i) in respect of Equity-Linked Redemption Notes, Currency-Linked Redemption Notes, Inflation-Linked Redemption Notes of Futures Contract-Linked Redemption Notes, an amount determined in accordance with the applicable provisions of the Additional Terms and Conditions, and (ii) in respect of any other Note, its principal amount or such other amount (which may be expressed as a percentage of the Calculation Amount or an amount per Calculation Amount) as may be specified in the applicable Final Terms;

Fixed Coupon Amount means the amount, if any, specified as such in the applicable Final Terms;

Implementation of Financial Transaction Tax Event means that, on or after the Trade Date of any Notes, due to the adoption of or any change in any applicable law or regulation (including without limitation any law or regulation implementing a system of financial transaction taxes in any jurisdiction, including the European Union relating to any tax, payable in respect of the transfer of, or issue or modification or redemption of, any financial instruments), the Issuer determines (acting in good faith and in a commercially reasonable manner) that either it or any of its Affiliates would incur or has incurred a materially increased amount of tax, transfer tax, duty, stamp duty, stamp duty reserve tax, expense or fee (other than brokerage commissions) to (A) enter into, modify or unwind the Notes or any part thereof, or perform its obligations under such Notes, including for the avoidance of doubt any obligation or exercise of any right to deliver Shares or any other asset or (B) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the relevant Notes or (C) realize, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** the Issuer has determined that the nature of the adoption of or any change in law or regulation is such that it is applicable to investors generally when carrying out similar trading or hedging activities in the relevant jurisdiction.

Interest Amount means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

Interest Commencement Date means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the applicable Final Terms;

Interest Determination Date means the date or dates, if any, specified as such in the applicable Final Terms, provided that, (i) if any such date is not a Scheduled Trading Day, the relevant Interest Determination Date shall (A) in the case of Equity-Linked Notes, be the next succeeding Scheduled Trading Day or, if either “Common Scheduled Trading Days and Common Disrupted Days” or “Common Scheduled Trading Days and Individual Disrupted Days” is specified to be applicable in the relevant Final Terms, the next succeeding Common Scheduled Trading Day; (B) in the case of Fund-Linked Notes, be the next succeeding Fund Business Day or, if either “Common Fund Business Days and Common Disrupted Days” or “Common Fund Business Days and Individual Disrupted Days” is specified to be applicable in the relevant Final Terms, the next succeeding Common Fund Business Day or (C) in the case of Futures Contract-Linked Notes, be the next succeeding Scheduled Trading Day or, if either “Common Scheduled Trading Days and Common Disrupted Days” or “Common Scheduled Trading Days and Individual Disrupted Days” is specified to be applicable in the relevant Final

Terms, the next succeeding Common Scheduled Trading Day and (ii) if any Interest Determination Date is (x) in the case of Equity-Linked Notes, Fund-Linked Notes or Futures Contract-Linked Notes, a Disrupted Day, the provisions of Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*), Condition 12.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) shall apply *mutatis mutandis* as if such Interest Determination Date were a Reference Date; or (y) in the case of Inflation-Linked Notes, a day on which a relevant Inflation Index is not published or otherwise, a day on which the level of a relevant Inflation Index cannot be determined in accordance with Condition 11 (*Provisions Relating to Inflation-Linked Notes*), such Interest Determination Date shall be subject to adjustment in accordance with the provisions of such Condition 11 (*Provisions Relating to Inflation-Linked Notes*);

Interest Payment Date means the date or dates specified as such in the applicable Final Terms and, if a Business Day Convention is specified in the applicable Final Terms:

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

Interest Period means, subject as otherwise provided in these Conditions, each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date, or any other period specified as such in the applicable Final Terms, subject to adjustment in accordance with the relevant Business Day Convention;

ISDA Definitions means, the 2006 ISDA Definitions, as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the applicable Final Terms) as published by the International Swaps and Derivatives Association, Inc.;

Issue Date means the date specified as such in the applicable Final Terms;

Margin means the rate, if any, specified as such in the applicable Final Terms;

Margin 1 means the rate, if any, specified as such in the applicable Final Terms in connection with the Reference Rate 1;

Margin 2 means the rate, if any, specified as such in the applicable Final Terms in connection with the Reference Rate 2;

Maturity Date means the date specified as such in the applicable Final Terms;

Maximum Notice Period means the number of days specified in the applicable Final Terms;

Minimum Notice Period means the number of days specified in the applicable Final Terms;

Morgan Stanley Notes means all Notes issued by Morgan Stanley;

MSBV Notes means all Notes issued by MSBV;

MSFL Notes means all Notes issued by MSFL;

MSIP Notes means all Notes issued by MSIP;

Optional Redemption Amount (Call) means, in respect of any Note, its principal amount, or, if relevant, such other amount (which may be expressed as a percentage of the Calculation Amount or an amount per Calculation Amount) as may be specified as such in the applicable Final Terms;

Optional Redemption Amount (Put) means, in respect of any Note, its principal amount, or, if relevant, such other amount (which may be expressed as a percentage of the Calculation Amount or an amount per Calculation Amount) as may be specified as such in the applicable Final Terms;

Optional Redemption Date (Call) means, in relation to any Series of Notes, the date, if any, specified as such in the applicable Final Terms;

Optional Redemption Date (Put) means, in relation to any Series of Notes, the date, if any, specified as such in the applicable Final Terms;

Participating Member State means a Member State of the European Community which adopts the euro as its lawful currency in accordance with the Treaty;

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

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

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian Dollars, it means Sydney and Melbourne and, in relation to New Zealand Dollars, it means Wellington and Auckland;

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

Qualified Financial Institution means a financial institution organized under the laws of any jurisdiction in the United States of America, the European Union or Japan, which, as at the date the Determination Agent selects to determine the Early Redemption Amount, has outstanding debt obligations with a stated maturity of one year or less from the date of issue of such outstanding debt obligations, and such financial institution is rated either:

- (i) A2 or higher by Standard & Poor's Global Ratings or any successor, or any other comparable rating then used by that rating agency, or
- (ii) P-2 or higher by Moody's Investors Service, Inc. or any successor, or any other comparable rating then used by that rating agency,

provided that, if no Qualified Financial Institution is reasonably available, then the Determination Agent shall, in good faith and acting in a commercially reasonable manner, select a financial institution of reputable standing organized under the laws of any jurisdiction in the United States of America, the European Union or Japan as a Qualified Financial Institution;

Rate Multiplier 1 means the Rate Multiplier, if any, as may be specified as such in the applicable Final Terms in connection with the Reference Rate 1;

Rate Multiplier 2 means the Rate Multiplier, if any, as may be specified as such in the applicable Final Terms in connection with the Reference Rate 2;

Rate of Interest means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in applicable Final Terms and calculated or determined in accordance with the provisions of these Conditions (including such provisions of the Additional Terms and Conditions as are specified as being applicable in the applicable Final Terms);

Redemption Amount means, as appropriate, the Final Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Redemption Amount or such other amount in the nature of a redemption amount as may be specified in the applicable Final Terms, or determined in accordance with the provisions of these Conditions (including such applicable provisions of the Additional Terms and Conditions as are specified as being applicable in the applicable Final Terms);

Reference Banks means the banks specified as such in the applicable Final Terms or, if none are specified, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate or such other interest rate, swap rate, index, benchmark or price source specified as a “Reference Rate” in the applicable Final Terms;

Reference Price means, in relation to any Series of Notes specified as being Zero Coupon Notes, the price specified as such in the applicable Final Terms;

Reference Rate means, in relation to Floating Rate Notes, a floating rate of interest which may be EURIBOR (*Euro Interbank Offered Rate*), LIBOR (*London Interbank Offered Rate*) or such other similar interbank rate (or CMS rate (*Constant Maturity Swap*)) as may be specified in the applicable Final Terms;

Reference Rate 1 means the Reference Rate as may be specified as such in the applicable Final Terms;

Reference Rate 2 means the Reference Rate as may be specified as such in the applicable Final Terms;

Registration Agent means a person designated as such in the applicable Final Terms;

Regulatory Event means that, at any time on or after the Trade Date, as a result of:

- (i) an implementation or adoption of, or change in, any applicable law, regulation, interpretation, action or response of a regulatory authority;
- (ii) the promulgation of, or any interpretation by any court, tribunal, government or regulatory authority with competent jurisdiction (a **Relevant Authority**) of, any relevant law or regulation (including any action taken by a taxing authority); or
- (iii) the public or private statement or action by, or response of, any Relevant Authority or any official or representative of any Relevant Authority acting in an official capacity,

there is a reasonable likelihood of it becoming:

- (A) unlawful, impossible or impracticable, for the Issuer and/or the Guarantor to maintain the Notes and/or to maintain other instruments issued under the Programme and/or to perform its obligations under the Notes; and/or

- (B) necessary for the Issuer and/or the Guarantor to obtain a licence, authorisation or other approval for the continuation or maintenance of the business relating to or supporting the Notes or their hedging activities in relation to such Notes;

Relevant Benchmark means a Relevant Equity Index Benchmark, a Relevant FX Benchmark, a Relevant Futures Contract Benchmark or a Relevant Rates Benchmark;

Relevant Clearing System means, as appropriate, Euroclear France, Euroclear, Clearstream, and/or such other relevant clearing system, as the case may be, through which interests in Notes are to be held and through an account at which the Notes are to be cleared, as specified in the applicable Final Terms;

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

Relevant Rates Benchmark means, in respect of any Notes:

- (a) each Reference Rate (or, if applicable, the index, benchmark or other price source that is referred to in the Reference Rate);
- (b) each Floating Rate Option (or, if applicable, the index, benchmark or other price source that is referred to in the Floating Rate Option); or
- (c) any other index, benchmark or other price source specified as a “Relevant Rates Benchmark” in the applicable Final Terms.

Relevant Financial Centre means, in relation to any Series of Notes and the applicable Reference Rate, the city specified as such in the applicable Final Terms;

Relevant Screen Page means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as such in the applicable Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

Relevant Time means, in relation to any Floating Rate Notes, the time specified as such in the applicable Final Terms;

Specified Currency means the currency or currencies specified as such in the applicable Final Terms;

Specified Denomination(s) or Par means, in relation to Notes of any Series, the denomination of such Notes specified as such in the applicable Final Terms;

Specified Office has the meaning given to it in the Agency Agreement;

Specified Period means a period specified as such in the applicable Final Terms;

Spread Rate means the difference between (1) Reference Rate 1 for such Interest Period or such relevant day, plus or minus (as specified in the applicable Final Terms) Margin 1 (if any is specified in the applicable Final Terms in relation to such Reference Rate 1), and multiplied by Rate Multiplier 1 (if any is specified in the applicable Final Terms in relation to such Reference Rate 1), minus (2) Reference Rate 2 for such Interest Period or such relevant day, plus or minus (as specified in the applicable Final Terms) Margin 2 (if any is specified in the

applicable Final Terms in relation to such Reference Rate 2), and multiplied by Rate Multiplier 2 (if any is specified in the applicable Final Terms in relation to such Reference Rate 2).

Strike Date means the date specified as such in the applicable Final Terms, **provided that**, in the case of Equity-Linked Notes, Fund-Linked Notes and Futures Contract-Linked Notes (i) if any such date is not a Scheduled Trading Day or a Fund Business Day (as applicable), the relevant Strike Date shall (A) in the case of Equity-Linked Notes, be the next succeeding Scheduled Trading Day or, if either “Common Scheduled Trading Days and Common Disrupted Days” or “Common Scheduled Trading Days and Individual Disrupted Days” is specified to be applicable in the relevant Final Terms, the next succeeding Common Scheduled Trading Day; (B) in the case of Fund-Linked Notes, be the next succeeding Fund Business Day or, if either “Common Fund Business Days and Common Disrupted Days” or “Common Fund Business Days and Individual Disrupted Days” is specified to be applicable in the relevant Final Terms, the next succeeding Common Fund Business Day; or (C) in the case of Futures Contract-Linked Notes, be the next succeeding Scheduled Trading Day or, if either “Common Scheduled Trading Days and Common Disrupted Days” or “Common Scheduled Trading Days and Individual Disrupted Days” is specified to be applicable in the relevant Final Terms, the next succeeding Common Scheduled Trading Day, and (ii) if any Strike Date is a Disrupted Day, the provisions of, as applicable, 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*), Condition 12.1 (*Market Disruption, Reference Dates and Averaging Dates*) OR Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) shall apply *mutatis mutandis* as if such Strike Date were a Reference Date, and otherwise subject to adjustment in accordance with the Conditions;

Subsidiary means, in relation to any Person (the **first Person**) at any particular time, any other Person (the **second Person**):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

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

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

Trade Date means in relation to any series of Notes, the date specified as such in the applicable Final Terms;

Treaty means the Treaty establishing the European Community, as amended; and

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

2.2 *Interpretation:* In these Conditions:

- (a) any reference to a numbered "Condition" shall be construed as a reference to the relevant Condition contained in Part 1 (*General Terms and Conditions*) of these Conditions;
- (b) if the Notes are Zero Coupon Notes, references to interest are not applicable;

- (c) any reference to principal shall be deemed to include the Redemption Amount, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (d) any reference to interest shall be deemed to include any other amount in the nature of interest payable pursuant to these Conditions;
- (e) references to Notes being "outstanding" means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued in relation to such Notes up to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Notes in bearer dematerialised form and in administered registered form, to the relevant Euroclear France Account Holders on behalf of the Noteholder and (ii) in the case of Notes in fully registered dematerialised form, to the account of the Noteholder (c) those which have become void or in respect of which claims have become prescribed and (d) those which have been repurchased and that are held or have been cancelled as provided in the Conditions.; and
- (f) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given or specified in the applicable Final Terms, but the applicable Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes.

3. FORM, MINIMUM DENOMINATION AND TITLE

Notes will be issued in dematerialised form.

Title to Notes will be evidenced in accordance with article L. 211-3 of the *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including certificats représentatifs pursuant to article R. 211-7 of the *Code monétaire et financier*) will be issued in respect of Notes.

Notes are issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France which shall credit the accounts of Euroclear France Account Holders, or in registered dematerialised form (*nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*nominatif administré*) inscribed in the books of a Euroclear France Account Holder or in fully registered form (*nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or by the Registration Agent acting on behalf of the Issuer.

The minimum Denomination at the Issue Date for each Note admitted to trading on a European Economic Area exchange or an exchange in the United Kingdom and/or offered to the public in an European Economic Area State or in the United Kingdom will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

4. STATUS

- 4.1 *Status of the Notes:* The Notes constitute direct and general obligations of the Issuer which rank *pari passu* among themselves and *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights.

With respect to MSIP Notes only, pursuant to the exercise of the bail-in power by the U.K. Regulatory Authority, the outstanding amount of Notes may be reduced (in whole or in part),

converted into equity (in whole or in part) or cancelled and/or the maturity of the Notes or the amount of interest or the date on which the interest becomes payable may be amended.

- 4.2 *Status of Guarantee:* The Guarantor's obligations under the Guarantee in respect of the Notes issued by MSBV or MSFL constitute direct and general obligations of the Guarantor which rank without preference among themselves and *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights.

5. FIXED RATE NOTE PROVISIONS

- 5.1 *Application:* This Condition 5 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the applicable Final Terms as being applicable.

- 5.2 *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date. Each Note will cease to bear interest from the due date for final redemption unless the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (*Fixed Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is fifteen Business Days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such fifteenth Business Day (except to the extent that there is any subsequent default in payment).

- 5.3 *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period which is a Regular Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

- 5.4 *Regular Interest Periods:* If all of the Interest Payment Dates fall at regular intervals between the Issue Date and the Maturity Date, then:

- 5.4.1 the Notes shall for the purposes of this Condition 5 (*Fixed Rate Note Provisions*) be **Regular Interest Period Notes**;

- 5.4.2 the day and month (but not the year) on which any Interest Payment Date falls shall, for the purposes of this Condition 5 (*Fixed Rate Note Provisions*), be a **Regular Date**; and

- 5.4.3 each period from and including a Regular Date falling in any year to but excluding the next succeeding Regular Date shall, for the purposes of this Condition 5 (*Fixed Rate Note Provisions*), be a **Regular Period**.

- 5.5 *Irregular first or last Interest Periods:* If the Notes would be Regular Interest Period Notes but for the fact that either or both of:

- 5.5.1 the interval between the Issue Date and the first Interest Payment Date; and

- 5.5.2 the interval between the Maturity Date and the immediately preceding Interest Payment Date

is longer or shorter than a Regular Period, then the Notes shall nevertheless be deemed to be Regular Interest Period Notes, **provided, however, that** if the interval between the Maturity Date and the immediately preceding Interest Payment Date is longer or shorter than a Regular Period, the day and month on which the Maturity Date falls shall not be a **Regular Date**. The

amount of interest payable in respect of each Note for any such longer or shorter period shall be the **Broken Amount**.

- 5.6 *Irregular Interest Amount:* If the Notes are Regular Interest Period Notes, the amount of interest payable in respect of each Note for any period which is not a Regular Period shall be an amount per calculation amount calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a **sub-unit** means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- 5.7 *Day Count Fraction:* In respect of any period which is not a Regular Period, the relevant day count fraction (the **Day Count Fraction**) shall be determined in accordance with the following provisions:
- 5.7.1 if the Day Count Fraction is specified in the applicable Final Terms as being 30/360, the relevant Day Count Fraction will be the number of days in the relevant period (calculated on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed) divided by 360;
- 5.7.2 if the Day Count Fraction is specified in the applicable Final Terms as being Actual/Actual (ICMA) and the relevant period falls during a Regular Period, the relevant Day Count Fraction will be the number of days in the relevant period divided by the product of (A) the number of days in the Regular Period in which the relevant period falls and (B) the number of Regular Periods in any period of one year; and
- 5.7.3 if the Day Count Fraction is specified in the applicable Final Terms as being Actual/Actual (ICMA) and the relevant period begins in one Regular Period and ends in the next succeeding Regular Period, interest will be calculated on the basis of the sum of:
- (a) the number of days in the relevant period falling within the first such Regular Period divided by the product of (1) the number of days in the first such Regular Period and (2) the number of Regular Periods in any period of one year; and
 - (b) the number of days in the relevant period falling within the second such Regular Period divided by the product of (1) the number of days in the second such Regular Period and (2) the number of Regular Periods in any period of one year.
- 5.8 *Number of days:* For the purposes of this Condition 5 (*Fixed Rate Note Provisions*), unless the Day Count Fraction is specified in the applicable Final Terms as being 30/360 (in which case the provisions of Condition 5.7.1 above shall apply), the number of days in any period shall be calculated on the basis of actual calendar days from and including the first day of the relevant period to but excluding the last day of the relevant period.
- 5.9 *Irregular Interest Periods:* If the Notes are not Regular Interest Period Notes and interest is required to be calculated for any period other than an Interest Period, interest shall be calculated on such basis as is described in the applicable Final Terms.

6. FLOATING RATE NOTE, EQUITY-LINKED, CURRENCY-LINKED, INFLATION-LINKED INTEREST, FUND-LINKED AND FUTURES CONTRACT-LINKED NOTE PROVISIONS

- 6.1 *Application:* This Condition 6 (*Floating Rate Note, Equity-Linked, Currency-Linked, Inflation-Linked Interest, Fund-Linked and Futures Contract-Linked Note Provisions*) is applicable to the Notes only if one or more of the Floating Rate Note Provisions, the Equity-Linked, Currency-Linked, Inflation-Linked, Fund-Linked or Futures Contract-Linked Interest Note Provisions are specified in the applicable Final Terms as being applicable.
- 6.2 *Accrual of interest:* The Floating Rate Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date. Each Note will cease to bear interest from the due date for final redemption unless the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Floating Rate Note, Equity-Linked, Currency-Linked, Inflation-Linked Interest, Fund-Linked and Futures Contract-Linked Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is fifteen Business Days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such fifteenth Day (except to the extent that there is any subsequent default in payment). The Rate of Interest in respect of all or any Interest Periods shall, if so specified in the applicable Final Terms, be zero.
- 6.3 *Screen Rate Determination:* Subject to Condition 6.11 (*Relevant Rates Benchmark Discontinuance or Prohibition on Use*), if Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
- 6.3.1 if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- 6.3.2 in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- 6.3.3 if, in the case of Condition 6.3.1 above, such rate does not appear on that page or, in the case of Condition 6.3.2 above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
- (a) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (b) determine the arithmetic mean of such quotations; and
- 6.3.4 if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant

Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined, **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate (or as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- 6.4 *ISDA Determination:* Subject to Condition 6.11 (*Relevant Rates Benchmark Discontinuance or Prohibition on Use:*), if ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- 6.4.1 the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the applicable Final Terms;
- 6.4.2 the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the applicable Final Terms; and
- 6.4.3 the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the applicable Final Terms.
- 6.5 *Equity-Linked, Currency-Linked, Inflation-Linked Interest, Fund-Linked and Futures Contract-Linked Note Provisions:* If one or more of the Equity-Linked, Currency-Linked, Inflation-Linked, Fund-Linked or Futures Contract-Linked Interest Note Provisions are specified in the applicable Final Terms as being applicable, the interest payable in respect of the Notes for each Interest Period will be determined in accordance with such applicable provisions of the Additional Terms and Conditions as are specified as being applicable in the applicable Final Terms. If more than one of the Equity-Linked, Currency-Linked, Inflation-Linked Interest, Fund-Linked or Futures Contract-Linked Note Provisions are specified in the applicable Final Terms as being applicable such Note shall constitute **Hybrid Notes**.
- 6.6 *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the applicable Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. For the avoidance of doubt, in no event, will the relevant Interest Amount be less than zero.
- 6.7 *Rate Multiplier:* if the applicable Final Terms specify a Rate Multiplier (the **Rate Multiplier**) for any Interest Period, then the Rate of Interest in respect of any such Interest Period shall be multiplied by the relevant Rate Multiplier, subject always to the Minimum Rate of Interest and/or Maximum Rate of Interest as described above.
- 6.8 *Calculation of Interest Amount:* In respect of Floating Rate Notes, the Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation

to each Interest Period, calculate the Interest Amount payable in respect of each Floating Rate Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a **sub-unit** means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

- 6.9 *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it under these Conditions, together with any relevant payment date(s), to be notified to the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have been admitted to listing, trading and/or quotation as soon as practicable after such determination and in any event not later than 15 Business Days after such determination. Notice thereof shall also be given to the Noteholders as soon as practicable after such determination and in any event not later than 15 Business Days after such determination. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) in the event of an extension or shortening of the relevant Interest Period and shall be required to notify the Noteholders, the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have been admitted to listing, trading and/or quotation as soon as practicable after such recalculation and in any event not more than 15 Business Days after such recalculation has been made.
- 6.10 *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (*Floating Rate Note, Equity-Linked, Currency-Linked, Inflation-Linked Interest, Fund-Linked and Futures Contract-Linked Note Provisions*) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and the Noteholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- 6.11 *Relevant Rates Benchmark Discontinuance or Prohibition on Use:* Notwithstanding the terms set forth elsewhere in these Conditions, if the Determination Agent determines that any of the following events has occurred:
- 6.11.1 a public statement or publication of information by or on behalf of the administrator of the Relevant Rates Benchmark announcing that it has ceased or will cease to provide the Relevant Rates Benchmark permanently or indefinitely, provided that, at the time of statement or publication, there is no successor administrator that will continue to provide the Relevant Rates Benchmark; or
- 6.11.2 a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Rates Benchmark, the central bank for the currency of the Relevant Rates Benchmark, an insolvency official with jurisdiction over the administrator of the Relevant Rates Benchmark, a resolution authority with jurisdiction over the administrator of the Relevant Rates Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator of the Relevant Rates Benchmark, which states that the administrator of the Relevant Rates Benchmark has ceased or will cease to provide the Relevant Rates Benchmark permanently or

indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Relevant Rates Benchmark;

6.11.3 where the Relevant Rates Benchmark is a LIBOR, a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Rates Benchmark announcing that the Relevant Rates Benchmark is no longer representative; or

6.11.4 unless otherwise specified in the Final Terms, an Administrator/Benchmark Event occurs in relation to a Relevant Rates Benchmark,

then the Determination Agent may use, as a substitute for the Relevant Rates Benchmark, and for each future Interest Determination Date (or other rate fixing date), the alternative rates benchmark determined in accordance with the following provisions:

- (i) if an alternative reference rate, index or benchmark is specified in the Final Terms for this purpose (an **Alternative Pre-nominated Reference Rate**), such Alternative Pre-nominated Reference Rate; or
- (ii) if an Alternative Pre-nominated Reference Rate is not specified in the Final Terms, the alternative reference rate, index or benchmark selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the jurisdiction of the applicable index currency that is consistent with accepted market practice (the rate determined under sub-paragraph (i) above or this sub-paragraph (ii), the **Alternative Rate**).

The Determination Agent may, after consultation with the Issuer, determine any adjustments to the Alternative Rate or the Margin (which may include the addition of an adjustment spread, which may be positive or negative, in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value to or from the Issuer as a result of the replacement of the Relevant Rates Benchmark with the Alternative Rate), as well as the applicable Business Day Convention, Interest Determination Dates (or any other rate fixing dates) and related provisions and definitions of the Notes, in each case that are consistent with accepted market practice for the use of such Alternative Rate for debt obligations such as the Notes.

If the Determination Agent determines, after consultation with the Issuer, that no such Alternative Rate exists on the relevant date, it may, after consultation with the Issuer, determine an alternative rate to be used as a substitute for the Relevant Rates Benchmark (which shall be the “Alternative Rate” for the purposes of these provisions), as well as any adjustments to the Margin (including any adjustment spread), the Business Day Convention, the Interest Determination Dates (or any other rate fixing dates) and related provisions and definitions in respect of the Notes, in each case, that are consistent with accepted market practice for the use of such Alternative Rate for debt obligations such as the Notes.

The Issuer will then provide a notice, in accordance with Condition 24 (*Notices*), to Noteholders to inform them of the occurrence of any of events listed in Clauses 6.11.1 to 6.11.4 above, the Alternative Rate and any adjustment determinations which will apply to the Notes. The notice shall also confirm the effective date of the Alternative Rate and any adjustments.

Notwithstanding anything else in this Condition 6.11, if the Determination Agent determines that the selection of a particular index, benchmark or other price as an

“Alternative Rate” (taking into account any necessary adjustments that would need to be made in accordance with this Condition 6.11) (1) is or would be unlawful under any applicable law or regulation; or (2) would contravene any applicable licensing requirements; or (3) would result in the Determination Agent, the Issuer or the Calculation Agent being considered to be administering a benchmark, index or other price source whose production, publication, methodology or governance would subject the Determination Agent, the Issuer or the Calculation Agent to material additional regulatory obligations which it is unwilling to undertake, then the Determination Agent shall not select such index, benchmark or price source as the Alternative Rate.

If the Determination Agent is unable to identify an Alternative Rate and determine the necessary adjustments to the terms of the Notes, then the Issuer may, in its reasonable discretion, determine that the Notes shall be redeemed as of any later date. If the Issuer so determines that the Notes shall be redeemed, then the Issuer shall give not less than five Business Days' notice to the Noteholders to redeem the Notes and upon redemption the Issuer will pay in respect of each Note an amount equal to either:

- (A) If “Early Redemption Amount (Benchmark Trigger Event) - Fair Market Value Less Costs” is specified in the Final Terms, the fair market value of such Note, on such date as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Notes of the reasonable cost to the Issuer and/ or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its reasonable discretion; or
- (B) If “Early Redemption Amount (Benchmark Trigger Event) - Fair Market Value” is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), as calculated by the Determination Agent in its reasonable discretion.

The Issuer’s obligations under the Notes shall be satisfied in full upon payment of such amount.

6.12 *Spread Floating Rate*

If the Spread Floating Rate is specified in the applicable Final Terms, then the Interest Rate in respect of an Interest Period or any relevant day will be equal to the sum of the Margin and the Spread Rate, subject always to the Minimum Rate of Interest and/or Maximum Rate of Interest as described above.

6.13 *Spread Floating Rate with Last Coupon*

If the applicable Final Terms specify that Spread Floating Rate and Last Coupon are applicable and on any Last Coupon Observation Date (as specified sa such in the applicable Final Terms) the sum of the Coupon Amounts paid to the Noteholders is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Last Coupon Barrier Value (expressed as a percentage) for such Interest Determination Date, then the Issuer will on the immediately following Last Coupon Payment Date (as specified in the applicable Final Terms) pay interest on the Notes in an amount equal to the difference between (A) a percentage equal to the Last Coupon Barrier Value and (B) the sum

of the Coupon Amounts paid to the Noteholders, expressed as a percentage of the Calculation Amount.

7. ZERO COUPON NOTE PROVISIONS

7.1 *Application:* This Condition 7 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the applicable Final Terms as being applicable.

7.2 *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

7.2.1 the Reference Price; and

7.2.2 the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is fifteen Business Days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such fifteenth Business Days (except to the extent that there is any subsequent default in payment).

8. EQUITY-LINKED, CURRENCY-LINKED, INFLATION-LINKED, FUND-LINKED NOTES AND FUTURES CONTRACT-LINKED NOTES PROVISIONS

8.1 Morgan Stanley, MSIP, MSBV or MSFL may issue Notes:

8.1.1 the payment of interest which is linked to the shares of an entity (**Single Share-Linked Interest Notes**) or a basket of shares (**Share Basket-Linked Interest Notes**) of entities not affiliated with the Issuer and/or to a single index (**Single Index-Linked Interest Notes**) or indices of shares (**Index Basket-Linked Interest Notes**) and/or interests in a single exchange traded fund (**Single ETF-Linked Interest Notes**) or basket of exchange traded funds (**ETF Basket-Linked Interest Notes**) and together with Single Share-Linked Interest Notes, Share Basket-Linked Interest Notes, Single Index-Linked Interest Notes, Index Basket-Linked Interest Notes and Single ETF-Linked Interest Notes, **Equity-Linked Interest Notes**;

8.1.2 the payment of principal which, at maturity or upon the occurrence of an Automatic Early Redemption Event (as defined in Condition 15.11 below), is linked to the shares of an entity (**Single Share-Linked Redemption Notes**, and together with Single Share-Linked Interest Notes, the **Single Share Notes**) or a basket of shares (**Share Basket-Linked Redemption Notes** and along with Share Basket-Linked Interest Notes, **Share Basket Notes**) of entities not affiliated with the Issuer and/or to a single index (**Single Index-Linked Redemption Notes**, and together with Single Index-Linked Interest Notes, **Single Index Notes**) or indices of shares (**Index Basket-Linked Redemption Notes**, and along with Index Basket-Linked Interest Notes, **Index Basket Notes**) and/or interests in a single exchange traded fund (**Single ETF-Linked Redemption Notes**, and together with Single ETF-Linked Interest Notes, **Single ETF Notes**) or basket of exchange traded funds (**ETF Basket-Linked Redemption Notes**, and (i) together with ETF Basket-Linked Interest Notes, **ETF Basket Notes**, and (ii) together with Single Share-Linked Redemption Notes, Basket Share-Linked Redemption Notes, Single Index-Linked Redemption Notes, Basket Index-Linked Redemption Notes and the Single ETF-Linked Redemption Notes, **Equity-Linked Redemption Notes**). Equity-Linked Redemption Notes and Equity-Linked Interest Notes shall together be referred to as **Equity-Linked Notes**;

- 8.1.3 the payment of interest which is to be determined by reference to a single currency in comparison with another currency (**Single Currency-Linked Interest Notes**) or a basket of currencies in comparison with one or more other currencies (**Currency Basket-Linked Interest Notes** and together with the Single Currency-Linked Interest Notes, the **Currency-Linked Interest Notes**);
- 8.1.4 the payment of principal which, at maturity or upon the occurrence of an Automatic Early Redemption Event (as defined in Condition 15.11 below), is to be determined by reference to a single currency in comparison with another currency (**Single Currency-Linked Redemption Notes**) or to a basket of currencies in comparison with one or more other currencies (**Currency Basket-Linked Redemption Notes**, and together with the Single Currency-Linked Redemption Notes, the **Currency-Linked Redemption Notes**). The Single-Currency-Linked Interest Notes and Single Currency-Linked Redemption Notes shall together be referred to as the **Single Currency-Linked Notes**. The Currency Basket-Linked Interest Notes and the Currency Basket-Linked Redemption Notes shall together be referred to as the **Currency Basket-Linked Notes**. The Currency-Linked Interest Notes and the Currency-Linked Redemption Notes shall together be referred to as the **Currency-Linked Notes**;
- 8.1.5 the payment of interest which is linked to one or more inflation indices (**Inflation-Linked Interest Notes**),
- 8.1.6 the payment of principal which, at maturity or upon the occurrence of an Automatic Early Redemption Event (as defined in Condition 15.11 below), is linked to one or more inflation indices (**Inflation-Linked Redemption Notes**, and together with Inflation-Linked Interest Notes, **Inflation-Linked Notes**);
- 8.1.7 the payment of interest which is linked to interests in a single fund (**Single Fund-Linked Interest Notes**) or in a basket of funds (**Fund Basket-Linked Interest Notes**, and together with Single Fund-Linked Interest Notes, **Fund Linked Interest Notes**);
- 8.1.8 the payment of principal which, at maturity or upon the occurrence of an Automatic Early Redemption Event (as defined in Condition 15.11 below), is linked to interests in a single fund (**Single Fund-Linked Redemption Notes**) or in a basket of funds (**Fund Basket-Linked Redemption Notes**, and together with the Single Fund-Linked Redemption Notes, the **Fund-Linked Redemption Notes**). The Single Fund-Linked Interest Notes and Single Fund-Linked Redemption Notes shall together be referred to as the **Single Fund-Linked Notes**. The Fund Basket-Linked Interest Notes and the Fund Basket-Linked Redemption Notes shall together be referred to as the **Fund Basket-Linked Notes**. The Fund-Linked Interest Notes and the Fund-Linked Redemption Notes shall together be referred to as the **Fund-Linked Notes**;
- 8.1.9 the payment of interest which is linked to a single futures contract (**Single Futures Contract-Linked Interest Notes**) or in a basket of futures contracts (**Futures Contract Basket-Linked Interest Notes**, and together with Single Futures Contract-Linked Interest Notes, **Futures Contract-Linked Interest Notes**);
- 8.1.10 the payment of principal which, at maturity or upon the occurrence of an Automatic Early Redemption Event (as defined in Condition 15.11 below), is linked to a single futures contract (**Single Futures Contract-Linked Redemption Notes**) or in a basket of futures contracts (**Futures Contract Basket-Linked Redemption Notes**, and together with the Single Futures Contract-Linked Redemption Notes, the **Futures Contract-Linked Redemption Notes**). The Single Futures Contract-Linked Interest Notes and Single Futures Contract-Linked Redemption Notes shall together be referred to as the **Single Futures Contract-Linked Notes**. The Futures Contract Basket-Linked Interest Notes and the Futures Contract Basket-Linked Redemption

Notes shall together be referred to as the **Futures Contract Basket-Linked Notes**. The Futures Contract-Linked Interest Notes and the Futures Contract-Linked Redemption Notes shall together be referred to as the **Futures Contract-Linked Notes**;

- 8.1.11 if the payment of principal is specified in the applicable Final Terms as linked to several underlyings amongst the underlyings specified in Conditions 8.1.2 and 8.1.4 above in which case the relevant Note shall constitute a **Hybrid Note**; and

in each case, in accordance with the Conditions herein which are specified as applicable to Equity-Linked Notes, Currency-Linked Notes, Inflation-Linked Notes, Fund-Linked Notes or Futures Contract-Linked Notes, as the case may be, and the detailed terms and conditions set out in such provisions of the Additional Terms and Conditions as are specified as being applicable in the applicable Final Terms, in accordance with the elections made in the applicable Final Terms.

9. PROVISIONS RELATING TO EQUITY-LINKED NOTES

This Condition 9 (*Provisions Relating to Equity-Linked Notes*) is applicable only in relation to Notes specified in the relevant Final Terms as being Single Share Notes, Share Basket Notes, Single Index Notes, Index Basket Notes, Single ETF Notes or ETF Basket Notes.

9.1 Valuation, Market Disruption, Reference Dates and Averaging Dates

- (a) If any Scheduled Reference Date is a Disrupted Day, then:
- (i) relevant Reference Date shall be the earlier of (i) the first succeeding Scheduled Trading Day that is not in the determination of the Determination Agent a Disrupted Day and (ii) the Reference Cut-Off Date (notwithstanding that such Scheduled Trading Day is a Disrupted Day).
 - (ii) in the case of an Index Basket Note, a Share Basket Note or an ETF Basket Note (as the case may be):
 - (A) where "Individual Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the relevant Final Terms, if any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:
 - (1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and
 - (2) the Reference Date for any Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an **Affected Basket Component**) shall be the earlier of (A) the first Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component; and (B) the Reference Cut-Off Date for such Affected Basket Component (notwithstanding that such day may not be a Scheduled Trading Day).
 - (B) where "Common Scheduled Trading Days and Common Disrupted Days" is specified to be applicable in the relevant Final Terms, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then the Reference Date for each Basket Component shall be the earlier of (i) the first Common Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day

with respect to any Basket Component; and (ii) the Reference Cut-Off Date (notwithstanding that such day may not be a Common Scheduled Trading Day).

(C) where "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the relevant Final Terms, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:

- (1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and
- (2) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an **Affected Basket Component**) shall be the earlier of (A) the first Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component; and (B) the Reference Cut-Off Date for such Affected Basket Component (notwithstanding that such day may not be a Common Scheduled Trading Day or a Scheduled Trading Day).

(iii) If, in respect of any Single Index Note, Single Share Note, Single ETF Note, Index Basket Note, Share Basket Note or ETF Basket Note (as the case may be), a Reference Date falls on the relevant Reference Cut-Off Date pursuant to this Condition 9.1(a)(iii):

the Determination Agent shall determine:

(A) in respect of a Single Index Note, the level of such Index or the value of such Share or ETF Interest (as the case may be) as at the Determination Time on such Reference Cut-Off Date; or

(B) if such Reference Cut-Off Date is a Disrupted Day:

- (1) in respect of Single Index Notes and Index Basket Notes, the Determination Agent shall determine, in its reasonable discretion, the level of such Index as of the Determination Time on the Reference Cut-Off Date in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Determination Time on that eighth Scheduled Trading Day of each security (or other property) comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on such Reference Cut-Off Date, its estimate of the value for the relevant security as of the Determination Time on such Reference Cut-Off Date, acting in good faith and a commercially reasonable manner); and
- (2) Single Share Notes, Single ETF Notes, Underlying Share Basket Notes and ETF Basket Notes (as the case may be), the Determination Agent shall determine, in its reasonable discretion, its estimate of the value for such Underlying Share or ETF Interest (as the case may be) as of the Determination Time on such Reference Cut-Off Date, acting in good faith and a commercially reasonable manner.

(b) If Averaging Dates are specified in the applicable Final Terms as being applicable, then, notwithstanding any other provisions of these Conditions, the following provisions will apply to the valuation of the relevant Index, Underlying Share, ETF Interest, Basket of Indices, Basket of Shares or Basket of ETF Interests in relation to the relevant Reference Date:

- (i) If an Averaging Date is, in respect of a Single Index Note, a Single Share Note or a Single ETF Note, a Scheduled Averaging Date is determined by the Determination Agent to be a Disrupted Day, then if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is:
 - (A) Omission, then such date will be deemed not to be a relevant Averaging Date in respect of such Reference Date for the purposes of determining the Relevant Underlying Value, as applicable **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Reference Date, then Condition 9.1(a)(i) will apply for purposes of determining the Relevant Underlying Value on the final Averaging Date in respect of that Reference Date as if such final Averaging Date were a Reference Date that was a Disrupted Day;
 - (B) Postponement, then Condition 9.1(a)(i) will apply for the purposes of determining the Relevant Underlying Value on that date as if such date were a Reference Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date in respect of the Reference Date; or
 - (C) Modified Postponement, then the Averaging Date shall be the earlier of (I) the first Valid Date following the Scheduled Averaging Date and (II) the Averaging Cut-Off Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date.
- (ii) If, in respect of an Index Basket Note, a Share Basket Note or an ETF Basket Note, a Scheduled Averaging Date in respect of a Reference Date is determined by the Determination Agent to be a Disrupted Day in respect of any Basket Component, then:
 - (A) where "Individual Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the relevant Final Terms:
 - (1) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Omission":
 - (a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (b) such date shall not be an Averaging Date in respect of such Reference Date for any Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an **Affected Basket Component**), provided that if through the operation of this provision there would not be any Averaging Date in respect of such Reference Date for the Affected Basket Component, then the sole Averaging Date for such Affected Basket Component shall be the earlier of (I) the first Scheduled Trading Day following the final Scheduled Averaging Date that is not a Disrupted Day in respect of each such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component;
 - (2) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Postponement":

- (a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an **Affected Basket Component**) shall be the earlier of (I) the first Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component. Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 9.1(b)(ii)(A)(2)(b) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or
- (3) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Modified Postponement":
 - (a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an **Affected Basket Component**) shall be the earlier of (I) the first Valid Date following the Scheduled Averaging Date in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;
- (B) where "Common Scheduled Trading Days and Common Disrupted Days" is specified to be applicable in the relevant Final Terms:
 - (1) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Omission", such date will be deemed not to be a relevant Averaging Date in respect of any Basket Component for the purposes of determining the Relevant Underlying Value, as applicable **provided that**, if through the operation of this provision there would be no Averaging Date in respect of such Reference Date, then the sole Averaging Date for each Basket Component shall be the earlier of (A) the first Common Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day for any Basket Component and (B) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day);
 - (2) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Postponement", then the Averaging Date shall be the earlier of (A) the first Common Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of any Basket Component and (B) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day). Any

day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 9.1(b)(ii)(B)(2) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

- (3) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Modified Postponement", then the Averaging Date for each Basket Component shall be the earlier of (A) the first Common Valid Date following the Scheduled Averaging Date and (II) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day), irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;
- (C) where "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the relevant Final Terms:
- (1) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Omission":
 - (a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (b) such date shall not be an Averaging Date in respect of such Reference Date for any Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an **Affected Basket Component**), provided that if through the operation of this provision there would not be any Averaging Date in respect of such Reference Date for the Affected Basket Component, then the sole Averaging Date for such Affected Basket Component shall be the earlier of (I) the first Scheduled Trading Day following the final Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component (notwithstanding the fact that such day may not be a Common Scheduled Trading Day);
 - (2) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Postponement":
 - (a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an **Affected Basket Component**) shall be the earlier of (I) the first Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component (notwithstanding the fact that such day not be a Common Scheduled Trading Day). Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date)

determined to be an Averaging Date as a result of the operation of this Condition 9.1(b)(ii)(C)(2)(b) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

- (3) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Modified Postponement":
 - (a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an **Affected Basket Component**) shall be the earlier of (I) the first Valid Date (that is a Scheduled Trading Day) following the Scheduled Averaging Date in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;
- (iii) If, in respect of any Single Index Note, Single Underlying Share Note, Single ETF Note, Index Basket Note, Share Basket Note or ETF Basket Note (as the case may be), an Averaging Date falls on the relevant Averaging Cut-Off Date pursuant to this Condition 9.1(b)(iii):
 - (A) (as the case may be), the Determination Agent shall determine the level of such Index or the value of such Share or ETF Interest (as the case may be) as at the Determination Time on such Averaging Cut-Off Date; or
 - (B) if such Averaging Cut-Off Date is a Disrupted Day:
 - (1) Determination Agent shall determine, in its reasonable discretion, the level of such Index as of the Determination Time on such date 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 Determination Time on such Averaging Cut-Off Date of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on such Averaging Cut-Off Date, its estimate of the value for the relevant security as of the Determination Time on such Averaging Cut-Off Date, acting in good faith and a commercially reasonable manner); and
 - (2) in respect of Single Share Notes, Single ETF Notes, Share Basket Notes and ETF Basket Notes (as the case may be), the Determination Agent shall determine, in its discretion, its estimate of the value for such Share or ETF Interest (as the case may be) as of the Determination Time on such Averaging Cut-Off Date, acting in good faith and a commercially reasonable manner.
- (iv) If any Averaging Dates in relation to a Reference Date occur after that Reference Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Interest Payment Date, Maturity Date, Automatic Early Redemption Date or (ii) the occurrence of an Extraordinary Event, an Extraordinary ETF Event, an Index Adjustment Event, a

Potential Adjustment Event or an Additional Disruption Event shall be determined by reference to the last such Averaging Date as though it were that Reference Date.

9.2 *Adjustments to Indices:*

This Condition 9.2 (*Adjustments to Indices*) is applicable only in relation to Notes specified in the relevant Final Terms as being Single Index Notes or Index Basket Notes.

(a) *Successor Index:*

If a relevant Index is (a) not calculated and announced by the Index Sponsor, but is calculated and announced by a successor sponsor acceptable to the Determination Agent acting in good faith and in a commercially reasonable manner or (b) replaced by a Successor Index using, in the determination of the Determination Agent (such determination to be at the Determination Agent's reasonable discretion), the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the **Successor Index**) will be deemed to be the Index.

(b) *Index Cancellation or Administrator/ Benchmark Event Date:*

If on or prior to any Reference Date either (1) the Index Sponsor permanently cancels the Index and no Successor Index exists (an **Index Cancellation**) or (2) the applicable Final Terms specify that the Benchmark Trigger Provisions are applicable and an Administrator/ Benchmark Event and an Administrator/ Benchmark Event Date occurs in respect of such Index, then:

(i) If the applicable Final Terms specify that the Benchmark Trigger Provisions are applicable and if an Alternative Pre-nominated Index has been specified in relation to such Index in the applicable Final Terms, then:

(A) the Determination Agent shall attempt to determine an Adjustment Payment;

(B) if the Determination Agent determines an Adjustment Payment,

(aa) it shall notify the Issuer of the Adjustment Payment and if the Adjustment Payment is an amount that the Noteholder would (but for Condition 9.2(b)(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Note, request the Issuer to notify the Determination Agent whether it intends to redeem the Notes pursuant to Condition 9.2(d). If the Issuer does not intend to redeem the Notes pursuant to Condition 9.2(d) then the following provisions of this Condition 9.2(b)(i) shall apply;

(bb) the terms of the Notes shall be amended so that references to the Index are replaced by references to the Alternative Pre-nominated Index;

(cc) the Conditions shall be adjusted to implement the Adjustment Payment as follows:

a. if the Adjustment Payment is an amount that the Issuer is required to pay in respect of each Note, the Determination Agent shall adjust the Conditions to provide for the payment of the Adjustment Payment on the immediately succeeding Interest Payment Date or if there is no such immediately succeeding Interest Payment Date, on the Maturity Date or other date when the Notes are redeemed in full; or

- b. if the Adjustment Payment is an amount that the Noteholder would (but for this Condition 9.2(b)(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Note, the Determination Agent shall adjust the Conditions to provide for the reduction of the amounts due by the Issuer until the aggregate amount of such reductions is equal to the Adjustment Payment, (subject, in the determination of the Determination Agent, to any minimum redemption amount of the Notes which the Determination Agent determines is required pursuant to any applicable law or regulation (including, without limitation, any tax law) and the rules of each listing authority, stock exchange and/or quotation system by which the Notes have then been admitted to listing, trading and/or quotation);
 - (dd) the Determination Agent shall make such other adjustments to the Conditions as it determines necessary or appropriate in order to account for the effect of the replacement of the Index with the Alternative Pre-nominated Index and/or to preserve as nearly as practicable the economic equivalence of the Notes before and after the replacement of the Index with the Alternative Pre-nominated Index; and
 - (ee) the Determination Agent shall notify the Issuer and the Fiscal Agent of any replacement of the Index by the Alternative Pre-nominated Index, the Adjustment Payment and any other adjustments to the Conditions. The Fiscal Agent shall provide notice to the Noteholders of the replacement of the Index by the Alternative Pre-nominated Index, the Adjustment Payment and any other adjustments to the Conditions in accordance with Condition 24.8 (*Notices*), giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of the foregoing.
- (C) If the Determination Agent is unable to determine an Adjustment Payment then Condition 9.2(d) shall apply.
- (ii) If the applicable Final Terms do not specify that the Benchmark Trigger Provisions are applicable or, if the Final Terms specify that the Benchmark Trigger Provisions are applicable but do not specify an Alternative Pre-nominated Index in relation to the Relevant Equity Benchmark, then Condition 9.2(d) shall apply.
- (c) *Index Modification and Index Disruption:*

If (i) on or prior to any Reference Date or Averaging Date, a relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent securities and capitalisation and other routine events) (an **Index Modification**) or (ii) on any Reference Date or Averaging Date, the Index Sponsor fails to calculate and announce a relevant Index (provided that, the Determination Agent may, in its reasonable discretion, determine that, in respect of a Multi-exchange Index, such failure to calculate and announce such Index shall instead be a Disrupted Day in respect of such Index) (an **Index Disruption**), then the Determination Agent shall determine if such Index Modification or Index Disruption has a material effect on the Notes and, if so, subject to Condition 9.2(d), shall calculate in its reasonable discretion the Relevant Underlying Value using, in lieu of a published level for that Index, the level for that Index as at that Reference Date or, as the case may be, that Averaging Date as determined by

the Determination Agent in its reasonable discretion in accordance with the formula for and method of calculating that Index last in effect prior to that change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event.

(d) *Redemption for Index Adjustment Event:*

If:

- (i) an Index Cancellation occurs and the Final Terms do not specify that the Benchmark Trigger Provisions are applicable;
- (ii) an Index Cancellation or an Administrator/Benchmark Event Date occurs, the Final Terms specify that the Benchmark Trigger Provisions are applicable but do not specify an Alternative Pre-nominated Index;
- (iii) an Index Cancellation or an Administrator/ Benchmark Event Date occurs, the Final Terms specify that the Benchmark Trigger Provisions are applicable and specify an Alternative Pre-nominated Index but the Determination Agent is unable to determine the Adjustment Payment;
- (iv) an Index Cancellation or an Administrator/ Benchmark Event Date occurs, the Final Terms specify that the Benchmark Trigger Provisions are applicable and specify an Alternative Pre-nominated Index and the Determination Agent determines that the Adjustment Payment would be an amount that the Noteholder would (but for Condition 9.2(b)(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Note; or
- (v) an Index Modification or an Index Disruption occurs and it (a) would be unlawful at any time under any applicable law or regulation or (b) would contravene any applicable licensing requirements, in each case for the Determination Agent to calculate the Relevant Underlying Value in accordance with Condition 9.2(c),

then the Issuer may, at any time thereafter and in its reasonable discretion, determine that the Notes shall be redeemed as of any later date. If the Issuer so determines that the Notes shall be redeemed, then the Issuer shall give not less than five Business Days' notice to the Noteholders to redeem the Notes and upon redemption the Issuer will pay in respect of each Note an amount equal to either:

- (i) if "**Early Redemption Amount (Index Cancellation) – Fair Market Value Less Costs**" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its reasonable discretion; or
- (ii) if "**Early Redemption Amount (Index Cancellation) – Fair Market Value**" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), as calculated by the Determination Agent in its reasonable discretion.

The Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the formula and other provisions for determining the Final Redemption Amount, any Interest Amount or the Relevant Underlying Value (as defined in the Additional Terms and Conditions) set out in these Conditions and such provisions of the Additional Terms and Conditions as are specified as being applicable in the applicable Final Terms and any other variable relevant to the settlement or payment terms of the Notes, which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Fiscal Agent shall provide notice to the Noteholders of any such change or adjustment, in accordance with Condition 24.68 (*Notices*), giving summary details of the relevant change or adjustment, provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

(e) *Correction of Index Levels:*

If the level of an Index published by the Index Sponsor and which is utilised by the Determination Agent for any calculation or determination (the **Original Determination**) under the Notes is subsequently corrected and the correction (the **Corrected Value**) is published by the Index Sponsor by such time (the **Correction Cut Off Time**) as may be specified in the relevant Final Terms (or, if none is so specified, within one Settlement Cycle after the original publication and prior to the relevant Interest Payment Date, Automatic Early Redemption Date, Early Redemption Date or Maturity Date), then the Determination Agent will notify the Issuer and the Fiscal Agent of the Corrected Value as soon as reasonably practicable and shall determine the relevant value (the **Replacement Determination**) using the Corrected Value. If the result of the Replacement Determination is different from the result of the Original Determination, to the extent that it determines to be necessary and practicable, the Determination Agent may, acting in good faith and a commercially reasonable manner, adjust any relevant terms accordingly. The Fiscal Agent shall provide notice to the Noteholders of any such adjustment, giving summary details of the adjustment in accordance with Condition 24.8 (*Notices*), provided that any failure to give such notice shall not affect the validity of any such adjustment.

9.3 *Adjustments affecting Underlying Shares and ETF Interests:*

This Condition 9.3 (*Adjustments affecting Underlying Shares and ETF Interests*) is applicable only in relation to Single Share Notes, Single ETF Notes, Share Basket Notes and ETF Basket Notes.

(a) *Adjustments for Potential Adjustment Events:*

Following the declaration by the Underlying Issuer, the relevant ETF or an ETF Service Provider of the terms of a Potential Adjustment Event, the Determination Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Underlying Shares or ETF Interests and, if so, will (i) make such adjustment as it, in its reasonable discretion, considers appropriate, if any, to the formula or other provisions for determining the Final Redemption Amount, any Interest Amount and/or the Relevant Underlying Value set out in these Conditions or such provisions of the Additional Terms and Conditions as are specified as being applicable in the applicable Final Terms, the number of Underlying Shares or ETF Interests to which each Note relates, the number of Underlying Shares or ETF Interests comprised in a Basket of Shares or Basket of ETF Interests and/or any other adjustment and, in any case, to any other variable relevant to the payment or other terms of the relevant Notes as the Determination Agent determines, in its reasonable discretion, to be 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 such Shares or ETF Interests) and (ii) determine, in its reasonable discretion, the effective date(s) of such adjustment(s). The Fiscal Agent shall provide notice to the Noteholders of any such adjustment in accordance with Condition 24.8 (*Notices*) giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.

(b) *Correction of Underlying Share and ETF Interest Prices:*

If any price published on the Exchange and which is utilised by the Determination Agent for any calculation or determination (the **Original Determination**) under the Notes is subsequently corrected and the correction (the **Corrected Value**) is published by the Exchange by such time (the **Correction Cut Off Time**) as may be specified in the relevant Final Terms (or, if none is so specified, within one Settlement Cycle after the original publication and prior to the relevant Interest Payment Date, Automatic Early Redemption Date, Early Redemption Date or Maturity Date), then the Determination Agent will notify the Issuer and the Fiscal Agent of the Corrected Value as soon as reasonably practicable and shall determine the relevant value (the **Replacement Determination**) using the Corrected Value. If the result of the Replacement Determination is different from the result of the Original Determination, to the extent that it determines to be necessary and practicable, the Determination Agent may, acting in good faith and a commercially reasonable manner, adjust any relevant terms accordingly. The Fiscal Agent shall provide notice to the Noteholders of any such adjustment in accordance with Condition 24.8 (*Notices*) giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.

9.4 *Extraordinary Events:*

This Condition 9.4 (*Extraordinary Events*) is applicable only in relation to Notes specified in the relevant Final Terms as being Single Share Notes, Single ETF Notes, Share Basket Notes or ETF Basket Notes.

(a) *Merger Event or Tender Offer:*

- (i) Following the occurrence of any Merger Event or Tender Offer, the Issuer will, in its reasonable discretion, determine whether the relevant Notes shall continue or shall be redeemed early.
- (ii) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the formula or other provisions for determining the Final Redemption Amount, any Interest Amount and/or the Relevant Underlying Value set out in these Conditions or such provisions of the Additional Terms and Conditions as are specified as being applicable in the applicable Final Terms, the number of Underlying Shares or ETF Interests to which each Note relates, the number of Underlying Shares or ETF Interests comprised in a Basket of Shares or Basket of ETF Interests (as the case may be) and, in any case, any other variable relevant to the payment terms of the relevant Notes and/or any other adjustment (including, without limitation, in relation to Share Basket Notes or ETF Basket Notes, the cancellation of terms applicable in respect of Underlying Shares or ETF Interests affected by the relevant Merger Event or Tender Offer) which adjustment shall be effective on such date as the Determination Agent shall determine. 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 Notes. The Fiscal Agent shall provide notice to the Noteholders of any such adjustment in accordance with Condition 24.8 (*Notices*) giving summary details

of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.

- (iii) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to the Noteholders to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment of (in the case of a Merger Event) the Merger Event Settlement Amount – Fair Market Value Less Costs or the Merger Event Settlement Amount – Fair Market Value (each as defined below), as applicable, or of (in the case of a Tender Offer) the Tender Offer Settlement Amount – Fair Market Value Less Costs or the Tender Offer Settlement Amount – Fair Market Value (each as defined below), as applicable.
- (iv) For the purposes hereof

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 Determination Agent, in its reasonable discretion;

Merger Event means, in respect of any relevant Underlying Shares or ETF Interests, as determined by the Determination Agent, acting in a commercially reasonable manner, any: (i) reclassification or change of such Underlying Shares or ETF Interests that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Shares or ETF Interests outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Underlying Issuer or ETF with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Underlying Issuer or ETF is the continuing entity and which does not result in a reclassification or change of all such Underlying Shares or ETF Interests outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 90 per cent. of the outstanding Underlying Shares or ETF Interests of the Underlying Issuer or ETF that results in a transfer of or an irrevocable commitment to transfer all such Underlying Shares or ETF Interests (other than such Underlying Shares or ETF owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Underlying Issuer or its subsidiaries or ETF or its sub-funds with or into another entity in which the Underlying Issuer or ETF is the continuing entity and which does not result in a reclassification or change of all such Underlying Shares or ETF Interests outstanding but results in the outstanding Underlying Shares or ETF Interests (other than Underlying Shares or ETF Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Shares or ETF Interests immediately following such event (a **Reverse Merger**), in each case if the Merger Date is on or before the final date for determining the Relevant Underlying Value in respect of the relevant Underlying Shares or ETF Interests.

Merger Event Settlement Amount – Fair Market Value means in respect of each Note, an amount equal to the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), as calculated by the Determination Agent in its reasonable discretion.

Merger Event Settlement Amount – Fair Market Value Less Costs means in respect of each Note, an amount equal to the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any

Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its reasonable discretion.

Tender Offer means, in respect of any Underlying Shares or ETF Interests, as determined by the Determination Agent, acting in a commercially reasonable manner, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 9 per cent. and less than 90 per cent. of the outstanding voting shares of the Underlying Issuer or ETF, as determined by the Determination Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Determination Agent deems relevant.

Tender Offer Date means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained, as determined by the Determination Agent in its reasonable discretion.

Tender Offer Settlement Amount – Fair Market Value means, in respect of each Note, an amount equal to the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), as calculated by the Determination Agent in its reasonable discretion.

Tender Offer Settlement Amount – Fair Market Value Less Costs means, in respect of each Note, an amount equal to the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its reasonable discretion.

- (b) *Nationalisation, Insolvency and Delisting:*
 - (i) If in the determination of the Determination Agent, acting in a commercially reasonable manner:
 - (A) all the Underlying Shares or ETF Interests or all or substantially all the assets of an Underlying Issuer, ETF or ETF Service Provider are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof (**Nationalisation**); or
 - (B) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Underlying Issuer, ETF or ETF Service Provider, (1) all the Underlying Shares or ETF Interests of that Underlying Issuer, ETF or ETF Service Provider are required to be transferred to a trustee, liquidator or other similar official or (2) holders of the Underlying Shares or ETF Interests of that Underlying Issuer, ETF or ETF Service Provider become legally prohibited from transferring them (**Insolvency**); or
 - (C) the Exchange announces that pursuant to the rules of such Exchange, the Underlying Shares or ETF Interests cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an

exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any Member State of the European Union) (**Delisting**),
then the Issuer will, in its reasonable discretion, determine whether or not the Notes shall continue.

- (ii) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the formula or other provisions for determining the Final Redemption Amount, any Interest Amount and/or the Relevant Underlying Value set out in these Conditions or such provisions of the Additional Terms and Conditions as are specified as being applicable in the applicable Final Terms, the number of Underlying Shares or ETF Interests to which each Note relates, the number of Underlying Shares or ETF Interests comprised in a Basket of Shares or a Basket of ETF Interests (as the case may be) and, in any case, any other variable relevant to the payment terms of the relevant Notes and/or any other adjustment (including without limitation, in relation to Share Basket Notes or ETF Basket Notes, the cancellation of terms applicable in respect of Underlying Shares or ETF Interests affected by the relevant Extraordinary Event) which change or adjustment shall be effective on such date as the Determination Agent shall determine. 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 Notes. The Fiscal Agent shall provide notice to the Noteholders of any such adjustment in accordance with Condition 24.8 (*Notices*) giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.
- (iii) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to redeem the Notes. The Issuer's obligations under the Notes shall be satisfied in full upon payment of, in respect of each Note, an amount equal to either:
 - (A) if "**Early Redemption Amount (Nationalisation, Insolvency and Delisting) – Fair Market Value Less Costs**" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its reasonable discretion; or
 - (B) if "**Early Redemption Amount (Nationalisation, Insolvency and Delisting) – Fair Market Value**" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), as calculated by the Determination Agent in its reasonable discretion.

9.5 *Extraordinary ETF Events*

This Condition 9.5 (*Extraordinary ETF Events*) is applicable only in relation to Single ETF Notes or ETF Basket Notes.

- (a) Following the occurrence of any Extraordinary ETF Event, the Issuer will, in its reasonable discretion, determine whether the relevant Notes shall continue or shall be

redeemed early. The Determination Agent shall not have any obligation to monitor the occurrence of an Extraordinary ETF Event nor shall it have any obligation to make a determination that an Extraordinary ETF Event has occurred and is continuing.

- (b) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may:
- (i) substitute any Affected ETF Interest with the Successor ETF Interest relating to such Affected ETF interest, provided that if no Successor ETF Interest has been identified in the manner set forth below within 10 Business Days of the Extraordinary ETF Event Notice Date (as defined below), then sub-paragraph (ii) below shall apply; and/or
 - (ii) make such adjustment as the Determination Agent considers, in its reasonable discretion, appropriate, if any, to the formula or other provisions for determining the Final Redemption Amount, any Interest Amount and/or the Relevant Underlying Value set out in these Conditions or such provisions of the Additional Terms and Conditions as specified as being applicable in the applicable Final Terms, the number of ETF Interests to which each Note relates, the number of ETF Interests comprised in a Basket of ETF Interests, the amount and, in any case, any other variable relevant to payment terms of the relevant Notes and/or any other adjustment (including, without limitation, in relation to ETF Basket Notes, the cancellation of terms applicable in respect of ETF Interests affected by the relevant Extraordinary Fund Event) to account for the economic effect on the Notes of such Extraordinary ETF Event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustments(s) made in respect of such Extraordinary ETF Event by an options exchange to options on the relevant Shares traded on such options exchange, which adjustment shall be effective on such date as the Determination Agent shall determine.

Fiscal Agent shall provide notice to the Noteholders of (a) any Successor ETF Interest identified in accordance with sub-paragraph (i) above and (b) any adjustment made in accordance with sub-paragraph (ii) above, in each case, in accordance with Condition 24.8 (*Notices*), giving summary details of the adjustment, if applicable, provided that any failure to give such notice shall not affect the validity of any such adjustment.

- (c) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to the Noteholders to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment of an amount equal to either:
- (i) if "**Early Redemption Amount (Extraordinary ETF Event) – Fair Market Value Less Costs**" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (**provided that** such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its reasonable discretion; or
 - (ii) if "**Early Redemption Amount (Extraordinary ETF Event) – Fair Market Value**" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (**provided that** such day is not more than 15 days before the date fixed for

redemption of the Note), as calculated by the Determination Agent in its reasonable discretion.

- (d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Fiscal Agent of the Determination Agent's determination of the occurrence of an Extraordinary ETF Event (the date of such notice, the **Extraordinary ETF Event Notice Date**).
- (e) For the purposes hereof:
Extraordinary ETF Event shall mean, with respect to an ETF or ETF Service Provider (as the case may be), the occurrence of any of the following events, as determined by the Determination Agent, in its reasonable discretion:
 - (i) there exists any litigation against the ETF or an ETF Service Provider which could materially affect the value of the ETF Interests or on the rights or remedies of any investor therein as determined by the Determination Agent, in its reasonable discretion;
 - (ii) an allegation of criminal or fraudulent activity is made in respect of the ETF, or any ETF Service Provider, or any employee of any such entity, or the Determination Agent reasonably determines that any such criminal or fraudulent activity has occurred, or any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the ETF, any ETF Service Provider or any key personnel of such entities if such allegation, determination, suspicion or proceedings could materially affect the value of the ETF Interests or the rights or remedies of any investor in such ETF Interests as determined by the Determination Agent, in its reasonable discretion;
 - (iii) (A) an ETF Service Provider ceases to act in such capacity in relation to the ETF (including by way of Merger Event or Tender Offer) and is not immediately replaced in such capacity by a successor acceptable to the Determination Agent; and/or (B) any event occurs which causes, or will with the passage of time (in the opinion of the Determination Agent) cause, the failure of the ETF and/or any ETF Service Provider to meet or maintain any obligation or undertaking under the ETF Documents which failure is reasonably likely to have an adverse impact on the value of the ETF Interests or on the rights or remedies of any investor therein;
 - (iv) a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the ETF (howsoever described, including the underlying type of assets in which the ETF invests), from those set out in the ETF Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;
 - (v) a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (A) in which the ETF invests, (B) the ETF purports to track, or (C) the ETF accepts/provides for purposes of creation/redemption baskets;
 - (vi) a material modification, or any announcement regarding a potential future material modification, of the ETF (including but not limited to a material modification of the ETF Documents or to the ETF's liquidity terms) other than a modification or event which does not affect the ETF Interests or the ETF or any

portfolio of assets to which the ETF Interest relates (either alone or in common with other ETF Interests issued by the ETF);

- (vii) the ETF ceases to be an undertaking for collective investment under the legislation of its relevant jurisdiction, provided that on the relevant Issue Date, the ETF was such an undertaking and any such cessation would have a material adverse effect on any investor in such ETF Interests as determined by the Determination Agent, in its reasonable discretion;
- (viii) (A) any relevant activities of or in relation to the ETF or any ETF Service Provider are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the ETF by any governmental, legal or regulatory entity with authority over the ETF), (B) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the ETF or the ETF Service Provider or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (C) the ETF is required by a competent authority to redeem any ETF Interests, (D) any hedge provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any ETF Interests held in connection with any hedging arrangements relating to the Notes and/or (E) any change in the legal, tax, accounting or regulatory treatment of the ETF or any ETF Service Provider that is reasonably likely to have an adverse impact on the value of the ETF Interests or other activities or undertakings of the ETF or on the rights or remedies of any investor therein; or
- (ix) the value of any ETF Interest held by the Issuer and its Affiliates is greater than 10 per cent. of the aggregate net asset value of the relevant ETF (whether or not all of such holding results from hedging transactions entered into in connection with the Notes) and including, where the excess holding results from a reduction in the aggregate net asset value of the relevant ETF; and

For these purposes, **Successor ETF Interest** means, in respect of an Affected ETF Interest, (1) if specified in the applicable Final Terms, any Eligible ETF Interest; (2) if no Eligible ETF Interest is specified, the successor ETF Interest as determined by the Determination Agent, using commercially reasonable efforts, taking into account any factors which the Determination Agent determines to be relevant, including (but not limited to) the existence of other ETFs that are linked to the same underlying index or asset as the Affected ETF Interest, liquidity of the proposed successor ETF Interest, the prevailing market conditions at the time the Determination Agent makes its determination and the Issuer's hedging arrangements in respect of the relevant Notes; or (3) if the Determination Agent determines that it is unable to determine a suitable successor ETF Interest, the Determination Agent may determine that the relevant Notes, where the Affected ETF Interest will be linked to the relevant underlying index (the **Related Underlying Index**) and such Related Underlying Index shall be the Successor ETF Interest and the provisions applicable to Index-Linked Notes will apply to the relevant Notes with such adjustments as the Determination Agent determines to be appropriate.

9.6 *Additional Disruption Events:*

- (a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Notes shall continue or be redeemed early.

- (b) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the formula or other provisions for determining the Final Redemption Amount, any Interest Amount and/or the Relevant Underlying Value set out in the relevant Final Terms, the number of Underlying Shares or ETF Interests to which each Note relates, the number of Underlying Shares or ETF Interest comprised in a Basket, the amount and, in any case, any other variable relevant to the payment terms of the relevant Notes and/or any other adjustment (including without limitation, in relation to Share Basket Notes, Index Basket Notes or ETF Basket Notes, the cancellation of terms applicable in respect of any Underlying Shares, Index or ETF Interest, as the case may be, affected by the relevant Additional Disruption Event), to account for the economic effect on the Notes of such Additional Disruption Event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Fiscal Agent shall provide notice to the Noteholders of any such adjustment in accordance with Condition 24.8 (*Notices*), giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.
- (c) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of an amount equal to either:
 - (i) if "**Early Redemption Amount (Additional Disruption Event) – Fair Market Value Less Costs**" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its reasonable discretion.
 - (ii) if "**Early Redemption Amount (Additional Disruption Event) – Fair Market Value**" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), as calculated by the Determination Agent in its reasonable discretion.
- (d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Fiscal Agent and the Determination Agent of the occurrence of an Additional Disruption Event.
- (e) For the purposes hereof:
Additional Disruption Event means with respect to any Series of Notes any or all of (i) a Change in Law, (ii) Hedging Disruption, (iii) Increased Cost of Hedging and (iv) Loss of Stock Borrow, as have been specified in the applicable Final Terms as an applicable Additional Disruption Event with respect to such Notes.

9.7 *Definitions applicable to Equity-Linked Notes:*

In relation to Equity-Linked Notes, the following expressions have the meanings set out below:

Adjustment Payment means, in respect of any Note, the payment (if any) determined by the Determination Agent as is required in order to reduce or eliminate, to the extent reasonably practicable,

any transfer of economic value to or from the Issuer as a result of the replacement of the Index by the Pre-nominated Alternative Index. The Determination Agent may determine that the Adjustment Payment is zero;

Affected ETF Interest means, at any time, any ETF Interest in respect of which the Determination Agent has determined that an Extraordinary ETF Event has occurred;

Averaging Cut-Off Date means, in the case where Notes relate to an Index, Share or ETF Interest or a Basket of Indices, Basket of Shares or Basket of ETF Interests and in respect of a Scheduled Averaging Date for the purposes of Condition 9.1(b) (*Valuation, Market Disruption, Reference Dates and Averaging Dates*):

- (a) if "Common Scheduled Trading Days and Common Disrupted Days" in respect of a Basket of Indices, Basket of Shares or Basket of ETF Interests is specified to be applicable in the Final Terms, the eighth Common Scheduled Trading Day following such Scheduled Averaging Date; or
- (b) in any other case, the eighth Scheduled Trading Day following such Scheduled Averaging Date;

Averaging Date means, in respect of each Reference Date, either:

- (a) in the case of a Single Index Note, a Single Share Note or an Single ETF Note (as the case may be); or (b) an Index Basket Note, a Share Basket Note or an ETF Basket Note (as the case may be) where the applicable Final Terms provides that "Individual Scheduled Trading Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day for such (or the relevant) Index, Share or ETF Interest or Basket Component (as the case may be); or
- (b) in the case of an Index Basket Note, a Share Basket Note or an ETF Basket Note, where the applicable Final Terms provides that either "Common Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Final Terms, or if any such date is not a Common Scheduled Trading Day, the next following Common Scheduled Trading Day for such Basket of Indices, Basket of Shares or Basket of ETF Interests (as the case may be),

provided that if any such day is a Disrupted Day, the Averaging Date shall be determined in accordance with the provisions of Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*);

Basket means in relation to any Share Basket Notes, the Underlying Shares specified in the applicable Final Terms as comprising the Basket, in relation to Index Basket Notes, the Indices specified in the applicable Final Terms as comprising the Basket and in relation to any ETF Basket Notes, the ETF Interests specified in the applicable Final Terms as comprising the Basket, in each case in the relative proportions specified in such Final Terms;

Basket Component means, in relation to a particular Series of Share Basket Notes, Index Basket Notes or ETF Basket Notes, each Underlying Share, Index or ETF Interest comprised in the relevant Basket of Shares, Indices or ETF Interests, as applicable;

Basket of ETF Interests means, in relation to a particular Series, a basket comprising the ETF Interests specified in the applicable Final Terms in the relative proportions or number of ETF Interests specified in the such Final Terms;

Basket of Indices means, in relation to a particular Series, a basket comprising the Indices specified in the applicable Final Terms in the relative proportions specified in such Final Terms;

Basket of Shares means, in relation to a particular Series, a basket comprising Underlying Shares of each Underlying Issuer specified in the applicable Final Terms in the relative proportions or number of Underlying Shares of each Underlying Issuer specified in such Final Terms;

Change in Law means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x), in the case of Single Share Notes, Single ETF Notes, Share Basket Notes or ETF Basket Notes, it has become illegal to hold, acquire or dispose of any relevant Underlying Shares or ETF Interests (as the case may be), or (y) it will incur a materially increased cost in performing its obligations with respect to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

Common Scheduled Trading Day means, in respect of an Index Basket Note, a Share Basket Note or an ETF Basket Note (as the case may be), each day which is a Scheduled Trading Day for all the Basket Components;

Common Valid Date means, in respect of an Index Basket Note, a Share Basket Note or an ETF Basket Note (as the case may be), a Common Scheduled Trading Day that is not a Disrupted Day for any Basket Component and on which another Averaging Date does not or is deemed not to occur;

Component means in relation to an Index, any security which comprises such Index;

Determination Date means, in relation to any determination, each date or dates, if any, specified as such in the applicable Final Terms, **provided that** (i) if any such date is not a Scheduled Trading Day and/or (ii) if any Determination Date is a Disrupted Day, the relevant Determination Date shall be determined in accordance with the provisions of Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*), which shall apply *mutatis mutandis* as if such Determination Date were a Reference Date;

Determination Time means the time specified as such in the applicable Final Terms, or if no such time is specified, (a) save with respect to a Multi-exchange Index, the Scheduled Closing Time on the relevant Exchange in relation to each Index, Underlying Share or ETF Interest to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Determination Time is after the actual closing time for its regular trading session, then the Determination Time shall be such actual closing time; and (b) with respect to any Multi-exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component and (y) in respect of any option contracts or futures contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor;

Disrupted Day means (a) except with respect to a Multi-exchange Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred, and (b) with respect to any Multi-exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred;

Early Closure means (a) except with respect to a Multi-exchange Index, the closure on any Exchange Business Day of the relevant Exchange (or in the case of a Single Index Note or Index Basket Note, any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or 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 Determination Time on such Exchange Business Day and (b) with respect to any Multi-exchange Index, the closure on any Exchange Business Day 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: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the relevant Determination Time on such Exchange Business Day;

Eligible ETF Interest means, in respect of any Affected ETF Interest, the interest specified as such in the applicable Final Terms;

ETF means (in respect of an ETF Interest) any exchange traded fund specified in the applicable Final Terms as an ETF;

ETF Documents means with respect to any ETF Interest, the offering document of the relevant ETF, the constitutive and governing documents, subscription agreements and any other agreement or document specifying the terms and conditions of such ETF Interest and any additional documents specified in the applicable Final Terms, each as amended from time to time;

ETF Interest means the share or other interest or unit of holding (including, without limitation, any debt security) issued to or held by an investor in an ETF, as identified in the applicable Final Terms;

ETF Service Provider means, in respect of any ETF, any person who is appointed to provide services, directly or indirectly, in respect of such ETF, whether or not specified in the ETF Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar, transfer agent, domiciliary agent, sponsor or general partner or any other person specified in the applicable Final Terms;

Exchange means:

- (a) (i) in respect of an Index relating to Single Index Notes or Index Basket Notes other than a Multi-exchange Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms or, if none is specified, the principal exchange or quotation system for trading in such Index, as determined by the Determination Agent, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the shares underlying such Index has temporarily relocated, **provided that** the Determination Agent has determined that there is comparable liquidity relative to the shares underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange, and (ii) with respect to any Multi-exchange Index, and in respect of each Component, the principal stock exchange on which such Component is principally traded, as determined by the Determination Agent;
- (b) in respect of an Underlying Share relating to Single Share Notes or Share Basket Notes, each exchange or quotation system specified as such for such Underlying Share in the applicable Final Terms or, if none is specified, the principal exchange or quotation system for trading in such Underlying Share, as determined by the Determination Agent, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Share has temporarily relocated, **provided that** the Determination Agent has determined that there is comparable liquidity relative to such Underlying Share on such temporary substitute exchange or quotation system as on the original Exchange; and
- (c) in respect of an ETF Interest relating to Single ETF Notes or ETF Basket Notes, each exchange or quotation system specified as such for such ETF Interest in the applicable Final Terms or, if none is specified, the principal exchange or quotation system for trading in such ETF Interest, as determined by the Determination Agent, any successor to such Exchange or quotation system

or any substitute exchange or quotation system to which trading in the ETF Interest has temporarily relocated, **provided that** the Determination Agent has determined that there is comparable liquidity relative to such ETF Interest on such temporary substitute exchange or quotation system as on the original Exchange.

Exchange Business Day means (a) except with respect to a Multi-exchange Index, any Scheduled Trading Day on which each Exchange and 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 and (b) with respect to any Multi-exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding any Exchange or the Related Exchange closing prior to its Scheduled Closing Time;

Exchange Disruption means (a) except with respect to a Multi-exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Determination Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Underlying Shares or ETF Interests on the Exchange (or in the case of Single Index Notes or Index Basket Notes, on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index), or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Underlying Shares, the relevant Index or the ETF Interests (as the case may be) on any relevant Related Exchange and (b) with respect to any Multi-exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Determination Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (i) any Component on the Exchange in respect of such Component, or (ii) futures or options contracts relating to the Index on the Related Exchange;

Extraordinary Dividend means the dividend per Underlying Share or ETF Interest, or portion thereof, characterised as an Extraordinary Dividend as determined by the Determination Agent;

Extraordinary ETF Event has the meaning given in Condition 9.5(e);

Extraordinary Event means a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting;

Hedging Disruption means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Notes, or (B) realise, recover or remit the proceeds of any such transactions or asset(s);

Increased Cost of Hedging means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

Index means any index specified as such in the applicable Final Terms, subject to Condition 9.2 (*Adjustments to Indices*), it being specified that no index is composed by the Issuer or by any legal entity belonging to the same group;

Index Adjustment Event means, in respect of an Index, an Administrator/Benchmark Event, an Index Cancellation, an Index Disruption or an Index Modification;

Index Sponsor means, in respect of an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and methods of calculation and adjustments, if any,

related to the relevant Index and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis during each Scheduled Trading Day;

Loss of Stock Borrow means that the Issuer is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) the Underlying Shares or the ETF Interests with respect to the Notes in an amount which the Issuer deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes (not to exceed the number of shares underlying the Notes) at a rate determined by the Issuer;

Market Disruption Event means (a) in respect of an Underlying Share, an Index other than a Multi-exchange Index or an ETF Interest, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Determination Agent determines is material, at any time during the one-hour period that ends at the relevant Determination Time, or (iii) an Early Closure. For the purpose of determining whether a Market Disruption Event exists in respect of an Index at any time, if a Market Disruption Event occurs in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the Market Disruption Event occurred; and (b) with respect to any Multi-exchange Index either (i)(A) the occurrence or existence, in respect of any Component, of (1) a Trading Disruption, (2) an Exchange Disruption, which in either case the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Determination Time in respect of the Exchange on which such Component is principally traded, OR (3) an Early Closure; AND (B) 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 (ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption, (B) an Exchange Disruption, which in either case the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Determination Time in respect of the Related Exchange; or (C) an Early Closure;

For the purposes of determining whether a Market Disruption Event exists in respect of a Component at any time, if a Market Disruption Event occurs in respect of such 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 (x) the portion of the level of the Index attributable to that Component to (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market **opening data**;

Multi-exchange Index means any Index specified as such in the relevant Final Terms;

Observation Date means, in relation to any determination, the date or dates, if any, specified as such in the applicable Final Terms, **provided that** (i) if any such date is not a Scheduled Trading Day and/or (ii) if any Observation Date is a Disrupted Day, the relevant Observation Date shall be determined in accordance with the provisions of Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*), which shall apply *mutatis mutandis* as if such Observation Date were a Reference Date;

Potential Adjustment Event means, in respect of Single Share Notes, Single ETF Note, Share Basket Notes or ETF Basket Notes:

- (a) a subdivision, consolidation or reclassification of an Underlying Share or ETF Interest (unless resulting in a Merger Event), or a free distribution or dividend of Underlying Shares or ETF Interests to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of relevant Underlying Shares or ETF Interests of (A) such Underlying Shares or ETF Interests, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Underlying Issuer or ETF equally or proportionately with such payments to holders of such an Underlying Shares or ETF Interests, or (C) share capital or other securities of another issuer acquired or

owned (directly or indirectly) by the Underlying Issuer or ETF as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Determination Agent;

- (c) an Extraordinary Dividend;
- (d) a call by the Underlying Issuer in respect of relevant Underlying Shares that are not fully paid;
- (e) a repurchase by an Underlying Issuer or ETF (as the case may be) or any of its subsidiaries of Underlying Shares or ETF Interests, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of an Underlying 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 the Underlying 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 Determination Agent, **provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Underlying Shares or ETF Interests.

Reference Cut-Off Date means, in the case where Notes relate to an Index, Share or ETF Interest or a Basket of Indices, Basket of Shares or Basket of ETF Interests and in respect of a Scheduled Reference Date for the purposes of Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*):

- (a) if "Common Scheduled Trading Days and Common Disrupted Days" in respect of a Basket of Indices, Basket of Shares or Basket of ETF Interests is specified to be applicable in the Final Terms, the eighth Common Scheduled Trading Day following such Scheduled Reference Date; or
- (b) in any other case, the eighth Scheduled Trading Day following such Scheduled Reference Date;

Reference Date means, for the purposes of Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*), each Valuation Date specified in the applicable Final Terms, or otherwise, any date construed to be a Reference Date in accordance with the Conditions;

Related Exchange, in respect of an Index relating to Single Index Notes or Index Basket Notes, an Underlying Share relating to Single Share Notes or Share Basket Notes or an ETF Interest relating to Single ETF Notes or ETF Basket Notes, means the Exchange specified as the Relevant Exchange 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 and options contracts relating to such Index, Underlying Shares or ETF Interest has temporarily relocated (**provided that** the Determination Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index, Underlying Shares or ETF Interests on such temporary substitute exchange or quotation system as on the original Related Exchange) or, if none is specified, each exchange or quotation system where trading has a material effect (as determined by the Determination Agent) on the overall market for futures or options contracts relating to such Index, Underlying Shares or ETF Interests, as the case may be;

Relevant Equity Index Benchmark means the Index;

Relevant Underlying Value has the meaning given to it in such provisions of the Additional Terms and Conditions as are specified as being applicable in the applicable Final Terms;

Scheduled Averaging Date means an original date (following any adjustment (if applicable) pursuant to paragraph (a) or (b) in the definition of "Averaging Date") that, but for such day being a Disrupted Day, would have been an Averaging Date;

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

Scheduled Reference Date means, for the purposes of Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*), any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Reference Date;

Scheduled Trading Day means (a) except with respect to a Multi-exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading session, and (b) with respect to any Multi-exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session;

Settlement Cycle means, in respect of an Underlying Share, Index or ETF Interest, the period of Settlement Cycle Days following a trade in such Underlying Share, the securities underlying such Index or ETF Interest, as the case may be, on the Exchange in which settlement will customarily occur according to the rules of such exchange (or, in respect of any Multi-exchange Index, the longest such period) and for this purpose **Settlement Cycle Day** means, in relation to a clearing system any day on which such clearing system is (or but for the occurrence of a Settlement Disruption Event would have been) open for acceptance and executions of settlement instructions;

Trading Disruption means (a) except with respect to a Multi-exchange Index, any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange, Related Exchange or otherwise (i) relating to the Underlying Share or ETF Interest on the Exchange, or, in the case of a Single Index Note or Index Basket Note, on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or (ii) in futures or options contracts relating to the Underlying Share, the relevant Index or Indices or the ETF Interest on any relevant Related Exchange, and (b) with respect to any Multi-exchange Index, any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise (i) relating to any Component on the Exchange in respect of such Component; or (ii) in futures or options contracts relating to the Index on the Related Exchange;

Underlying Issuer means the entity that is the issuer of the Underlying Share specified in the applicable Final Terms;

Underlying Share means, in relation to a particular Series of Notes, a share specified as such in the applicable Final Terms (with the exception of a share of the Issuer or any entity belonging to its group), or, in the case of a Share Basket Note, a share forming part of a basket of shares to which such Note relates;

Valid Date means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the Reference Date does not, or is not deemed to, occur; and

Valuation Date means each date specified as such or specified as an **Observation Date, Interest Determination Date, Determination Date or Strike Date** in the applicable Final Terms, **provided that** if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Valuation Date shall be determined in accordance with the provisions of Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*).

10. PROVISIONS RELATING TO CURRENCY-LINKED NOTES

This Condition 10 (*Provisions relating to Currency-Linked Notes*) is applicable only in relation to Notes specified in the relevant Final Terms as being Currency-Linked Notes.

10.1 *Valuation Date, Interest Determination Date, Observation Date, Determination Date*

In these Conditions:

- (a) **Valuation Date** means, in respect of any Series of Currency-Linked Notes, the date(s) specified as such in the applicable Final Terms, and each Observation Date, Determination Date or Interest Determination Date, if applicable **provided that** where any such date is not a Currency Business Day then the Valuation Date shall be the first preceding day that is a Currency Business Day;
- (b) **Interest Determination Date** means, in respect of any Series of Currency-Linked Notes, the date(s) specified as such in the applicable Final Terms, or, if no such date is specified, subject to Condition 10.2 (*Averaging*), the Interest Determination Date will be the date falling two Currency Business Days prior to the Interest Payment Date **provided that** where any such date is not a Currency Business Day then the Interest Determination Date shall be the first preceding day that is a Currency Business Day;
- (c) **Observation Date** means, in respect of any Series of Currency-Linked Notes, the date(s) specified as such, **provided that** where any such date is not a Currency Business Day then the Observation Date shall be the first preceding day that is a Currency Business Day;
- (d) **Determination Date** means, in respect of any Series of Currency-Linked Notes, the date(s) specified as such in the applicable Final Terms, or, if no such date is specified, subject to Condition 10.2 (*Averaging*), the Determination Date will be the date falling two Currency Business Days prior to the Maturity Date **provided that** where any such date is not a Currency Business Day then the Determination Date shall be the first preceding day that is a Currency Business Day;
- (e) **Relevant Date** means each Valuation Date, Interest Determination Date and Observation Date; and
- (f) **Relevant Underlying Value** has the meaning given to it in such applicable provisions of the Additional Terms and Conditions as are specified as being applicable in the applicable Final Terms.

10.2 *Averaging*

If Averaging Dates are specified in the relevant Final Terms with respect to a Relevant Date, then notwithstanding any other provisions of the Conditions, the following provisions will apply to the determination of the Relevant Underlying Value in relation to a Relevant Date:

- (a) **Averaging Date** means, in respect of a Relevant Date, each date specified as such or otherwise determined as provided in the applicable Final Terms, **provided that** if any such date is not a Currency Business Day, such date shall be the first preceding day that is a Currency Business Day.
- (b) For purposes of determining the Relevant Underlying Value in relation to a Relevant Date, the Relevant Underlying Value will be determined in accordance with the applicable provisions of the Additional Terms and Conditions as are specified as being applicable in the applicable Final

Terms on each Averaging Date (or, if different, the day on which rates for each Averaging Date would, in the ordinary course, be published or announced by the relevant price source).

- (c) In the case where the Determination Agent determines that it is impossible to obtain the Relevant Underlying Value on an Averaging Date (or, if different, the day on which rates for that Averaging Date would, in the ordinary course, be published or announced by the relevant price source), such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the Relevant Underlying Value. If through the operation of this Condition 10.2, there would not be an Averaging Date with respect to the Relevant Date, the provisions of Conditions 10.3 (*Currency Disruption Events*) and 10.4 (*Currency Disruption Fallbacks*) shall apply for purposes of determining the Relevant Underlying Value on the final Averaging Date with respect to that Relevant Date as if such Averaging Date were a Valuation Date on which a Price Source Disruption had occurred.

10.3 *Currency Disruption Events*

- (a) If so specified in the Final Terms relating to any Series of Notes, the following shall constitute **Currency Disruption Events** for the purposes of such Series:
 - (i) **Price Source Disruption**, which means it becomes impossible, as determined by the Determination Agent, acting in a commercially reasonable manner, to determine the Settlement Rate on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the applicable price source in accordance with the relevant price source);
 - (ii) **Additional Price Source Disruption**, which means, in relation to the determination of the Relevant Underlying Value on any Relevant Date, (A) the relevant exchange rate is not displayed on the Reference Source or any successor page for such Relevant Date; (B) such Relevant Date is any *Unscheduled Holiday*; or (C) the Determination Agent determined in good faith that the exchange rate so displayed on the Reference Source is manifestly incorrect; and
 - (iii) **Price Materiality Event**, which means the Primary Rate differs from the Secondary Rate by at least the Price Materiality Percentage.
- (b) If the applicable Final Terms specify that any Currency Disruption Event shall be applicable to such Series, then, where the Determination Agent determines, acting in a commercially reasonable manner, that such Currency Disruption Event occurs or has occurred and is continuing in respect of such Series:
 - (i) in the case of Price Source Disruption, on the day that is the Relevant Date in respect of such Series (or, if different, the day on which rates for that Relevant Date would, in the ordinary course, be published or announced by the relevant price source); and
 - (ii) in the case of any other Currency Disruption Event, on such other Relevant Date in respect of which such Currency Disruption Event is specified as applying in the applicable Final Terms,

then the Relevant Underlying Value for such Series will be determined in accordance with the terms of the Currency Disruption Fallback first applicable pursuant to Condition 10.4 (*Currency Disruption Fallbacks*), which shall be subject to Condition 10.3(c) below.

- (c) If the Series of Notes is a single Currency-Linked Note, the provisions of Condition 10.3(a) and (b) shall apply.

- (d) If the Series of Notes is a Currency Basket-Linked Note, and the Determination Agent determines that a Currency Disruption Event has occurred on any Valuation Date or Relevant Date in respect of any Settlement Rate (which for the purposes of Conditions 10.3 and 10.4 shall mean the Settlement Rate in respect of each Currency Pair), then:
 - (i) for each Settlement Rate for which the Determination Agent determines that a Currency Disruption Event has not occurred, the Settlement Rate shall be determined in accordance with the Conditions; and
 - (ii) for each Settlement Rate for which the Determination Agent determines that a Currency Disruption Event has occurred, the Determination Agent shall determine the Settlement Rate in accordance with the applicable Currency Disruption Fallback in accordance with Condition 10.4 and the applicable Final Terms.

10.4 *Currency Disruption Fallbacks*

- (a) If so specified in the Final Terms relating to any Series of Notes, the following shall constitute "**Currency Disruption Fallbacks**" for the purposes of such Series, and the applicable Final Terms shall specify which Currency Disruption Fallback(s) shall apply to such Series, to which Currency Disruption Event each such Currency Disruption Fallback shall apply and, where more than one Currency Disruption Fallback may apply to a Currency Disruption Event, the order in which such Currency Disruption Fallback(s) shall apply to such Currency Disruption Event.
 - (i) **Determination Agent Determination of Settlement Rate** means that the Determination Agent will determine, in its reasonable discretion, the Settlement Rate (or a method for determining the Settlement Rate), taking into consideration all available information that it deems relevant including (but not limited to), in the case of Currency Basket-Linked Notes, the relevant rate for each unaffected Currency Pair which was determined on the relevant Valuation Date; and
 - (ii) **Fallback Reference Price** means that the Determination Agent will determine, in its reasonable discretion, the Settlement Rate for such Series on the relevant Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced) pursuant to the Settlement Rate Option specified in the applicable Final Terms.
- (b) Where more than one Currency Disruption Event occurs or exists or is deemed to occur or exist, then, unless the relevant Final Terms has specified which Currency Disruption Fallback shall apply in such circumstances, the Determination Agent shall determine, in its reasonable discretion, which Currency Disruption Fallback shall apply.

10.5 *Administrator/Benchmark Events*

- (a) If an Administrator/ Benchmark Event and an Administrator/Benchmark Event Date occurs:
 - (i) the Currency Disruption Fallbacks specified in the applicable Final Terms to apply with respect to Administrator/Benchmark Event will apply, or if none are specified, the Currency Disruption Fallbacks specified in the applicable Final Terms to apply with respect to a Price Source Disruption shall be deemed to apply in accordance with Condition 11.4 provided that if the Relevant FX Benchmark is not the Settlement Rate then references to the "Settlement Rate" in the applicable Currency Disruption

Fallbacks and related definitions and provisions of these Conditions shall be deemed to be references to the Relevant FX Benchmark;

- (ii) if it (i) is or would be unlawful at any time under any applicable law or regulation or (ii) would contravene any applicable licensing requirements, for the Issuer or the Determination Agent to perform the actions prescribed in an applicable Currency Disruption Fallback (or it would be unlawful or would contravene those licensing requirements were a determination to be made at such time), the next applicable Currency Disruption Fallback will apply; and
- (iii) if the Issuer determines that the last applicable Currency Disruption Fallback does not provide a Settlement Rate (including due to the applicability of paragraph (ii) above in relation to the last applicable Currency Disruption Fallback), then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of an amount equal to either:
 - (A) if "Early Redemption Amount (Administrator/Benchmark Event) - Fair Market Value Less Costs" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its reasonable discretion; or
 - (B) if "Early Redemption Amount (Administrator/Benchmark Event) - Fair Market Value" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), as calculated by the Determination Agent in its reasonable discretion.
- (b) The Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer and the Fiscal Agent of the occurrence of an Administrator/ Benchmark Event Date and of any action taken as a consequence. The Fiscal Agent shall provide notice to the Noteholders of any Administrator / Benchmark Event Date and of any action taken as a consequence in accordance with Condition 24.8 (*Notices*), provided that any failure to give such notice shall not affect the validity of the foregoing.

10.6 *Additional Disruption Events*

- (a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Notes shall continue or be redeemed early.
- (b) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the redemption, settlement, or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Fiscal Agent shall provide notice to the Noteholders of any such adjustment, giving summary details of the adjustment in accordance with Condition 24.8 (*Notices*), provided that any failure to give such notice shall not affect the validity of any such adjustment.

- (c) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of an amount equal to either:
 - (i) if "**Early Redemption Amount (Additional Disruption Event) – Fair Market Value Less Costs**" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its reasonable discretion.
 - (ii) if "**Early Redemption Amount (Additional Disruption Event) – Fair Market Value**" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), as calculated by the Determination Agent in its reasonable discretion.
- (d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Fiscal Agent and the Determination Agent of the occurrence of an Additional Disruption Event.
- (e) For the purposes hereof:
Additional Disruption Event means, with respect to any Series of Currency-Linked Notes, Change in Law, Hedging Disruption, and / or Increased Cost of Hedging as are applicable as specified in the applicable Final Terms.

10.7 *Change to a Relevant FX Benchmark*

If the definition, methodology or formula for a Relevant FX Benchmark, or other means of calculating the Relevant FX Benchmark, is changed (irrespective of the materiality of any such change or changes), then, unless otherwise specified in the applicable Final Terms, references to that Relevant FX Benchmark shall be to the Relevant FX Benchmark as changed.

10.8 *Definitions applicable to Currency-Linked Notes*

In relation to Currency-Linked Notes, the following expressions have the meanings set out below:

Change in Law means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it has become illegal to hold, acquire or dispose of Hedge Positions or (y) it will incur a materially increased cost in performing its obligations with respect to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

Currency Business Day means, for the purposes of:

- (i) the definition of Valuation Date in Condition 10.1 (*Valuation Date, Interest Determination Date, Observation Date, Determination Date*), in respect of any Series of Currency-Linked Notes: (1) a day on which commercial banks are (or but for the occurrence of a Currency 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 Centre(s) of the Reference Currency or (2) where the currency to be valued is euro, a day that is a TARGET Settlement Day and a Business Day; and

- (ii) for any other purpose, in respect of any Series of Currency-Linked Notes: (1) a day on which commercial banks are open for general business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the Principal Financial Centre(s) of the Reference Currency and (2) where one of the Currency Pair is euro, a day that is a TARGET Settlement Day;

Currency Pair means the Reference Currency and the Settlement Currency;

Currency-Reference Dealers is a Settlement Rate Option which means that the Spot Rate for a Rate Calculation Date will be determined on the basis of quotations provided by Reference Dealers on that Rate Calculation Date of that day's Specified Rate, expressed as the amount of Reference Currency per one unit of Settlement Currency for settlement on the Maturity Date (or other relevant date for payment under the Notes). The Determination Agent will request each of the Reference Dealers to provide a firm quotation of its Specified Rate for a transaction where the amount of Reference Currency equals the Specified Amount. If four quotations are provided, the rate for a Rate Calculation Date will be the arithmetic mean of the Specified Rates, without regard to the Specified Rates having the highest and lowest value. If exactly three quotations are provided, the rate for a Rate Calculation Date will be the Specified Rate provided by the Reference Dealer that remains after disregarding the Specified Rates having the highest and lowest values. For this purpose, if more than one quotation has the same highest value or lowest value, then the Specified Rate of one of such quotations shall be disregarded. If exactly two quotations are provided, the rate for a Rate Calculation Date will be the arithmetic mean of the Specified Rates. If only one quotation is provided, the rate for a Rate Calculation Date will be the Specified Rate quoted by that Reference Dealer. The quotations used to determine the Spot Rate for a Rate Calculation Date will be determined in each case at the Specified Time on that Rate Calculation Date;

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 a party in order to hedge, individually or on a portfolio basis, the Notes;

Hedging Disruption means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Notes, or (B) realise, recover or remit the proceeds of any such transactions or asset(s);

Increased Cost of Hedging means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

Price Materiality Percentage means the percentage specified as such in the applicable Final Terms;

Primary Rate means the rate determined using the Settlement Rate Option specified for such purpose in the applicable Final Terms;

Rate Calculation Date means any Valuation Date or Averaging Date (as defined in Conditions 10.1 (*Valuation Date*, *Interest Determination Date*, *Observation Date*, *Determination Date*) and 10.2 (*Averaging*), respectively);

Reference Currency means the currency or currencies specified as such in the applicable Final Terms;

Reference Currency Jurisdiction means the jurisdiction specified as such in the applicable Final Terms;

Reference Dealers means the reference dealers specified as such in the applicable Final Terms;

Reference Source means the source (such as a Reuters screen page or Bloomberg page) specified as such in the applicable Final Terms;

Relevant FX Benchmark means, in respect of any Notes:

- (i) the Settlement Rate;
- (ii) the Settlement Rate Option;
- (iii) the Primary Rate and the Secondary Rate; and
- (iv) any other index, benchmark, rate or price source which is referenced in the Notes and which is a measure constituting an index (or combination of indices) under any law or regulation applicable to the Notes and identified as a "Relevant FX Benchmark" in the applicable Final Terms.

To the extent that a Fallback Reference Price is used, it shall be a "Relevant FX Benchmark" from the day on which it is used.

Secondary Rate means the rate determined using the Settlement Rate Option specified for such purpose in the applicable Final Terms;

Settlement Currency means the currency specified as such in the applicable Final Terms;

Settlement Rate means the rate as determined by the Determination Agent, in its reasonable absolute discretion, in accordance with the applicable Final Terms and, where applicable shall be determined in accordance with Condition 11.2 (*Averaging*);

Settlement Rate Option means, for the purposes of calculating the Settlement Rate, the Settlement Rate Option specified in the applicable Final Terms (or which is applicable pursuant to Condition 10.4 (*Currency Disruption Fallbacks*));

Specified Amount means the amount of Reference Currency specified as such in the relevant Final Terms;

Specified Rate means any of the following rates, as specified in the relevant Final Terms: (i) the Reference Currency bid exchange rate, (ii) the Reference Currency offer exchange rate, (iii) the average of the Reference Currency bid and offer exchange rates, (iv) the Settlement Currency bid exchange rate, (v) the Settlement Currency offer exchange rate, (vi) the average of the Settlement Currency bid and offer exchange rates, (vii) the official fixing rate or (viii) any other exchange rate specified in the relevant Final Terms. If no such rate is specified, the Specified Rate will be deemed to be the average of the Reference Currency bid and offer rate;

Specified Time means, in respect of any series of Notes and the determination of the Spot Rate, the time specified as such in the applicable Final Terms, or if no such time is specified, the time chosen by the Determination Agent;

Spot Rate means for any Valuation Date, the relevant currency exchange rate determined in accordance with the applicable Settlement Rate Option and, if a Settlement Rate Option is not applicable, the currency exchange rate at the time at which such rate is to be determined for foreign exchange transactions in the Currency Pair for value on the Maturity Date (or other relevant date for payment under the Notes), as determined in good faith and in a commercially reasonable manner by the Determination Agent; and

Unscheduled Holiday means that a day is not a Currency Business Day and that the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in the Principal Financial Centre(s) of the Reference Currency two Currency Business Days prior to such day.

11. PROVISIONS RELATING TO INFLATION-LINKED NOTES

This Condition 11 (*Provisions Relating to Inflation-Linked Notes*) is applicable only in relation to Notes specified in the relevant Final Terms as being Inflation Linked Notes. The definitions set out in Condition 9.7 (*Definitions applicable to Equity-Linked Notes*) will also apply in relation to a Series of Inflation Linked Notes unless the context otherwise requires, or such term is defined otherwise herein, and for the purposes of this clause, the definition of Index under Condition 9.7 shall be deemed to include an Inflation Index.

11.1 *Delay of Publication*

If any level of an Inflation Index for a Reference Month which is relevant to the calculation of a payment under the Notes (a **Relevant Level**) has not been published or announced by the day that is five Business Days prior to the next Specified Interest Payment Date, Automatic Early Redemption Date, Maturity Date or other relevant payment date under the Notes or other relevant payment date as may be specified in the applicable Final Terms in relation to the Notes, the Determination Agent shall determine a Substitute Inflation Index Level (in place of such Relevant Level) in a commercially reasonable manner in its reasonable discretion. If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the next Specified Interest Payment Date, Automatic Early Redemption Date, Maturity Date or other relevant payment date as may be specified in the applicable Final Terms in relation to the Notes, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Condition 11.1 (*Delay of Publication*), will be the definitive level for that Reference Month.

11.2 *Cessation of Publication*

If a level for the Inflation Index has not been published or announced for two consecutive months or the Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index then the Determination Agent shall determine a Successor Index (in lieu of any previously applicable Inflation Index) for the purposes of the Notes by using the following methodology:

- 11.2.1 If at any time a Successor Inflation Index has been designated by the Determination Agent pursuant to the terms and conditions of the Related Bond, such Successor Inflation Index shall be designated a "Successor Inflation Index" for the purposes of all subsequent Specified Interest Payment Dates or other relevant payment date as may be specified in the applicable Final Terms in relation to the Notes, notwithstanding that any other Successor Inflation Index may previously have been determined under Conditions 11.2.2, 11.2.3 or 11.2.4 below; or
- 11.2.2 If a Successor Inflation Index has not been determined under Condition 11.2.1 above and a notice has been given or an announcement has been made by the Inflation Index Sponsor, specifying that the Inflation Index will be superseded by a replacement index specified by the Inflation Index Sponsor, and the Determination 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 Inflation Index, such replacement index shall be the Inflation Index for purposes of the Notes from the date that such replacement index comes into effect; or
- 11.2.3 If a Successor Inflation Index has not been determined under Condition 11.2.1 or Condition 11.2.2 above, the Determination Agent shall ask five leading independent dealers to state what the replacement Index for the Inflation Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same Inflation Index, this Index will be deemed the "Successor Inflation Index". If three responses are received, and two or more leading independent dealers state the same Inflation Index, this Inflation Index will be deemed the

"Successor Inflation Index". If fewer than three responses are received, the Determination Agent will proceed to Condition 11.2.4 below; or

- 11.2.4 If no Successor Inflation Index has been deemed under Conditions 11.2.1, 11.2.2 or 11.2.3 above by the fifth Business Day prior to the next Affected Payment Date the Determination Agent will determine an appropriate alternative index for such Affected Payment Date, and such index will be deemed a "Successor Inflation Index"; or
- 11.2.5 If the Determination Agent determines that there is no appropriate alternative index, the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of an amount equal to either:
- (i) if "Early Redemption Amount (Inflation Index Cessation) - Fair Market Value Less Costs" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (**provided that** such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its reasonable discretion; or
 - (ii) if "Early Redemption Amount (Inflation Index Cessation) - Fair Market Value" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (**provided that** such day is not more than 15 days before the date fixed for redemption of the Note), as calculated by the Determination Agent in its reasonable discretion.

11.3 *Rebasing of the Inflation Index*

If the Determination Agent determines that an Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the **Rebased Index**) will be used for purposes of determining the level of such Index from the date of such rebasing; provided, however, that the Calculation Agent shall make such adjustments as are made by the Determination 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 Inflation Index before it was rebased. If there is no Related Bond, the Determination 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 Inflation Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Notes.

11.4 *Material Modification Prior to Payment Date*

If, on or prior to the day that is five Business Days before an Interest Payment Date, Automatic Early Redemption Date, Maturity Date or other relevant payment date in relation to the Notes, an Inflation Index Sponsor announces that it will make a material change to an Inflation Index then the Determination Agent shall make any such adjustments to the Inflation Index consistent with adjustments made to the Related Bond, or, if there is no Related Bond, only those adjustments necessary for the modified Inflation Index to continue as the Inflation Index.

11.5 *Manifest Error in Publication*

If, within thirty days of publication and prior to the redemption of the Notes or payments in respect of any relevant Interest Payment Date, Automatic Early Redemption Date, Maturity Date or other relevant

payment date in relation to the Notes, the Determination Agent determines that the Inflation Index Sponsor has corrected the level of the Inflation Index to remedy a manifest error in its original publication, the Determination Agent will notify the holders of the Notes in accordance with Condition 24 (*Notices*) of (i) that correction, (ii) the adjusted amount that is then payable under the Notes as a result of that correction and (iii) take such other action as it may deem necessary to give effect to such correction, provided that any amount payable pursuant to sub-paragraph (ii) above shall be paid (with no interest accruing thereon) (a) in connection with an Inflation Index Sponsor's correction to remedy a manifest error in the level of an Inflation Index for a Reference Month for which the Interest Payment Date, Automatic Early Redemption Date, Maturity Date or other relevant payment date in relation to the Notes has occurred, within 15 Business Days after notice of such amount payable by the Determination Agent, (b) in connection with an Inflation Index Sponsor's correction to remedy a manifest error in the level of an Inflation Index for a Reference Month for which the Interest Payment Date, Automatic Early Redemption Date, Maturity Date or other relevant payment date in relation to the Notes has not occurred, as an adjustment to the payment obligation on the next Specified Interest Payment Date or (c) if there is no further Interest Payment Date, Automatic Early Redemption Date, Maturity Date or other relevant payment date in relation to the Notes, within 15 Business Days after notice of such amount payable by the Determination Agent.

11.6 *Index Level Adjustment Correction*

In relation to any Inflation Index, as specified in the Final Terms, either (i) the first publication or announcement of the level of the Inflation Index (disregarding estimates) by the relevant Inflation Index Sponsor for any Reference Month shall be final and conclusive and, subject to this Condition 11, later revisions to the level of the Inflation Index for such Reference Month will not be used in any calculations; or (ii) the first publication or announcement of a level of the Inflation Index (disregarding estimates) published by the relevant Index Sponsor or, if revised, any subsequent revision of such level for a Reference Month shall be final and conclusive for such Reference Month, provided that such revisions are published or announced up to and including the day that is two Business Days prior to any relevant Interest Payment Date, Maturity Date or any other payment in respect of the Notes. The Issuer shall give notice to Noteholders of Inflation Linked Notes of any valid revision in accordance with Condition 24 (*Notices*) within 15 Business Days of the publication or announcement of such revision.

11.7 *Additional Disruption Events:*

- (a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Notes shall continue or be redeemed early.
- (b) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to any variable relevant to the redemption or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Fiscal Agent shall provide notice to the Noteholders of any such adjustment in accordance with Condition 24 (*Notices*), giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.
- (c) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of an amount equal to
 - (i) if **"Early Redemption Amount (Additional Disruption Event) – Fair Market Value Less Costs"** is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in

its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its reasonable discretion; or

- (ii) if "**Early Redemption Amount (Additional Disruption Event) – Fair Market Value**" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), as calculated by the Determination Agent in its reasonable discretion.

- (d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Determination Agent of the occurrence of an Additional Disruption Event.

11.8 *Definitions Applicable to Inflation-Linked Notes*

In relation to Inflation Linked Notes, the following expressions have the meanings set out below:

Additional Disruption Event means, with respect to any Series of Inflation-Linked Notes, such Change in Law, Hedging Disruption or Increased Cost of Hedging as specified as applicable in the applicable Final Terms.

Affected Payment Date means each Interest Payment Date, Automatic Early Redemption Date, Maturity Date or other relevant payment date as may be specified in the applicable Final Terms in relation to the Notes in respect of which an Inflation Index has not been published or announced;

Change in Law means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it has become illegal to hold, acquire or dispose of Hedge Positions or (y) it will incur a materially increased cost in performing its obligations with respect to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

Fallback Bond means an inflation linked bond selected by the Determination Agent and issued by the government of a country to whose level of inflation the Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to the Inflation Index, with a maturity date which falls on (a) the same date as the Maturity Date, or (b) if no such bond as described in (a) can be determined, the next longest maturity after the Maturity Date, or (c) if no such bond as described in either (a) or (b) can be determined, the next shortest maturity before the Maturity Date. If the Inflation Index relates to the level of inflation across the European Monetary Union, the Determination 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 Determination Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Settlement Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Determination Agent from those bonds. If the Fallback Bond redeems the Determination 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);

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 a party in order to hedge, individually or on a portfolio basis, the Notes;

Hedging Disruption means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Notes, or (B) realise, recover or remit the proceeds of any such transactions or asset(s);

Increased Cost of Hedging means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

Inflation Index means any index specified as such in the applicable Final Terms;

Inflation Index Sponsor means, in respect of an Inflation Index, the entity specified as such in the relevant Final Terms or, if no entity is specified, the entity that publishes or announces (directly or through an agent) the level of the relevant Inflation Index;

Reference Month means the calendar month for which the level of the relevant Inflation Index was reported, regardless of when this information is published or announced, and, where such Reference Month is relevant to determine the Relevant Underlying Value (as defined in the Additional Terms and Conditions) on any Interest Determination Date, Barrier Observation Date (as defined in the Additional Terms and Conditions) or Automatic Early Redemption Valuation Date or Determination Date (as defined in the Additional Terms and Conditions), means the Reference Month specified in respect of each such date. If the period for which the Inflation Index level was reported is a period other than a month, the Reference Month will be the period for which the Inflation Index level was reported;

Related Bond means the bond specified in the applicable Final Terms, or if no bond is so specified, the Fallback Bond. If the Related Bond is "Fallback Bond", then for any Related Bond determination under these Conditions, the Determination Agent shall use the Fallback Bond (as that is defined in this Condition 11.7 (*Additional Disruption Events*) herein). If no bond is specified in the applicable Final Terms as the Related Bond and "Fallback Bond: Not applicable" is specified in the applicable Final Terms there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Final Terms, and that bond redeems or matures before the relevant Maturity Date, unless "Fallback Bond: Not applicable" is specified in the applicable Final Terms, the Determination Agent shall use the Fallback Bond for any Related Bond determination;

Substitute Inflation Index Level means an Inflation Index level, determined by the Determination Agent pursuant to the provisions of Condition 11.1 (*Delay of Publication*), in respect of an Affected Payment Date; and

Successor Inflation Index has the meaning specified in Condition 11.2 (*Cessation of Publication*).

12. PROVISIONS RELATING TO FUND-LINKED NOTES

This Condition 12 (*Provisions relating to Fund-Linked Notes*) shall apply only to Notes specified in the applicable Final Terms as being Single Fund-Linked Notes or Fund Basket-Linked Notes.

12.1 *Market Disruption, Reference Dates and Averaging Dates*

- (a) The Determination Agent shall as soon as reasonably practicable under the circumstances notify the Issuer of the occurrence of a Disrupted Day on any day that, but for the occurrence or continuance of a Disrupted Day, would have been a Reference Date.
- (b) If any Reference Date is a Disrupted Day, then:
 - (i) in the case of Single Fund Notes, the relevant Reference Date shall be the next succeeding Fund Business Day that is not in the determination of the Determination Agent a Disrupted Day, unless no Fund Business Day that is not a Disrupted Day has occurred prior to the last Fund Business Day of one Cut-off Period following the Scheduled Reference Date. In that case, the last Fund Business Day of such Cut-off Period shall be deemed to be the Reference Date, notwithstanding the fact that such Fund Business Day is a Disrupted Day, and (ii) the Determination Agent shall determine its estimate of the value for the Fund Interest as of the Valuation Time on that deemed Reference Date, acting in good faith and a commercially reasonable manner; or
 - (ii) in the case of Fund Basket Notes:
 - (A) where "Individual Fund Business Days and Individual Disrupted Days" is specified to be applicable in the relevant Final Terms, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:
 - (1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and
 - (2) the Reference Date for any Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an **Affected Basket Component**) shall be the first Fund Business Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component, unless no Fund Business Day that is not a Disrupted Day has occurred prior to the last Fund Business Day of one Cut-off Period following the Scheduled Reference Date. In that case, (i) the last Fund Business Day of such Cut-off Period shall be deemed to be the Reference Date, notwithstanding the fact that such Fund Business Day is a Disrupted Day, and (ii) the Determination Agent shall determine its estimate of the value for that Fund Interest as of the Valuation Time on that deemed Reference Date, acting in good faith and a commercially reasonable manner;
 - (B) where "Common Fund Business Days and Common Disrupted Days" is specified to be applicable in the relevant Final Terms, then if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, the Reference Date for each such Basket Component shall be the first Common Fund Business Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of any Basket Component, unless no Common Fund Business Day that is not a Disrupted Day has occurred prior to the last Fund Business Day of one Cut-off Period following the Scheduled Reference Date. In that case, (i) the last Fund Business Day of such Cut-off Period shall be deemed to be the Reference Date, notwithstanding the fact that such Fund Business Day is a Disrupted Day, and (ii) the Determination Agent shall determine its estimate of the value for that Fund Interest as of the Valuation Time on that deemed Reference Date, acting in good faith and a commercially reasonable manner;

- (C) where “Common Fund Business Days and Individual Disrupted Days” is specified to be applicable in the relevant Final Terms, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:
- (aa) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and
 - (bb) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an **Affected Basket Component**) shall be the first Fund Business Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component, unless no Fund Business Day for such Basket Component that is not a Disrupted Day has occurred prior to the last Fund Business Day of one Cut-off Period following the Scheduled Reference Date. In that case, (i) the last Fund Business Day of such Cut-off Period shall be deemed to be the Reference Date, notwithstanding the fact that such Fund Business Day is a Disrupted Day, and (ii) the Determination Agent shall determine its estimate of the value for that Fund Interest as of the Valuation Time on that deemed Reference Date, acting in good faith and a commercially reasonable manner;

In addition, the Determination Agent will account for such occurrence or continuance of a Disrupted Day as it sees fit which may include but is not limited to delaying calculation and payment of the Final Redemption Amount and/or any other amounts payable under the Notes, and no interest or other amount shall be payable to Noteholders in respect of any such delay, or making the appropriate adjustment to the calculation of the Final Redemption Amount and/or any such other amounts, all in the determination of the Determination Agent.

- (c) If Averaging Dates are specified in the applicable Final Terms with respect to a Reference Date then, notwithstanding any other provisions of the Conditions, the following provisions will apply to the valuation of the relevant Fund Interest or Basket of Fund Interests in relation to the relevant Reference Date:
- (i) If, in respect of Single Fund Notes, any Averaging Date in respect of a Reference Date is a Disrupted Day, then the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred prior to one Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Reference Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date), and (2) the Determination Agent shall determine its estimate of the value for the Fund Interest as of the Valuation Time on that deemed Averaging Date, acting in good faith and a commercially reasonable manner; and,
 - (ii) If, in the case of Fund Basket Notes, a Scheduled Averaging Date in respect of a Reference Date is determined by the Determination Agent to be a Disrupted Day in respect of any Basket Component, then:
 - (A) where “Individual Fund Business Days and Individual Disrupted Days” is specified to be applicable in the relevant Final Terms:

- (1) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (2) the Averaging Date for each Basket Component in respect of which the final Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an **Affected Basket Component**) shall be the first succeeding Valid Date in relation to such Fund Interest. If the first succeeding Valid Date has not occurred prior to one Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Reference Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date notwithstanding the fact that such day may not be a Valid Date), and (2) the Determination Agent shall determine its estimate of the value for that Fund Interest as of the Valuation Time on that deemed Averaging Date acting in good faith and a commercially reasonable manner ;
- (B) in the case of where "Common Fund Business Days and Common Disrupted Days" is specified to be applicable in the relevant Final Terms, then the Averaging Date for each Basket Component shall be the first succeeding Common Valid Date. If the first succeeding Common Valid Date has not occurred prior to one Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Reference Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date and notwithstanding the fact that such day may not be a Common Valid Date), and (2) the Determination Agent shall determine its estimate of the value for that Fund Interest as of the Valuation Time on that deemed Averaging Date, acting in good faith and a commercially reasonable manner;
- (C) where "Common Fund Business Days and Individual Disrupted Days" is specified to be applicable in the relevant Final Terms:
- (1) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (2) the Averaging Date for each Basket Component in respect of which the final Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an **Affected Basket Component**) first succeeding Valid Date in relation to such Fund Interest. If the first succeeding Valid Date has not occurred prior to one Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Reference Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date and notwithstanding the fact that such day may not be a Valid Date), and (2) the Determination Agent shall determine its estimate of the value for that Fund Interest as of the Valuation Time on that deemed Averaging Date, acting in good faith and a commercially reasonable manner;

In addition, the Determination Agent will account for such occurrence or continuance of a Disrupted Day as it sees fit which may include but is not limited to delaying calculation and payment of the Final Redemption Amount and/or any other amounts payable under the Notes, and no interest or other amount shall be payable to Noteholders in respect of any such delay, or making the appropriate adjustment to the calculation of the Final Redemption Amount and/or any such other amounts, all in the determination of the Determination Agent.

12.2 *Postponement of Settlement*

12.2.1 If the Determination Agent determines on the date which is not later than 3 Business Days (or such other period specified for this purpose in the applicable Final Terms (the **Settlement Determination Period**)) prior to any date on which the Final Redemption Amount, Interest Amount or any other amounts would otherwise be due to be paid (each a **Scheduled Settlement Date**) that a Settlement Postponement Event has occurred, then the Determination Agent shall make such adjustment to account for such Settlement Postponement Event and such adjustment shall include the postponement of the obligation of the Issuer to pay the Final Redemption Amount or any such other amounts, as applicable, until the Postponed Settlement Date and no interest or other amount shall be payable to Noteholders in respect of such postponement.

12.2.2 If the Postponed Settlement Date is the Postponed Settlement Long Stop Date, for the purposes of determining the Final Redemption Amount or any other relevant amounts, as applicable, whether determined by reference to the Reference Price or otherwise, each Fund Interest Unit will be deemed to have a value equal to the redemption proceeds (if any) that a Hypothetical Investor which had submitted a Final Redemption Notice in respect of such Fund Interest Unit would have received in respect of such redemption on or before the Postponed Settlement Long Stop Date (in the case of Single Fund Notes) or each Long Stop Date Fund Interest Unit (if any) comprising the Basket of Funds will be deemed to have a value equal to the redemption proceeds (if any) that a Hypothetical Investor which had submitted a Final Redemption Notice in respect of such Long Stop Date Fund Interest Unit would have received in respect of such redemption on or before the Postponed Settlement Long Stop Date.

12.2.3 *For the purposes hereof:*

- (a) a **Settlement Postponement Event** shall be deemed to occur if, as determined by the Determination Agent, a Hypothetical Investor which had submitted a Final Redemption Notice in respect of the Fund Interest Units (in the case of a Single Fund Note) or each Fund Interest Unit comprised in the Basket of Funds (in the case of a Fund Basket Note) would not have received in full the redemption proceeds in respect of such redemptions on or before the date which is 4 Business Days prior to the Scheduled Settlement Date;
- (b) the **Postponed Settlement Date** means, unless otherwise specified in the applicable Final Terms, the earlier of (x) the date which is 3 Business Days after the date on which, as determined by the Determination Agent, such Hypothetical Investor would have received such redemption proceeds in full and (y) the Postponed Settlement Long Stop Date;
- (c) the **Postponed Settlement Long Stop Date** means, unless otherwise specified in the applicable Final Terms, the date which is 3 months after the Scheduled Settlement Date;
- (d) **Long Stop Date Fund Interest Unit** means, in relation to a Basket of Funds, any Fund Interest Unit in respect of which, if a Hypothetical Investor had submitted a Final Redemption Notice in respect of such Fund Interest Unit, such Hypothetical Investor would not have received in full the redemption proceeds in respect of such redemption on or before the Postponed Settlement Long Stop Date; and

- (e) a **Final Redemption Notice** means, in respect of a Fund Interest Unit, a valid redemption notice submitted on the last date permitted pursuant to the Fund Documents of the related Fund for a redemption notice that would be timely for redemption prior to the Scheduled Settlement Date.

12.3 *Potential Adjustment Events*

Following the declaration by any Fund or Fund Service Provider of the terms of any Potential Adjustment Event, the Determination Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of Fund Interest and, if so, will (i) make the corresponding adjustment(s), if any, to any one or more of the Redemption Amount and/or any such other amounts payable under the Notes, the Reference Price, any Relevant Fund Interest Unit Price and, in any case, any other variable relevant to the calculation, valuation, payment or other terms of Notes as the Determination Agent 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 or liquidity relative to the relevant Fund Interest) and (ii) determine the effective date(s) of the adjustment(s).

12.4 *Corrections and Adjustment*

With the exception of any Adjustments (as defined below) made after the day which is 5 Business Days (or such other period specified for this purpose in the applicable Final Terms (the **Adjustment Determination Period**)) prior to a due date for any payment under the Notes calculated by reference to the price or level of any Fund Interest Unit, if the Determination Agent determines that a Fund adjusts the Redemption Proceeds that would have been paid to a Hypothetical Investor redeeming the number of Fund Interest Units that are subject to valuation and such adjustment would be reflected in either an additional payment to such Hypothetical Investor or a claim for repayment of excess Redemption Proceeds made against such Hypothetical Investor (each an **Adjustment**), then the price or level to be used shall be the price or level of the relevant Fund Interest Units as so adjusted.

12.5 *Fund Events*

12.5.1 If at any time the Determination Agent determines that a Fund Event has occurred and/or is continuing then the Determination Agent shall provide written notice thereof to the Issuer (a **Fund Event Notice**). The Determination Agent shall not have any obligation to monitor the occurrence of a Fund Event nor shall it have any obligation to make a determination that a Fund Event has occurred or is continuing.

12.5.2 The Issuer will, in its reasonable discretion, determine whether the relevant Notes shall continue or shall be redeemed early and the mechanics for determining and calculating the valuation of any Affected Fund Interest and any payments under the Notes shall be suspended, subject to Condition 12.5.3 and Condition 12.5.4 below.

12.5.3 If the Issuer determines that the relevant Notes shall continue then, the Issuer may direct the Determination Agent:

- (a) to substitute any Affected Fund Interest with the Successor Fund Interest relating to such Affected Fund Interest, provided that if no Successor Fund Interest has been identified in the manner set forth below within 10 Business Days of the Fund Event Notice, then sub- paragraph (ii) below shall apply; or
- (b) to make such adjustment to account for such Fund Event as it considers appropriate which may include, without limitation, delaying the calculation and payment of the Redemption Amount and/or any such other amounts payable under the Notes, and no interest or other amount shall be payable to Noteholders in respect of any such delay,

or making an adjustment to the calculation of the Redemption Amount and/or any such other amounts due under the Notes, all in the determination of the Determination Agent, acting in good faith and a commercially reasonable manner. The Fiscal Agent shall provide notice to the Noteholders of any such adjustment in accordance with Condition 24.6 (*Notices*), giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.

For the purposes of this Condition 12.5.3:

- (a) **Successor Fund Interest** means, in respect of any Affected Fund Interest, the related Eligible Fund Interest or, if the applicable Final Terms do not specify any Eligible Fund Interest relating to such Affected Fund Interest, then the Determination Agent will use commercially reasonable efforts to identify a Successor Fund Interest based on the eligibility criteria specified in the applicable Final Terms or, if the applicable Final Terms do not specify any such eligibility criteria, with characteristics, investment objectives and policies similar to those in effect for the Affected Fund Interest immediately prior to the occurrence of the relevant Fund Event; and
- (b) any substitution of the Successor Fund Interest for the Affected Fund Interest shall be effected at such time and in such manner as specified in the applicable Final Terms or, if the time and manner for substitution of the Successor Fund Interest is not specified in the applicable Final Terms, then the Affected Fund Interest shall be replaced by a number of Fund Interest Units of the Successor Fund Interest with a combined value (as determined by the Determination Agent) equal to the relevant Removal Value of the applicable number of Fund Interest Units of the Affected Fund Interest. Such replacement shall be effected, from time to time whenever the Removal Value changes, on the date, as determined by the Determination Agent, on which the Fund issuing the Successor Fund Interest would admit a Hypothetical Investor who, on the Fund Business Day next following the date on which any Removal Value not previously applied toward any Successor Fund Interest would be received by such Hypothetical Investor redeeming out of the relevant amount of Affected Fund Interest, had submitted a valid order to purchase such amount of the Successor Fund Interest; and
- (c) if necessary, the Determination Agent will adjust any relevant terms, including, but not limited to adjustments to account for changes in volatility, investment strategy or liquidity relevant to such Fund Interests or the Notes.

12.5.4 If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall redeem each Note at either its Fund-Linked Early Redemption Amount – Fair Market Value Less Costs or its Fund-Linked Early Redemption Amount – Fair Market Value, as specified in the applicable Final Terms, on such date as the Issuer may notify to Noteholders in accordance with Condition 24 (*Notices*), provided that not less than 10 Business Days' notice of such date is given to Noteholders.

12.6 *Notice of Fund Event*

Notice of the consequences of a Fund Event shall be given to the Noteholders in accordance with Condition 24 (*Notices*) within 10 Business Days of the consequences of a Fund Event having been determined. Such notice shall (i) identify the Affected Fund Interest (if applicable) and the relevant Fund Event and contain a summary of the facts constituting such event, (ii) if applicable, identify the Successor Fund Interest and specify the effective date of such substitution, (iii) if applicable, specify adjustments made or expected to be made by the Determination Agent and (iv) if applicable, specify the date on which the Notes are to be redeemed.

12.7 *Definitions applicable to Fund-Linked Notes*

In relation to Fund-Linked Notes, the following expressions shall have the meanings set out below:

Additional Fund Service Provider means, in respect of any Fund, any person or entity (if any) specified as such in the applicable Final Terms;

Affected Fund Interest means, at any time, any Fund Interest in respect of which the Determination Agent has determined that a Fund Event has occurred;

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 such purposes, **control** of any entity or person means ownership of a majority of the voting power of the entity or person);

Aggregate NAV Trigger Period means the period (if any) specified as such in the applicable Final Terms;

Aggregate NAV Trigger Value means the value (if any) specified as such in the applicable Final Terms;

Averaging Date means, in respect of each Reference Date, either:

- (A) each date specified as such in the applicable Final Terms or, if such date is not a Fund Business Day, the next following Fund Business Day for such Fund or Basket Component (as the case may be); or
- (B) in the case of a Fund Basket Note, where the applicable Final Terms provides that "Common Fund Business Days and Common Disrupted Days" or "Common Fund Business Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Final Terms, or if any such date is not a Common Fund Business Day, the next following Common Fund Business Day for such Basket of Funds,

provided that if any such day is a Disrupted Day, the Averaging Date shall be determined in accordance with the provisions of Condition 12.1 (*Market Disruption, Reference Dates and Averaging Dates*);

Basket of Funds means a basket composed of such Fund Interests in such Funds specified in the applicable Final Terms in the relative proportions or number of Fund Interest Units of each Fund Interest specified in the applicable Final Terms, subject to the provisions of Condition 12.5 (*Fund Events*);

Common Fund Business Day means, in respect of a Fund Basket Note, each day which is a Fund Business Day for all the Basket Components;

Common Valid Date means, in respect of a Fund Basket Note, a Fund Business Day that is not a Disrupted Day for any Basket Component and on which another Averaging Date in respect of the relevant Reference Date does not or is deemed not to occur;

Company means, in respect of a Fund Interest and the related Fund, the entity (if any) specified as such in the applicable Final Terms (if any);

Cut-off Period means, in respect of any date, the period specified in the applicable Final Terms, or if no such period is specified, a period of one calendar year; provided that if a **Final Cut-off Date** is specified in the applicable Final Terms, then any Cut-off Period that would otherwise end after such Final Cut-off Date shall end on such Final Cut-off Date;

Disrupted Day means any day on which a Market Disruption Event has occurred or is continuing;

Eligible Fund Interest means, in respect of any Affected Fund Interest, the interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest (if any) specified as such in the applicable Final Terms;

Extraordinary Dividend means an amount per relevant Fund Interest Unit or other amount of Fund Interest which is not a Scheduled Dividend, or, if the applicable Final Terms specify **Determination Agent Characterisation** as being applicable in relation to such Notes, the characterisation of a dividend or portion thereof as an Extraordinary Dividend shall be determined by the Determination Agent;

Final Cut-off Date means the date specified as such in the applicable Final Terms;

Final Valuation Date means, if there is more than one Valuation Date, the last Valuation Date or, if there is only one Valuation Date, the Valuation Date;

Final Valuation Time means, if there are more than one Valuation Date, the Valuation Time in relation to the last Valuation Date or, if there is only one Valuation Date, the Valuation Time;

Fund means, in respect of any Fund Interest, unless otherwise specified in the applicable Final Terms, the issuer of, or other legal arrangement (including, if applicable, any relevant class or series) giving rise to, the relevant Fund Interest;

Fund Administrator means, in respect of any Fund, any person specified as such in the applicable Final Terms or, if no person is so specified, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities to such Fund according to the Fund Documents;

Fund Adviser means, in respect of any Fund, any person specified as such in the applicable Final Terms, or if no person is so specified, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Fund;

Fund Business Day means, in respect of any Fund Interest and the related Fund, any day specified as such in the applicable Final Terms or, if no day is so specified, any day on which the Fund or the primary Fund Administrator acting on behalf of the Fund is open for business, subject to adjustment in accordance with Condition 12.1 (*Market Disruption, Reference Dates and Averaging Dates*);

Fund Custodian means, in respect of any Fund, any person specified as such in the applicable Final Terms or, if no person is so specified, the fund custodian or similar person with the primary custodial responsibilities in relation to such Fund according to the Fund Documents;

Fund Documents means, in respect of any Fund Interest, the constitutive and governing documents, subscription agreements and other agreements of the related Fund specifying the terms and conditions relating to such Fund Interest (including, without limitation, the Fund Prospectus), in each case as amended from time to time;

Fund Event means, in the determination of the Determination Agent, acting in good faith and a commercially reasonable manner, the occurrence of any of the following events that have been specified in the applicable Final Terms for a Series of Notes as a Fund Event with respect to such Notes:

- (a) *Nationalisation*: in respect of a Fund Interest and the related Fund, all the Fund Interests or all or substantially all the assets of the Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

- (b) *Insolvency Event*: in respect of a Fund Interest and the related Fund (i) the Fund, the related Company and/or any Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (A) through (E) above; or (without prejudice to the foregoing) (ii) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (A) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Fund Interests of that Fund become legally prohibited from transferring them;
- (c) *NAV Trigger/Restriction Event*: in respect of any Fund Interest, (A) the Reported Fund Interest Unit Value has decreased by a percentage equal to, or greater than, the NAV Trigger Percentage(s) during the related NAV Trigger Period, each as specified in the applicable Final Terms; or (B) the related Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
- (d) *Aggregate NAV Trigger Event*: in the case of Fund Basket Notes, the aggregate of the Reported Fund Interest Unit Values for each Fund Interest comprising the Basket has decreased to an amount equal to, or less than, the Aggregate NAV Trigger Value during the related Aggregate NAV Trigger Period, each as specified in the applicable Final Terms;
- (e) *Changes to Fund or Fund Service Providers*: in respect of any Fund Interest and the related Fund: (i) any change in the organisation of the Fund or of any Fund Service Provider without the prior written consent of the Determination Agent including, without limitation, a change of control of, or a change of the main shareholders, managing directors or Key Personnel (if any) of a Fund Service Provider, (ii) any Fund Service Provider ceasing to act in the relevant capacity in relation to the Fund unless immediately replaced in such capacity by a successor acceptable to the Determination Agent or (iii) any delegation or transfer by the Fund Adviser of any of its powers, duties or obligations under the Fund Documents to a third party without the prior written consent of the Determination Agent;

- (f) *Fund Modification*: in respect of any Fund Interest, any change or modification of the related Fund Documents or of any rights attaching to the related Fund Interest Units (including without limitation any change or modification affecting management policy, provisions as to redemption or the charging of expenses or increasing the existing level of, or introducing any new, fees, commissions or other expenses payable to any person, in each case as determined by the Determination Agent) from those prevailing on the Issue Date (in the case of Single Fund Notes) or the date on which any Fund Interest issued by such Fund was first included in the Basket of Funds (in the case of Fund Basket Notes) and which could reasonably be expected to affect the value of such Fund Interest;
- (g) *Strategy Breach*: in respect of any Fund Interest, as determined by the Determination Agent, any material breach of or non-compliance with any investment objective, investment restrictions or other strategy or investment guidelines, subscription and redemption provisions (including, without limitation, the days treated as Fund Business Days) or valuation provisions (including, without limitation, the method of determining the net asset value of the relevant Fund), in each case as set out in the Fund Documents as in effect on the Issue Date or, if later, the date on which such Fund Interest was first included in the Basket of Funds (in the case of Fund Basket Notes);
- (h) *Breach by Fund Service Provider*: in respect of any Fund Interest, the breach by any relevant Fund Service Provider of any obligation (including, without limitation, non-compliance with any investment guidelines relating to such Fund Interest), representation or warranties concerning the relevant Fund (including, without limitation, pursuant to any agreement with the Fund), which breach, if capable of remedy, has not been remedied within 10 calendar days of its occurrence;
- (i) *General Regulatory Event*: (A) in respect of any Fund Interest, (1) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of such Fund Interest or on any investor therein (as determined by the Determination Agent) or (2) the related Fund or any of its Fund Service Providers becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law in relation to any activities relating to or resulting from the operation of such Fund or (B) any event which would have the effect of: (i) imposing on the Issuer and/or any Affiliate or adversely modifying any reserve, special deposit, or similar requirement that would be applicable to the Issuer and/or such Affiliate in relation to the Notes or any related hedging arrangement or (ii) changing the amount of regulatory capital that would have to be maintained by the Issuer and/or any Affiliate in relation to the Notes or any related hedging arrangement;
- (j) *Reporting Disruption*: in respect of any Fund Interest, (A) the occurrence of any event affecting such Fund Interest that, in the determination of the Determination Agent, would make it impossible or impracticable for the Determination Agent to determine the value of such Fund Interest, and such event continues for at least the time period specified in the applicable Final Terms or, if no time period is so specified, the Determination Agent does not expect such event to cease in the foreseeable future; (B) any failure of the related Fund to deliver, or cause to be delivered, (1) information that such Fund has agreed to deliver, or cause to be delivered to the Determination Agent or the Issuer, as applicable, or (2) information that has been previously delivered to the Determination Agent or the Issuer, as applicable, in accordance with such Fund's, or its authorised representative's, normal practice and that the Determination Agent deems necessary for it or the Issuer, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Interest; or (C) the related Fund ceases, for any reason whatsoever (either directly or through any Fund Service Provider acting on its behalf for this purpose) to provide, publish

or make available its net asset value on any Fund Reporting Date and this continues for 10 consecutive Business Days;

- (k) *Compulsory Redemption or Assignment*: in respect of any Fund Interest, (i) the repurchase or redemption by the Fund of all or some of the Fund Interest Units otherwise than at the request of a holder of Fund Interest Units and which the Determination Agent determines could affect a Hypothetical Investor; or (ii) any event or circumstance (whether or not in accordance with the constitutive documents and investment guidelines of the Fund) which would mandatorily oblige a holder of Fund Interest Units to redeem, sell, assign or otherwise dispose of any Fund Interest Units and which the Determination Agent determines could affect a Hypothetical Investor;
- (l) *Closure to Subscriptions; Dealing Restrictions*: in respect of any Fund Interest, (A) the closure of the related Fund to new subscriptions of Fund Interests, or (B) the imposition of any dealing restrictions (including, without limitation, material amendments to relevant documentation, delay (partial or otherwise), suspension or termination (partial or otherwise) of subscription, redemption or settlement) relating to the Fund or transactions in Fund Interests by any Fund Service Provider, any affiliate or agent of any Fund Service Provider, or any intermediary platform through which the Issuer or its affiliates may contract (via a trading agreement or otherwise) in order to carry out transactions in Fund Interests, which, in either case, remains in effect for five consecutive Business Days;
- (m) *Disposals: Material Change: Merger*: in respect of any Fund Interest, (A) a disposal to any person(s) of all, or a material part, of the assets of (x) the related Fund, or (y) any significant Fund Service Provider; or (B) a material change in the business of the Fund or any significant Fund Service Provider, or (C) the merger, amalgamation or consolidation of (1) the related Fund with (x) any other sub-fund or compartment of the Fund or (y) any other collective investment undertaking (or sub-fund or compartment of such other collective investment undertaking, including another Fund), or (2) the relevant Company with any other collective investment undertaking (including, without limitation, another Fund or Company), which, in either case, may, in the determination of the Determination Agent, have an adverse effect on the Fund;
- (n) *Hedging Disruption*: any of the following:
 - (i) the Determination Agent reasonably determines that the Issuer or any Affiliate (a **Hedging Party**) is unable (including without limitation by reason of illegality), or that it is impracticable for a Hedging Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) (each a **Relevant Hedging Transaction**) such Hedging Party deems necessary or appropriate to hedge its exposure to price variations of the Fund Interest (in the case of Single Fund Notes) or the Basket of Funds (in the case of Fund Basket Notes) inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an Affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Fund Interest (in the case of Single Fund Notes) or the Basket of Funds (in the case of Fund Basket Notes) under the Notes, or (ii) realise, recover or remit to any person the proceeds of such transaction or asset; and/or
 - (ii) the Determination Agent reasonably determines that it has become illegal for any Hedging Party to hold, acquire or dispose of Fund Interests relating to the Notes; and/or
 - (iii) the Determination Agent reasonably determines that the Issuer would incur an increased cost in respect of the Relevant Hedging Transactions related to the performance of its obligation under the Notes (including, without limitation, due to any

increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); and/or

- (iv) the Determination Agent reasonably determines that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Issue 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 Relevant Hedging Transaction, or (B) realise, recover or remit the proceeds of any such Relevant Hedging Transaction; unless any such materially increased amount is incurred solely due to the deterioration of the creditworthiness of the Hedging Party,

and such determinations by the Determination Agent may include, but are not limited to, the following: (A) any increased illiquidity in the market for the Fund Interest (in the case of Single Fund Notes) or the Basket of Funds (in the case of Fund Basket Notes) (as compared with circumstances existing on the Issue Date); or (B) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or (C) the general unavailability of market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms;

- (o) *Fraud*: in respect of any Fund Interest and the related Fund, the Fund is the object of a material fraud which may, in the determination of the Determination Agent, have an adverse effect on the Fund or the value of Fund Interest Units; or any act or omission of a Fund Service Provider constitutes fraud (including, but not limited to, theft, misappropriation, mispricing of holdings or concealment of trades), bad faith, wilful misconduct or negligence, as determined by the Determination Agent in its reasonable discretion;
- (p) *Special Regulatory Event*: in respect of any Fund Interest and the related Fund (i) the cancellation, suspension or revocation of the registration or approval of such Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund or (ii) the withdrawal, suspension, cancellation or modification of any license, consent, permit, authorisation or clearance required for the Fund or any one or more of its significant Fund Service Providers to carry out their activities as they are or should be carried out in compliance with applicable law or regulation;
- (q) *Force Majeure Event*: in respect of any Fund Interest and the related Fund, any Fund Service Provider fails to perform any of its obligations pursuant to the Fund Documents to the extent that such performance is prevented, hindered or delayed by a Force Majeure Event, where **Force Majeure Event** means any event due to any cause beyond the reasonable control of the applicable Fund Service Provider, such as unavailability of communications system, failure of or interruptions in power supply or network computer systems, sabotage, fire, flood, explosion, acts of God, civil commotion, riots, insurrection or war; or
- (r) *Value Limitation*: the value of any Fund Interest held by the Issuer and its Affiliates is greater than 10 per cent. of the aggregate net asset value of the relevant Fund (whether or not all of such holding results from hedging transactions entered into in connection with the Notes) and including, where the excess holding results from a reduction in the aggregate net asset value of the relevant Fund;

Fund Event Notice has the meaning given to that term in Condition 12.5 (*Fund Events*);

Fund Interest means an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms;

Fund Interest Unit means, in respect of any Fund Interest and the related Fund, a share in such Fund or, if Fund Interests in such Fund are not denominated as shares, a notional unit of account of ownership in such Fund in the amount specified in the applicable Final Terms;

Fund-Linked Early Redemption Amount – Fair Market Value means, in respect of any Note, an amount determined by the Determination Agent in the Specified Currency specified in the applicable Final Terms, to be the fair market value of a Note based on the market conditions prevailing at the date of determination;

Fund-Linked Early Redemption Amount – Fair Market Value Less Costs means, in respect of any Note, an amount determined by the Determination Agent in the Specified Currency specified in the applicable Final Terms, to be the fair market value of a Note based on the market conditions prevailing at the date of determination reduced to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any Fund Interests, options, swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Notes);

Fund Prospectus means, in respect of any Fund Interest and the related Fund, the prospectus or other offering document issued by such Fund in connection with such Fund Interest, as amended or supplemented from time to time;

Fund Reporting Date means, in respect of any Fund Interest and any Fund Valuation Date, the date on which the Reported Fund Interest Unit Value of such Fund Interest as determined as of such Fund Valuation Date is reported or published;

Fund Service Provider means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, to that Fund, whether or not specified in the Fund Documents, including without limitation any Fund Adviser, Fund Administrator, Fund Custodian and Additional Fund Service Provider;

Fund Subscription Date means, in respect of any Fund Interest, the date specified as such in the applicable Final Terms or, if no such date is specified, the day as of which a request by a Hypothetical Investor for subscription to such Fund Interest that has been submitted on the related Subscription Notice Date and in a form and substance acceptable to the related Fund would be considered effective by such Fund;

Fund Valuation Date means, in respect of any Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) determines the value of such Fund Interest or, if the related Fund only reports its aggregate net asset value, the date as of which such Fund determines its aggregate net asset value;

Hedging Party has the meaning given in the definition of Fund Event above;

Hypothetical Investor means, unless otherwise specified in the applicable Final Terms, in respect of any Fund Interest, a hypothetical investor in such Fund Interest located in the Hypothetical Investor Jurisdiction and deemed to have (a) the benefits and obligations, as provided under the Fund Documents, of an investor holding, as of the related Fund Subscription Date, an interest in the relevant Fund in an amount equal to the relevant number of relevant Fund Interest Units or amount of such Fund Interest; (b) in the case of any deemed redemption of such Fund Interest, to have submitted to the relevant Fund on the relevant Redemption Notice Date, a duly completed notice requesting redemption of the relevant number of Fund Interest Units; and (c) in the case of any deemed investment in such Fund Interest, to have submitted, on the Subscription Notice Date, a duly completed notice to the relevant Fund, requesting subscription to the relevant number of Fund Interest Units;

Hypothetical Investor Jurisdiction means the jurisdiction specified as such in the applicable Final Terms or, if no jurisdiction is so specified, the jurisdiction of incorporation of the Issuer;

Market Disruption Event means any of the following events as determined by the Determination Agent:

- (a) in respect of any Fund Interest, the failure of a Scheduled Fund Valuation Date to be a Fund Valuation Date or any continued postponement of such Fund Valuation Date; or
- (b) in respect of any Fund Interest, there is a failure by the Fund to pay the full amount (whether expressed as a percentage or otherwise) of the Redemption Proceeds with respect to the relevant number of Fund Interest Units or amount of such Fund Interest scheduled to have been paid on or by such day according to the Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of such Fund Interests);
- (c) the inability (including by reason of illegality) of, or the impracticability for, a Hedging Party to (i) unwind or dispose of any transaction it has entered into, or any asset it holds, in either case for the purpose of hedging its exposure to price variations of the Fund Interest (in the case of Single Fund Notes) or the Basket of Funds (in the case of Fund Basket Notes) inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Fund Interest (in the case of Single Fund Notes) or the Basket of Funds (in the case of the Fund Basket Notes) under the Notes, or (ii) realise, recover or remit to any person the proceeds of any such transaction or asset,
- (d) provided that if any event would otherwise be both a Market Disruption Event and Fund Event, such event shall be treated solely as a Fund Event;

NAV Trigger Percentage means the percentage (if any) specified as such in the applicable Final Terms;

NAV Trigger Period means the period (if any) specified as such in the applicable Final Terms;

Net Present Value means, in respect of an amount payable on a future date, the discounted value of such amount as calculated by the Determination Agent in its reasonable discretion taking into account the relevant interbank offered rate at the time of such calculation for one month deposits in the relevant currency or such other reference rate as the Determination Agent determines to be appropriate;

Number of Fund Interest Units means, in the case of Fund Basket Notes, at any time, in respect of the Fund Interest Units of each Fund comprised in the Basket of Funds at such time, the number of such Fund Interest Units per Basket of Funds specified or otherwise determined as provided in the applicable Final Terms;

Potential Adjustment Event means, in respect of any Fund Interest, any of the following events in the determination of the Determination Agent:

- (a) a subdivision, consolidation or reclassification of the relevant amount of Fund Interest, or a free distribution or dividend of any such Fund Interest to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Fund Interest of (A) an additional amount of such Fund Interest, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Fund equally or

proportionately with such payments to holders of such Fund Interest, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Fund as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Determination Agent;

- (c) an Extraordinary Dividend; or
- (d) a repurchase by the Fund of relevant Fund Interests whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interests initiated by an investor in such Fund Interests;

Redemption Notice Date means, in respect of any Fund Interest and any Reference Date or Averaging Date, the date specified as such in the applicable Final Terms or, if no date is so specified, the last date on which a Hypothetical Investor in such Fund Interest would be permitted, pursuant to the Fund Documents of the related Fund, to submit a redemption notice that would be timely for a redemption as of the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Reference Date or Averaging Date;

Redemption Proceeds means, in respect of the relevant number of Fund Interest Units or amount of any Fund Interest, the redemption proceeds that in the determination of the Determination Agent would be paid by the related Fund to a Hypothetical Investor who, as of the relevant Redemption Valuation Date, redeems such number of Fund Interest Units or amount of Fund Interest (for the avoidance of doubt after deduction of any tax, levy, charge, assessment or fee of any nature that, in the determination of the Determination Agent, would (or would be very likely to) be withheld or deducted from such amount); provided that (a) any such proceeds that would be paid in property other than cash shall be deemed to have a value of zero and (b) if the Hypothetical Investor would be entitled to elect payment of such redemption proceeds to be made either in the form of cash or other property, then the Hypothetical Investor shall be deemed to have elected cash payment, except as otherwise specified in the applicable Final Terms;

Redemption Valuation Date means, in respect of any Fund Interest and any Scheduled Redemption Valuation Date, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) determines the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that has submitted a valid notice for redemption on or before the related Redemption Notice Date;

Reference Date means, for the purposes of Condition 12.1 (*Market Disruption, Reference Dates and Averaging Dates*), each Valuation Date specified in the applicable Final Terms, or otherwise, any date construed to be a Reference Date in accordance with the Conditions;

Reference Price means:

- (a) in the case of Single Fund Notes, the Relevant Fund Interest Unit Price; and
- (b) in the case of Fund Basket Notes, the price per Basket of Funds determined as provided in the applicable Final Terms as of the Final Valuation Time on the Final Reference Date or, if no means of determining such price are so provided, the sum of the values calculated as of the Final Valuation Time on the Final Reference Date for each Fund Interest Unit comprising the Basket of Funds as the product of the Relevant Fund Interest Unit Price of such Fund Interest Unit and the relevant Number of Fund Interest Units comprised in the Basket of Funds,

when calculating the Relevant Fund Interest Unit Price of any Fund Interest Unit for the purposes of determining the Reference Price, the Valuation Time and the Reference Date will be the Final Valuation Time and the Final Reference Date, respectively;

Relevant Fund Interest Unit Price means, in respect of a Fund Interest and any Reference Date or Averaging Date, the amount per related Fund Interest Unit, determined by the Determination Agent as being equal to the Redemption Proceeds relating to such Fund Interest Unit that in the determination of the Determination Agent would be received by a Hypothetical Investor in such Fund Interest in respect of a redemption of Fund Interest Units targeted to be effected as of the Scheduled Redemption Valuation Date relating to such Reference Date or Averaging Date, as the case may be;

Removal Value means, in respect of any Affected Fund Interest, the value calculated by the Determination Agent in the same manner as would be used in determining the Relevant Fund Interest Unit Price of Fund Interest Units in the related Fund, but assuming a valid notice requesting redemption of Fund Interest Units in such Fund has been submitted to such Fund on the Fund Business Day next following delivery of the relevant Fund Event Notice;

Reported Fund Interest Unit Value means, in respect of any Fund Interest and a Fund Reporting Date relating to such Fund Interest, the value per Fund Interest Unit as of the related Fund Valuation Date or, if the related Fund reports only its aggregate net asset value, the portion of such Fund's aggregate net asset value relating to one Fund Interest Unit, in each case as reported on such Fund Reporting Date by the Fund Service Provider that generally reports such value on behalf of the Fund to its investors or a publishing service;

Scheduled Averaging Date means an original date (following any adjustment (if applicable) pursuant to paragraph (i) or (ii) in the definition of "Averaging Date") that, but for such day being a Disrupted Day, would have been an Averaging Date;

Scheduled Dividend means any amount of Fund Interest specified in the Schedule of Ordinary Dividends;

Scheduled Fund Valuation Date means, in respect of any Fund Interest, the date specified in the applicable Final Terms as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests), to determine the value of such Fund Interest or, if the related Fund only reports its aggregate net asset value, the date as of which such Fund determines its aggregate net asset value;

Schedule of Ordinary Dividends means, in respect of any Fund Interest and any Series of Notes, the schedule of dividends expected to be paid by the relevant Fund, as specified in the applicable Final Terms;

Scheduled Redemption Payment Date means, in respect of any Fund Interest and any Scheduled Redemption Valuation Date, the date specified as such in the applicable Final Terms or, if not so specified, the date by which the related Fund is scheduled to have paid, according to its Fund Documents, all or a specified portion of the Redemption Proceeds to an investor that has submitted a timely and valid notice requesting redemption of such Fund Interest as of such Scheduled Redemption Valuation Date;

Scheduled Redemption Valuation Date means, in respect of any Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the net

asset value of such Fund Interest for the purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date; the Scheduled Redemption Valuation Date relating to any Reference Date or Averaging Date, as the case may be, shall be the date specified as such in the applicable Final Terms or, if no such date is specified, the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Reference Date or Averaging Date, as the case may be;

Scheduled Reference Date means, for the purposes of Condition 12.1 (*Market Disruption, Reference Dates and Averaging Dates*), any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Reference Date;

Subscription Notice Date means, in respect of any Fund Interest and any Fund Subscription Date, the date specified as such in the applicable Final Terms or, if no date is so specified, the last date on which a notice to subscribe to such Fund Interest may be submitted pursuant to the Fund Documents of the related Fund and be considered effective as of such Fund Subscription Date; If the applicable Final Terms do not specify a Subscription Notice Date or a Fund Subscription Date, the Subscription Notice Date shall be deemed to be the Issue Date;

Valid Date means a Fund Business Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Reference Date does not or is not deemed to occur;

Valuation Date means each date specified as such or specified as an **Observation Date, Interest Determination Date, Determination Date or Strike Date** in the applicable Final Terms, **provided that** if any such date is (i) not a Fund Business Day, and/or (ii) a Disrupted Day, the relevant Valuation Date shall be determined in accordance with the provisions of Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*); and

Valuation Time means the time on the Reference Date specified as such in the applicable Final Terms or, if no time is so specified, the close of business in the Hypothetical Investor Jurisdiction on the relevant Reference Date.

13. PROVISIONS RELATING TO FUTURES CONTRACT-LINKED NOTES

This Condition 13 (*Provisions Relating to Futures Contract-Linked Notes*) is applicable only in relation to Notes specified in the relevant Final Terms as being Single Futures Contract-Linked Notes or Futures Contract Basket-Linked Notes.

13.1 *Market Disruption, Reference Dates and Averaging Dates*

- (a) If a Reference Date is not a Scheduled Trading Day, the relevant Reference Date shall be the next succeeding Scheduled Trading Day or, if either “Common Scheduled Trading Days and Common Disrupted Days” or “Common Scheduled Trading Days and Individual Disrupted Days” is specified to be applicable in the applicable Final Terms, the next succeeding Common Scheduled Trading Day.
- (b) Subject to Condition 13.1(d) below, if any Scheduled Reference Date is a Disrupted Day, then:
 - (i) in the case of a Single Futures Contract-Linked Note, the relevant Reference Date shall be the earlier of (i) the first succeeding Scheduled Trading Day that is not in the determination of the Determination Agent a Disrupted Day and (ii) the Reference Cut-Off Date (notwithstanding that such Scheduled Trading Day is a Disrupted Day).
 - (ii) in the case of a Futures Contract Basket-Linked Note:

- (A) where “Individual Scheduled Trading Days and Individual Disrupted Days” is specified to be applicable in the relevant Final Terms, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:
 - (1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and
 - (2) the Reference Date for any Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an **Affected Basket Component**) shall be the earlier of (A) the first Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component; and (B) the Reference Cut-Off Date for such Affected Basket Component (notwithstanding that such day may not be a Scheduled Trading Day).
 - (B) where “Common Scheduled Trading Days and Common Disrupted Days” is specified to be applicable in the relevant Final Terms, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then the Reference Date for each Basket Component shall be the earlier of (i) the first Common Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day with respect to any Basket Component; and (ii) the Reference Cut-Off Date (notwithstanding that such day may not be a Common Scheduled Trading Day).
 - (C) where “Common Scheduled Trading Days and Individual Disrupted Days” is specified to be applicable in the relevant Final Terms, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Basket Component, then:
 - (1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and
 - (2) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an **Affected Basket Component**) shall be the earlier of (A) the first Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component; and (B) the Reference Cut-Off Date for such Affected Basket Component (notwithstanding that such day may not be a Common Scheduled Trading Day or a Scheduled Trading Day).
- (iii) in the case of any Single Futures Contract-Linked Note or Futures Contract Basket-Linked Note (as the case may be), where a Reference Date falls on the relevant Reference Cut-Off Date pursuant to Condition 13.1(b)(ii), then:
- (A) if such Reference Cut-Off Date is not a Disrupted Day for such Single Futures Contract-Linked Note or Futures Contract Basket-Linked Note (as the case may be), the Determination Agent shall determine the value of such Futures Contract as at the Determination Time on such Reference Cut-Off Date; or
 - (B) if such Reference Cut-Off Date is a Disrupted Day, in respect of Single Futures Contract-Linked Notes and Futures Contract Basket-Linked Notes, the

Determination Agent shall determine its estimate of the value for such Futures Contract as of the Determination Time on such Reference Cut-Off Date, acting in good faith and a commercially reasonable manner.

- (c) Subject to Condition 13.1(d) below, if Averaging Dates are specified in the applicable Final Terms as being applicable, then, notwithstanding any other provisions of these Conditions (other than Condition 13.1(d)), the following provisions will apply to the valuation of the relevant Futures Contract in relation to the relevant Reference Date:
- (i) If, in respect of a Single Futures Contract-Linked Note, a Scheduled Averaging Date is determined by the Determination Agent to be a Disrupted Day, then if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is:
- (A) **Omission**, then such date will be deemed not to be a relevant Averaging Date in respect of such Reference Date for the purposes of determining the level, price, value or amount **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Reference Date, then Condition 13.1(b) will apply for purposes of determining the Relevant Underlying Value on the final Averaging Date in respect of that Reference Date as if such final Averaging Date were a Reference Date that was a Disrupted Day;
- (B) **Postponement**, then Condition 13.1(b) will apply for the purposes of determining the level, price, value or amount on that date as if such date were a Reference Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the relevant Notes; or
- (C) **Modified Postponement**, then the Averaging Date shall be the earlier of (I) the first Valid Date following the Scheduled Averaging Date and (II) the Averaging Cut-Off Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date.
- (ii) If, in respect of a Futures Contract Basket-Linked Note, a Scheduled Averaging Date in respect of a Reference Date is determined by the Determination Agent to be a Disrupted Day in respect of any Basket Component, then:
- (A) where "Individual Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the relevant Final Terms:
- (1) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Omission":
- (a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
- (b) such date shall not be an Averaging Date in respect of such Reference Date for any Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an **Affected Basket Component**), provided that if through the operation of this provision there would not be any Averaging Date in respect of such Reference Date for the Affected Basket Component, then the sole Averaging Date for such Affected Basket Component shall be the earlier of (I) the first Scheduled Trading Day following the final Scheduled Averaging Date that is not a Disrupted Day in respect of each such Affected Basket

Component and (II) the Averaging Cut-Off Date for such Affected Basket Component;

- (2) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Postponement":
 - (a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an **Affected Basket Component**) shall be the earlier of (I) the first Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component. Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 13.1(c)(ii)(A)(2)(b) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or
- (3) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Modified Postponement":
 - (a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an **Affected Basket Component**) shall be the earlier of (I) the first Valid Date following the Scheduled Averaging Date in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;
- (B) where "Common Scheduled Trading Days and Common Disrupted Days" is specified to be applicable in the relevant Final Terms:
 - (1) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Omission", such date will be deemed not to be a relevant Averaging Date in respect of any Basket Component for the purposes of determining the level, price, value or amount **provided that**, if through the operation of this provision there would be no Averaging Date in respect of such Reference Date, then the sole Averaging Date for each Basket Component shall be the earlier of (A) the first Common Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day for any Basket Component and (B) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day);
 - (2) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Postponement", then the Averaging Date

shall be the earlier of (A) the first Common Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of any Basket Component and (B) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day). Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 13.1(c)(ii)(B)(2) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

- (3) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Modified Postponement", then the Averaging Date for each Basket Component shall be the earlier of (I) the first Common Valid Date following the Scheduled Averaging Date and (II) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day), irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;
- (C) where "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the relevant Final Terms:
- (1) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Omission":
 - (a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (b) such date shall not be an Averaging Date in respect of such Reference Date for any Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an **Affected Basket Component**), provided that if through the operation of this provision there would not be any Averaging Date in respect of such Reference Date for the Affected Basket Component, then the sole Averaging Date for such Affected Basket Component shall be the earlier of (I) the first Scheduled Trading Day following the final Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component (notwithstanding the fact that such day may not be a Common Scheduled Trading Day);
 - (2) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Postponement":
 - (a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an **Affected Basket Component**) shall be the earlier of (I) the first Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date

for such Affected Basket Component (notwithstanding the fact that such day not be a Common Scheduled Trading Day). Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 13.1(c)(ii)(C)(2)(b) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

- (3) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Modified Postponement":
 - (a) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (b) the Averaging Date for each Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Basket Component, an **Affected Basket Component**) shall be the earlier of (I) the first Valid Date (that is a Scheduled Trading Day) following the Scheduled Averaging Date in respect of such Affected Basket Component and (II) the Averaging Cut-Off Date for such Affected Basket Component, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;
- (iii) If, in respect of any Single Futures Contract-Linked Note or Futures Contract Basket-Linked Note (as the case may be), an Averaging Date falls on the relevant Averaging Cut-Off Date pursuant to Condition 13.1(c)(ii):
 - (A) if such Averaging Cut-Off Date is not a Disrupted Day for such Single Futures Contract-Linked Note or Futures Contract Basket-Linked Note (as the case may be), the Determination Agent shall determine the value of such Futures Contract as at the Determination Time on such Averaging Cut-Off Date; or
 - (B) if such Averaging Cut-Off Date is a Disrupted Day in respect of Single Futures Contract-Linked Note or Futures Contract Basket-Linked Note (as the case may be), the Determination Agent shall determine its estimate of the value for such Futures Contract as of the Determination Time on such Averaging Cut-Off Date, acting in good faith and a commercially reasonable manner.
- (iv) If any Averaging Dates in relation to a Reference Date occur after that Reference Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Interest Payment Date, Maturity Date or (ii) the occurrence of a Futures Contract Adjustment Event or an Additional Disruption Event shall be determined by reference to the last such Averaging Date as though it were that Reference Date.
- (d) If in respect of a Futures Contract and a Reference Date, a Scheduled Reference Date or Scheduled Averaging Date is specified to be the Expiry Date in the relevant Final Terms and due to the Scheduled Reference Date or Scheduled Averaging Date (as the case may be) being a Disrupted Day (or for any other reason), the final settlement price has been announced and published on or prior to the Scheduled Reference Date or Scheduled Averaging Date (as the case may be), then the Reference Date or Averaging Date (as the case may be) for such Futures Contract shall fall on the Expiry Date and the provisions of Conditions 13.1(b) and (c) above shall not apply to such Futures Contract and Scheduled Reference Date or Scheduled Averaging Date (as the case may be).

- (e) If an event or circumstance that would otherwise constitute or give rise to a Disrupted Day also constitutes a Futures Contract Adjustment Event, the Determination Agent shall determine whether such event or circumstance shall be treated as a Disrupted Day or a Futures Contract Adjustment Event.

13.2 *Administrator/Benchmark Event or Disappearance or Non-commencement of Futures Contract or Settlement Price*

If the applicable Final Terms specify that the Benchmark Trigger Provisions are applicable and, on or prior to any Reference Date, (i) an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occurs or (ii) a Disappearance or Non-commencement of Futures Contract or Settlement Price occurs, in each case in respect of a relevant Futures Contract, then:

- (i) If the applicable Final Terms specify that the Benchmark Trigger Provisions are applicable and if an Alternative Pre-nominated Futures Contract has been specified in relation to such Futures Contract in the applicable Final Terms, then:

- (A) the Determination Agent shall attempt to determine an Adjustment Payment;

- (B) if the Determination Agent determines an Adjustment Payment,

- (aa) it shall notify the Issuer of the Adjustment Payment and if the Adjustment Payment is an amount that the Noteholder would (but for Condition 13.2(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Note, request the Issuer to notify the Determination Agent whether it intends to redeem the Notes pursuant to Condition 13.4(ii) (*Redemption*). If the Issuer does not intend to redeem the Notes pursuant to Condition 13.4(ii) (*Redemption*) then the following provisions of this Condition 13.2(i) (*Administrator/Benchmark Event or Disappearance or Non-commencement of Futures Contract or Settlement Price*) shall apply;

- (bb) the terms of the Notes shall be amended so that references to the Futures Contract are replaced by references to the Alternative Pre-nominated Futures Contract;

- (cc) the Conditions shall be adjusted to implement the Adjustment Payment as follows:

- a. if the Adjustment Payment is an amount that the Issuer is required to pay in respect of each Note, the Determination Agent shall adjust the Conditions to provide for the payment of the Adjustment Payment on the immediately succeeding Interest Payment Date or if there is no such immediately succeeding Interest Payment Date, on the Maturity Date or other date when the Notes are redeemed in full; or

- b. if the Adjustment Payment is an amount that the Noteholder would (but for this Condition 13.2(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Note, the Determination Agent shall adjust the Conditions to provide for the reduction of the amounts due by the Issuer until the aggregate amount of such reductions is equal to the Adjustment Payment, (subject, in the determination of the Determination Agent, to any minimum redemption amount of the Notes which the Determination Agent determines is required

pursuant to any applicable law or regulation (including, without limitation, any tax law) and the rules of each listing authority, stock exchange and/or quotation system by which the Notes have then been admitted to listing, trading and/or quotation);

- (dd) the Determination Agent shall, acting in good faith and a commercially reasonable manner, make such other adjustments to the Conditions as it determines necessary or appropriate in order to account for the effect of the replacement of the Futures Contract with the Alternative Pre-nominated Futures Contract and/or to preserve as nearly as practicable the economic equivalence of the Notes before and after the replacement of the Futures Contract with the Alternative Pre-nominated Futures Contract; and
 - (ee) the Determination Agent shall notify the Issuer, the Fiscal Agent and the Noteholders of any replacement of the Futures Contract by the Alternative Pre-nominated Futures Contract, the Adjustment Payment and any other adjustments to the Conditions, giving summary details of the adjustment(s), provided that any failure to give such notice shall not affect the validity of the foregoing.
- (C) If the Determination Agent is unable to determine an Adjustment Payment then Condition 13.4(ii) (*Redemption*) shall apply.
- (ii) If the applicable Final Terms do not specify that the Benchmark Trigger Provisions are applicable or, if the Final Terms specify that the Benchmark Trigger Provisions are applicable but do not specify an Alternative Pre-nominated Futures Contract in relation to the relevant Futures Contract, then Condition 13.4(ii) (*Redemption*) shall apply.
 - (iii) If it (A) is or would be unlawful at any time under any applicable law or regulation or (B) would contravene any applicable licensing requirements, in each case for the Issuer, the Determination Agent or the Calculation Agent to perform the actions prescribed in this Condition 13.2 (*Administrator/Benchmark Event or Disappearance or Non-commencement of Futures Contract or Settlement Price*) (or it would be unlawful or would contravene those licensing requirements were a determination to be made at such time), then Condition 13.4(ii) (*Redemption*) shall apply.

13.3 *Futures Contract Adjustment Events:*

If so specified in the Final Terms relating to any Series of Futures Contract-Linked Notes, the following shall constitute **Futures Contract Adjustment Events** for the purposes of such Series:

- (i) **Price Source Disruption**, which means (i) the failure of the Futures Contract Sponsor to announce or publish the Settlement Price (or the information necessary for determining the Settlement Price) or (ii) the failure by the relevant Exchange to publish the Settlement Price;
- (ii) **Trading Restriction**, which means the material suspension of, or the material limitation imposed on, trading in (i) the Futures Contract on the Exchange or (ii) any relevant Futures Contract Underlier(s).
- (iii) **Disappearance or Non-commencement of Futures Contract or Settlement Price**, which means (i) the permanent discontinuation of the Futures Contract or of trading in the relevant Futures Contract on the relevant Exchange or (ii) the disappearance or

permanent discontinuance or unavailability of a Settlement Price or (iii) trading in the relevant Futures Contract never commenced and, in any such case, no Successor Futures Contract exists provided that the scheduled expiry of a Futures Contract in accordance with the relevant contract specifications shall not constitute the Disappearance or Non-commencement of Futures Contract or Settlement Price;

- (iv) **Material Change in Formula**, which means the occurrence since the Trade Date of a material change or modification in the formula for or method of calculating the settlement price or other price of the relevant Futures Contract;
- (v) **Material Change in Content**, which means the occurrence since the Trade Date of a material change or modification in the content, composition or constitution of the relevant Futures Contract;
- (vi) **Tax Disruption**, which 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 Futures Contract (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the level, price, value or amount on the day that would otherwise be a Reference Date from what it would have been without that imposition, change or removal.
- (vii) **Change of Exchange**, which means that the Futures Contract is no longer negotiated on the Exchange and/or under a market-standard format as of the Trade Date but is negotiated on an exchange and/or under a format that is not acceptable to the Determination Agent.
- (viii) **Illiquidity Event**, which means that in the determination of the Determination Agent, the liquidity of the Futures Contract has decreased significantly since the Trade Date, such decrease of liquidity being likely to have a material impact on any hedging arrangements of the Issuer and/or any of its Affiliates in connection with the Notes.

13.4 *Adjustments for Futures Contract Adjustment Events:*

(i) *Adjustment*

If a Futures Contract Adjustment Event which is a Price Source Disruption, a Trading Disruption, a Material Change in Formula, a Material Change in Content, a Tax Disruption, a Change of Exchange or an Illiquidity Event occurs, the Determination Agent shall determine if such Futures Contract Adjustment Event has a material effect on the Notes and, if so, subject to Condition 13.4(ii) (*Redemption*), shall, acting in good faith and a commercially reasonable manner:

- (A) make such adjustments to the Conditions and/or the applicable Final Terms as the Determination Agent determines necessary or appropriate to account for the effect of such Futures Contract Adjustment Event and determine the effective date of each such adjustment; and/or
- (B) substitute such Futures Contract with a new Futures Contract selected by the Determination Agent (which shall be a replacement futures contract using, in the determination of the Determination Agent, the same or a substantially similar formula and method of calculation as used in the calculation of the Futures Contract or a replacement futures contract selected by the Determination Agent in accordance with any other criteria specified in the applicable Final Terms) and make such adjustments (if any) to the Conditions

and/or the applicable Final Terms as it deems necessary or appropriate in relation to such substitution. Such new futures contract shall be deemed to be a Futures Contract in place of the Futures Contract the subject of the Futures Contract Adjustment Event.

The Fiscal Agent shall provide notice to the Noteholders of any such adjustment in accordance with Condition 24.8 (*Notices*), giving summary details of the adjustment, provided that any failure to give such notice shall not affect the validity of any such adjustment.

If the Determination Agent determines that no calculation, adjustment and/or substitution can reasonably be made pursuant to the above, Condition 13.4(ii) (*Redemption*) shall apply.

(ii) *Redemption*

If either:

- (A) a Futures Contract Adjustment Event which is a Disappearance or Non-commencement of Futures Contract or Settlement Price occurs or an Administrator/Benchmark Event and an Administrator/Benchmark Event Date occurs and:
 - (1) the Final Terms do not specify that the Benchmark Trigger Provisions are applicable;
 - (2) the Final Terms specify that the Benchmark Trigger Provisions are applicable but do not specify an Alternative Pre-nominated Futures Contract;
 - (3) the Final Terms specify that the Benchmark Trigger Provisions are applicable and specify an Alternative Pre-nominated Futures Contract but the Determination Agent is unable to determine the Adjustment Payment;
 - (4) the Final Terms specify that the Benchmark Trigger Provisions are applicable and specify an Alternative Pre-nominated Futures Contract and the Determination Agent determines that the Adjustment Payment would be an amount that the Noteholder would (but for Condition 13.2(i)(B)(cc)(b)) be required to pay to the Issuer in respect of each Note; or
 - (5) it (a) would be unlawful at any time under any applicable law or regulation or (b) would contravene any applicable licensing requirements, in each case for the Determination Agent to calculate the level, price, value or amount in accordance with Condition 13.4(i) (*Adjustment*); or
- (B) any Futures Contract Adjustment Event (other than a Disappearance or Non-commencement of Futures Contract or Settlement Price) occurs and the Determination Agent determines that no calculation, adjustment and/or substitution can reasonably be made pursuant to Condition 13.4(i),

then the Issuer may, at any time thereafter and in its reasonable discretion, determine that the Notes shall be redeemed as of any later date. If the Issuer so determines that the Notes shall be redeemed, then the Issuer shall give not less than five Business Days' notice to the Noteholders to redeem the Notes and upon redemption the Issuer will pay in respect of each Note an amount equal to either:

- (x) if "**Early Redemption Amount (Futures Contract Adjustment Event) – Fair Market Value Less Costs**" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its reasonable discretion; or
- (y) if "**Early Redemption Amount (Futures Contract Adjustment Event) – Fair Market Value**" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (**provided** that such day is not more than 15 days before the date fixed for redemption of the Note), as calculated by the Determination Agent in its reasonable discretion.

The Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent considers appropriate, if any, to any variable relevant to the redemption, settlement or payment terms of the relevant Notes and/or any other adjustment, which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Fiscal Agent shall provide notice to the Noteholders of any such change or adjustment, giving summary details of the relevant change or adjustment, in accordance with Condition 22.8 (*Notices*), provided that any failure to give such notice shall not affect the validity of any such change or adjustment.

13.5 *Correction of Futures Contract Prices:*

If any settlement price announced by the Futures Contract Sponsor or published by the Exchange and which is utilised by the Determination Agent for any calculation or determination (the **Original Determination**) under the Notes is subsequently corrected and the correction (the **Corrected Value**) is published by the Futures Contract Sponsor by such time (the **Correction Cut Off Time**) as may be specified in the relevant Final Terms (or, if none is so specified, at least 3 Business Days prior to the relevant Interest Payment Date, Maturity Date or any early redemption date of the Futures Contract-Linked Notes), then the Determination Agent will notify the Issuer and the Fiscal Agent of the Corrected Value as soon as reasonably practicable and shall determine the relevant value (the **Replacement Determination**) using the Corrected Value. If the result of the Replacement Determination is different from the result of the Original Determination, to the extent that it determines to be necessary and practicable, the Determination Agent may adjust any relevant terms accordingly.

In the event there is any discrepancy between any settlement price published or announced by the Futures Contract Sponsor and the Exchange any which is used by the Determination Agent for any calculation or determination under the Notes and that is not otherwise corrected

pursuant to this Condition 13.5, the settlement price selected by the Determination Agent acting in good faith and a commercially reasonable manner shall prevail for the relevant day.

13.6 *Additional Disruption Events:*

- (a) Following the occurrence of an Additional Disruption Event, the Issuer will, in its reasonable discretion, determine whether or not the relevant Notes shall continue or shall be redeemed early.
- (b) If the Issuer determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its reasonable discretion, considers appropriate, if any, to the formula for the Final Redemption Amount, any Interest Amount and/or the level, price, value or amount set out in the relevant Final Terms, the number of Futures Contracts comprised in a Basket of Futures Contracts, the amount, the number of or type of shares, futures contracts or other securities which may be delivered under such Notes and, in any case, any other variable relevant to the redemption, settlement or payment terms of the relevant Notes and/or any other adjustment (including without limitation, in relation to Futures Contract Basket-Linked Notes, the cancellation of terms applicable in respect of any Futures Contracts affected by the relevant Additional Disruption Event), to account for the economic effect on the Notes of such Additional Disruption Event, which change or adjustment shall be effective on such date as the Determination Agent shall determine.
- (c) If the Issuer determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to redeem the Notes and the Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of an amount equal to either:
 - (i) if "**Early Redemption Amount (Additional Disruption Event) – Fair Market Value Less Costs**" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its reasonable discretion; or
 - (ii) if "**Early Redemption Amount (Additional Disruption Event) – Fair Market Value**" is specified in the Final Terms, the fair market value of such Note, on such day as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), as calculated by the Determination Agent in its reasonable discretion.
- (d) The Issuer shall as soon as reasonably practicable under the circumstances notify the Fiscal Agent and the Determination Agent of the occurrence of an Additional Disruption Event.
- (e) For the purposes hereof:

Additional Disruption Event means with respect to any Series of Futures Contract-Linked Notes any or all of a Change in Law, a Hedging Disruption and an Increased Cost of Hedging, as have been specified in the relevant Final Terms as an applicable Additional Disruption Event with respect to such Notes.

13.7 *Definitions applicable to Futures Contract-Linked Notes:*

In relation to Futures Contract-Linked Notes, the following expressions have the meanings set out below:

Adjustment Payment means, in respect of any Note, the payment (if any) determined by the Determination Agent as is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value to or from the Issuer as a result of the replacement of a Futures Contract by the Alternative Pre-nominated Futures Contract. The Determination Agent may determine that the Adjustment Payment is zero;

Alternative Pre-nominated Futures Contract means, in respect of a Futures Contract, the first of the indices, benchmarks or other price sources specified in the applicable Final Terms as an "Alternative Pre-nominated Futures Contract" that is not subject to an Administrator/Benchmark Event;

Averaging Cut-Off Date means, in the case where Notes relate to a Futures Contract or Basket of Futures Contracts and in respect of a Scheduled Averaging Date for the purposes of Condition 13.1 (*Reference Dates, Averaging Dates and Market Disruption*) the date falling the Specified Number of Scheduled Trading Days or the Specified Number of Common Scheduled Trading Days (as the case may be) following the Scheduled Averaging Date, or if no such number is specified:

- (a) if "Common Scheduled Trading Days and Common Disrupted Days" in respect of a Basket of Futures Contracts is specified to be applicable in the Final Terms, the eighth Common Scheduled Trading Day following such Scheduled Averaging Date; or
- (b) in any other case, the eighth Scheduled Trading Day following such Scheduled Averaging Date;

Averaging Date means, in respect of each Reference Date, either:

- (a) in the case of (i) a Single Futures Contract-Linked Note or (ii) a Futures Contract Basket-Linked Note where the applicable Final Terms provides that "Individual Scheduled Trading Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day for such (or the relevant) Futures Contract or Basket Component (as the case may be); or
- (b) in the case of a Futures Contract Basket-Linked Note, where the applicable Final Terms provides that either "Common Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Final Terms, or if any such date is not a Common Scheduled Trading Day, the next following Common Scheduled Trading Day for such Basket of Futures Contracts,

provided that if any such day is a Disrupted Day, the Averaging Date shall be determined in accordance with the provisions of Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*);

Basket means in relation to any Futures Contract Basket-Linked Notes, the Futures Contracts specified in the applicable Final Terms as comprising the Basket, in each case in the relative proportions specified in such Final Terms;

Basket Component means, in relation to a particular Series of Futures Contract Basket-Linked Notes, each Futures Contract comprised in the relevant Basket of Futures Contracts;

Basket of Futures Contracts means, in relation to a particular Series, a basket comprising the Futures Contracts specified in the applicable Final Terms in the relative proportions specified in such Final Terms;

Change in Law means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it has become illegal to hold, acquire or dispose of any relevant Futures Contracts, or (y) it will incur a materially increased cost in performing its obligations with respect to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

Common Scheduled Trading Day means, in respect of a Futures Contract Basket-Linked Note, each day which is a Scheduled Trading Day for all the Basket Components;

Common Valid Date means, in respect of a Futures Contract Basket-Linked Note, a Common Scheduled Trading Day that is not a Disrupted Day for any Basket Component and on which another Averaging Date does not or is deemed not to occur;

Determination Date means, in relation to any determination, each date specified as such in the relevant Final Terms, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Determination Date shall be determined in accordance with the provisions of Condition 13.1 (*Reference Dates, Averaging Dates and Market Disruption*);

Determination Time means, in respect of a Futures Contract, the time at which the Settlement Price is announced or published (or, in the case of a Disrupted Day, scheduled to be announced or published in accordance with the terms of such Futures Contract);

Disrupted Day means any Scheduled Trading Day on which a Market Disruption Event has occurred or is continuing;

Exchange means, in respect of a Futures Contract relating to Single Futures Contract-Linked Notes or Futures Contract Basket-Linked Notes, each exchange or quotation system specified as such for such Futures Contract in the applicable Final Terms or, if none is specified, the principal exchange or quotation system for trading in such Futures Contract, as determined by the Determination Agent, and (without prejudice to a Futures Contract Adjustment Event that is a Change of Exchange) any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Futures Contract has temporarily relocated, provided that the Determination Agent has determined that there is comparable liquidity relative to such Futures Contract on such temporary substitute exchange or quotation system as on the original Exchange;

Exchange Disruption means the Exchange fails to open for trading during any regular trading session that the Determination Agent considers material to the determination of the applicable Settlement Price for the relevant Futures Contract or any other event occurs that disrupts or impairs (as determined by the Determination Agent) the ability of market participants in general (i) to effect transactions in, comply with clearing obligations or obtain market values for, the Futures Contract on the Exchange, or (ii) to effect transactions in, comply with clearing obligations or obtain market values for, the Futures Contract Underlier(s), and in each case the Determination Agent determines that such event is material in relation to the Notes;

Expiry Date means, in respect of a Futures Contract and each day that is a Reference Date or an Averaging Date, the expiry date of such Futures Contract on which the Futures Contract Sponsor announces, and the Exchange publishes, the "final settlement price" of such Futures Contract;

Failure to Announce or Publish means (a) the failure by the relevant Futures Contract Sponsor to announce or publish the Settlement Price; or (b) the failure by the relevant Exchange to publish the Settlement Price provided that, if either of (a) or (b) occurs and the Determination Agent determines that the failure of the other announcement or publication to occur is not material for the purposes of the Notes, then such circumstances shall not constitute a Failure to Announce or Publish;

Futures Contract means any futures contract specified in the applicable Final Terms as a Futures Contract;

Futures Contract Sponsor means, in respect of a Futures Contract, the corporation or other entity which (a) is responsible for setting and reviewing the contract specifications, rules and procedures and methods of calculations and adjustments, if any, related to such Futures Contract; and (b) announces (directly or through an agent) the settlement price of such Futures Contract on a regular basis;

Futures Contract Underlier(s) means, in respect of a Futures Contract, the or each index, rate, asset or reference item underlying such Futures Contract as specified in the applicable Final Terms;

Hedging Disruption means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Notes, or (B) realise, recover or remit the proceeds of any such transactions or asset(s);

Increased Cost of Hedging means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

Market Disruption Event means in respect of a Futures Contract, the occurrence or existence of (i) a Failure to Announce or Publish, (ii) a Trading Disruption, or (iii) an Exchange Disruption;

Observation Date means each date specified as such in the applicable Final Terms, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Observation Date shall be determined in accordance with the provisions of Condition 13.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*);

Reference Cut-Off Date means, in the case where Notes relate to a Futures Contract or a Basket of Futures Contracts and in respect of a Scheduled Reference Date for the purposes of Condition 13.1(b), the date falling the Specified Number of Scheduled Trading Days or the Specified Number of Common Scheduled Trading Days (as the case may be) following the Scheduled Reference Date, or if no such number is specified:

- (a) if "Common Scheduled Trading Days and Common Disrupted Days" in respect of a Basket of Futures Contracts is specified to be applicable in the Final Terms, the eighth Common Scheduled Trading Day following such Scheduled Reference Date; or
- (b) in any other case, the eighth Scheduled Trading Day, or, in respect of a Basket of Futures Contract, the eighth Scheduled Trading Day for the Affected Basket Component, following such Scheduled Reference Date,

Reference Date means, for the purposes of Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*), each Valuation Date, Observation Date, Strike Date or Determination Date (as applicable) specified in the applicable Final Terms, or otherwise, any date construed to be a Reference Date in accordance with the Conditions;

Relevant Futures Contract Benchmark means the Futures Contract or the Futures Underlier;

Scheduled Averaging Date means an original date (following any adjustment (if applicable) pursuant to paragraph (a) or (b) of the definition of "Averaging Date") that, but for such day being a Disrupted Day, would have been a Reference Date;

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

Scheduled Reference Date means, for the purposes of Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*), any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Reference Date;

Scheduled Trading Day means any day on which each Exchange is scheduled to be open for trading for their respective regular trading sessions notwithstanding that any such Exchange may close prior to its Scheduled Closing Time;

Settlement Price means, in respect of a Futures Contract and any day, the official “daily settlement price” or “final settlement price” on such day (in each case, however defined in the contract specifications of such Futures Contract or the relevant Exchange);

Specified Number of Scheduled Trading Days means the number specified as such in the applicable Final Terms;

Specified Number of Common Scheduled Trading Days means the number specified as such in the applicable Final Terms;

Strike Date means each date specified as such in the relevant Final Terms, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Strike Date shall be determined in accordance with the provisions of Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*);

Successor Futures Contract means, in respect of a Futures Contract, a successor futures contract using, in the determination of the Determination Agent, the same or a substantially similar formula for or method of calculation as used in the calculation of such Futures Contract;

Trading Disruption means any suspension of or limitation imposed on trading by the Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or otherwise relating to the Futures Contract on the Exchange which the Determination Agent determines to be material in relation to the Notes;

Valid Date means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the Reference Date does not, or is not deemed to, occur; and

Valuation Date means each date specified as such in the applicable Final Terms, provided that if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Valuation Date shall be determined in accordance with the provisions of Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*).

14. PROVISIONS RELATING TO COMBINATION BASKETS

This Condition 14 (*Provisions Relating to Combination Baskets*) is applicable only in relation to Notes (**Combination Basket Notes**) in respect of which the Relevant Underlying is a basket comprising a combination of Underlying Shares, Equity Indices, and/or Dividend Futures Contracts (a **Combination Basket** and each component, a **Combination Basket Component**) and shall apply instead of Conditions 9.1 and 13.1.

14.1 Valuation, Market Disruption, Reference Dates and Averaging Dates

- (a) Subject to Condition 14.1(c) below, if any Scheduled Reference Date is a Disrupted Day, then:

- (i) where "Individual Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the relevant Final Terms, if any Scheduled Reference Date is a Disrupted Day in respect of any Combination Basket Component, then:
 - (A) the Reference Date for each Combination Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Combination Basket Component; and
 - (B) the Reference Date for any Combination Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an **Affected Combination Basket Component**) shall be the earlier of (A) the first Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Combination Basket Component; and (B) the Reference Cut-Off Date for such Affected Combination Basket Component (notwithstanding that such day may not be a Scheduled Trading Day).
- (ii) where "Common Scheduled Trading Days and Common Disrupted Days" is specified to be applicable in the relevant Final Terms, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Combination Basket Component, then the Reference Date for each Combination Basket Component shall be the earlier of (i) the first Common Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day with respect to any Combination Basket Component; and (ii) the Reference Cut-Off Date (notwithstanding that such day may not be a Common Scheduled Trading Day).
- (iii) where "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the relevant Final Terms, if the Determination Agent determines that any Scheduled Reference Date is a Disrupted Day in respect of any Combination Basket Component, then:
 - (A) the Reference Date for each Combination Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Combination Basket Component; and
 - (B) the Reference Date for each Combination Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an **Affected Combination Basket Component**) shall be the earlier of (A) the first Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Combination Basket Component; and (B) the Reference Cut-Off Date for such Affected Combination Basket Component (notwithstanding that such day may not be a Common Scheduled Trading Day or a Scheduled Trading Day).
- (iv) If, in respect of any Combination Basket Component, a Reference Date falls on the relevant Reference Cut-Off Date pursuant to this Condition 14.1(a)(iv) and:
 - (A) if such Reference Cut-Off Date is not a Disrupted Day, the Determination Agent shall determine, in respect of a Combination Basket Component that is (1) an Equity Index, the level of such Equity Index, (2) an Underlying Share, the value of such Underlying Share or (3) a Dividend Futures Contract, the value of such Dividend Futures Contract (as the case may be), in each case as at the Determination Time on such Reference Cut-Off Date; or

- (B) if such Reference Cut-Off Date is a Disrupted Day, the Determination Agent shall determine, in its reasonable discretion:
 - (1) in respect of a Combination Basket Component that is an Equity Index, the level of such Equity Index as of the Determination Time on the Reference Cut-Off Date in accordance with the formula for and method of calculating the Equity Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Determination Time on that Reference Cut-Off Date of each security (or other property) comprised in that Equity Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on such Reference Cut-Off Date, its estimate of the value for the relevant security as of the Determination Time on such Reference Cut-Off Date, acting in good faith and a commercially reasonable manner);
 - (2) in respect of a Combination Basket Component that is an Underlying Share or ETF Interest, its estimate of the value for such Underlying Share or ETF Interest (as the case may be) as of the Determination Time on such Reference Cut-Off Date, acting in good faith and a commercially reasonable manner; and
 - (3) in respect of a Combination Basket Component that is a Dividend Futures Contract, its estimate of the value for such Dividend Futures Contract as of the Determination Time on such Reference Cut-Off Date, acting in good faith and a commercially reasonable manner.
- (b) Subject to Condition 14.1(c) below, if Averaging Dates are specified in the applicable Final Terms as being applicable, then, notwithstanding any other provisions of these Conditions, the following provisions will apply to the valuation of the relevant Equity Index, Underlying Share, ETF Interest or Dividend Futures Contract in relation to the relevant Reference Date:
 - (i) If a Scheduled Averaging Date in respect of a Reference Date is determined by the Determination Agent to be a Disrupted Day in respect of any Combination Basket Component, then:
 - (A) where "Individual Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the relevant Final Terms:
 - (1) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Omission":
 - (a) the Averaging Date for each Combination Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (b) such date shall not be an Averaging Date in respect of such Reference Date for any Combination Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Combination Basket Component, an **Affected Combination Basket Component**), provided that if through the operation of this provision there would not be any Averaging Date in respect of such Reference Date for the Affected Combination Basket Component, then the sole Averaging Date for such Affected Combination Basket Component shall be the earlier of (I) the first Scheduled Trading Day following the final Scheduled Averaging Date

that is not a Disrupted Day in respect of each such Affected Combination Basket Component and (II) the Averaging Cut-Off Date for such Affected Combination Basket Component;

(2) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Postponement":

(a) the Averaging Date for each Combination Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Combination Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Combination Basket Component, an **Affected Combination Basket Component**) shall be the earlier of (I) the first Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Combination Basket Component and (II) the Averaging Cut-Off Date for such Affected Combination Basket Component. Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 14.1(b)(i)(A)(2)(b) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or

(3) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Modified Postponement":

(a) the Averaging Date for each Combination Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and

(b) the Averaging Date for each Combination Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Combination Basket Component, an **Affected Combination Basket Component**) shall be the earlier of (I) the first Valid Date following the Scheduled Averaging Date in respect of such Affected Combination Basket Component and (II) the Averaging Cut-Off Date for such Affected Combination Basket Component, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;

(B) where "Common Scheduled Trading Days and Common Disrupted Days" is specified to be applicable in the relevant Final Terms:

(1) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Omission", such date will be deemed not to be a relevant Averaging Date in respect of any Combination Basket Component for the purposes of determining the Relevant Underlying Value, as applicable **provided that**, if through the operation of this provision there would be no Averaging Date in respect of such Reference Date, then the sole Averaging Date for each Combination Basket Component shall be the earlier of (A) the first Common Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day for any Combination Basket

Component and (B) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day);

- (2) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Postponement", then the Averaging Date shall be the earlier of (A) the first Common Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of any Combination Basket Component and (B) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day). Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 14.1(b)(i)(B)(2) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or
 - (3) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Modified Postponement", then the Averaging Date for each Combination Basket Component shall be the earlier of (A) the first Common Valid Date following the Scheduled Averaging Date and (II) the Averaging Cut-Off Date (notwithstanding the fact that such Averaging Cut-Off Date may not be a Common Scheduled Trading Day), irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;
- (C) where "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the relevant Final Terms:
- (1) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Omission":
 - (a) the Averaging Date for each Combination Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (b) such date shall not be an Averaging Date in respect of such Reference Date for any Combination Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Combination Basket Component, an **Affected Combination Basket Component**), provided that if through the operation of this provision there would not be any Averaging Date in respect of such Reference Date for the Affected Combination Basket Component, then the sole Averaging Date for such Affected Combination Basket Component shall be the earlier of (I) the first Scheduled Trading Day following the final Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Combination Basket Component and (II) the Averaging Cut-Off Date for such Affected Combination Basket Component (notwithstanding the fact that such day may not be a Common Scheduled Trading Day);
 - (2) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Postponement":

- (a) the Averaging Date for each Combination Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (b) the Averaging Date for each Combination Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Combination Basket Component, an **Affected Combination Basket Component**) shall be the earlier of (I) the first Scheduled Trading Day following the Scheduled Averaging Date that is not a Disrupted Day in respect of such Affected Combination Basket Component and (II) the Averaging Cut-Off Date for such Affected Combination Basket Component (notwithstanding the fact that such day not be a Common Scheduled Trading Day). Any day (including, for the avoidance of doubt, the Averaging Cut-Off Date) determined to be an Averaging Date as a result of the operation of this Condition 14.1(b)(i)(C)(2)(b) shall be an Averaging Date, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date; or
- (3) if, in relation to **Averaging Date Disruption**, the consequence specified in the relevant Final Terms is "Modified Postponement":
 - (c) the Averaging Date for each Combination Basket Component in respect of which the Scheduled Averaging Date is not a Disrupted Day shall be the Scheduled Averaging Date; and
 - (d) the Averaging Date for each Combination Basket Component in respect of which the Scheduled Averaging Date is a Disrupted Day (each such Combination Basket Component, an **Affected Combination Basket Component**) shall be the earlier of (I) the first Valid Date (that is a Scheduled Trading Day) following the Scheduled Averaging Date in respect of such Affected Combination Basket Component and (II) the Averaging Cut-Off Date for such Affected Combination Basket Component, irrespective of whether it falls on a day that already is or is deemed to be an Averaging Date;
- (ii) If, in respect of any Combination Basket Component, an Averaging Date falls on the relevant Averaging Cut-Off Date pursuant to this Condition 14.1(b)(ii):
 - (A) if such Averaging Cut-Off Date is not a Disrupted Day, the Determination Agent shall determine, in respect of a Combination Basket Component that is (1) an Equity Index, the level of such Equity Index, (2) an Underlying Share or ETF Interest, the value of such Underlying Share or ETF Interest or (3) a Dividend Futures Contract, the value of such Dividend Futures Contract (as the case may be), in each case as at the Determination Time on such Averaging Cut-Off Date; or
 - (B) if such Averaging Cut-Off Date is a Disrupted Day, the Determination Agent shall determine, in its reasonable discretion:
 - (1) in respect of a Combination Basket Component that is an Equity Index, the level of such Equity Index as of the Determination Time on the Averaging Cut-Off Date in accordance with the formula for and method of calculating the Equity Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or

quoted price as of the Determination Time on such Averaging Cut-Off Date of each security comprised in that Equity Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on such Averaging Cut-Off Date, its estimate of the value for the relevant security as of the Determination Time on such Averaging Cut-Off Date, acting in good faith and a commercially reasonable manner);

- (2) in respect of a Combination Basket Component that is an Underlying Share or an ETF Interest, its estimate of the value for such Underlying Share or ETF Interest (as the case may be) as of the Determination Time on such Averaging Cut-Off Date, acting in good faith and a commercially reasonable manner; and
 - (3) in respect of a any Combination Basket Component that is a Dividend Futures Contract, its estimate of the value for such Dividend Futures Contract as of the Determination Time on such Averaging Cut-Off Date, acting in good faith and a commercially reasonable manner.
- (iii) If any Averaging Dates in relation to a Reference Date occur after that Reference Date as a result of the occurrence of a Disrupted Day, then:
- (A) the relevant Interest Payment Date, Maturity Date, Automatic Early Redemption Date; and
 - (B) the occurrence of:
 - (1) in respect of Equity Indices, an Equity Index Adjustment Event or an Additional Disruption Event (as such terms are defined in Condition 9);
 - (2) in respect of Underlying Shares, a Potential Adjustment Event, an Extraordinary Event, a or an Additional Disruption Event (as such terms are defined in Condition 9);
 - (3) in respect of ETF Interests, a Potential Adjustment Event, an Extraordinary Event, an Extraordinary ETF Event or an Additional Disruption Event (as such terms are defined in Condition 9);
 - (4) in respect of Dividend Futures Contracts a Dividend Futures Contract Adjustment Event, a Potential Adjustment Event or an Additional Disruption Event (as such terms are defined in Condition 13),

shall be determined by reference to the last such Averaging Date as though it were that Reference Date.

- (c) If in respect of any Combination Basket Component that is a Dividend Futures Contract, a Scheduled Reference Date or Scheduled Averaging Date is specified to be the Expiry Date and due to the Scheduled Reference Date or Scheduled Averaging Date (as the case may be) being a Disrupted Day (or for any other reason), the final settlement price has been announced and published prior to the Scheduled Reference Date or Scheduled Averaging Date (as the case may be), then the Reference Date or Averaging Date (as the case may be) for such Futures Contract shall fall on the Expiry Date and the provisions of Condition 14.1(a) and (b) above shall not apply to such Futures Contract and Scheduled Reference Date or Scheduled Averaging Date (as the case may be).

14.2 *Combination Basket Component Adjustment Provisions*

In respect of each Combination Basket Component that is:

- (a) an Equity Index, the provisions of Condition 9.2 (*Adjustments to Indices*) and 9.6 (*Additional Disruption Events*) shall apply to such Equity Index (subject as specified in the applicable Final Terms) and as a consequence to the Combination Basket Notes;
- (b) an Underlying Share, the provisions of Condition 9.3 (*Adjustments affecting Underlying Shares and ETF Interests*), 9.4 (*Extraordinary Events*) and 9.6 (*Additional Disruption Events*) (subject as specified in the applicable Final Terms) and as a consequence to the Combination Basket Notes;
- (c) an ETF Interest, the provisions of Condition 9.3 (*Adjustments affecting Underlying Shares and ETF Interests*), 9.4 (*Extraordinary Events*), 9.5 (*Extraordinary ETF Interests*) and 9.6 (*Additional Disruption Events*) (subject as specified in the applicable Final Terms) and as a consequence to the Combination Basket Notes;
- (d) a Dividend Futures Contract, the provisions of Condition 13.2 (*Administrator/ Benchmark Event or Disappearance of Futures Contract or Settlement Price*), 13.3 (*Futures Contract Adjustment Events*), 13.4 (*Adjustments for Futures Contract Adjustment Events*), 13.5 (*Correction of Futures Contract Prices*), 13.6 (*Adjustments for Potential Adjustment Events*) and 13.7 (*Additional Disruption Events*) (subject as specified in the applicable Final Terms) and as a consequence to the Notes.

14.3 Definitions applicable to Combination Baskets

In relation to this Condition 14, the following expressions shall have the meanings set out below:

Averaging Cut-Off Date means, where the Notes relate to a Combination Basket and in respect of a Scheduled Averaging Date for the purposes of Condition 14.1, the date falling the Specified Number of Scheduled Trading Days or the Specified Number of Common Scheduled Trading Days (as the case may be) following the Scheduled Averaging Date, or if no such number is specified:

- (a) if "Common Scheduled Trading Days and Common Disrupted Days" is specified to be applicable in the Final Terms, the eighth Common Scheduled Trading Day following such Scheduled Averaging Date; or
- (b) in any other case, the eighth Scheduled Trading Day following such Scheduled Averaging Date;

Averaging Date means, in respect of each Combination Basket Component and in respect of each Reference Date, either:

- (a) where the applicable Final Terms provides that "Individual Scheduled Trading Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day for such Combination Basket Component; or
- (b) where the applicable Final Terms provides that either "Common Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and Individual Disrupted Days" shall be applicable, each date specified as such in the applicable Final Terms, or if any such date is not a Common Scheduled Trading Day, the next following Common Scheduled Trading Day,

provided that if any such day is a Disrupted Day, the Averaging Date shall be determined in accordance with the provisions of Condition 14.1;

Common Scheduled Trading Day means, in respect of a Combination Basket, each day which is a Scheduled Trading Day for all the Combination Basket Components;

Common Valid Date means, in respect of a Combination Basket, a Common Scheduled Trading Day that is not a Disrupted Day for any Combination Basket Component and on which another Averaging Date does not or is deemed not to occur;

Determination Date means, in relation to any determination, each date or dates, if any, specified as such in the applicable Final Terms, **provided that** (i) if any such date is not a Scheduled Trading Day and/or (ii) if any Determination Date is a Disrupted Day, the relevant Determination Date shall be determined in accordance with the provisions of Condition 14.1, which shall apply *mutatis mutandis* as if such Determination Date were a Reference Date;

Determination Time means the time specified as such in the applicable Final Terms, or if no such time is specified, the Scheduled Closing Time on the relevant Exchange in relation to each Underlying Share, ETF Interest, Equity Index or Dividend Futures Contract to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Determination Time is after the actual closing time for its regular trading session, then the Determination Time shall be such actual closing time;

Disrupted Day, in respect of any Combination Basket Component which is:

- (a) an Underlying Share, ETF Interest or an Equity Index, has the meaning given to it in Condition 9; or
- (b) a Dividend Futures Contract, has the meaning given to it in Condition 13;

Dividend Futures Contract means any Futures Contract that is specified in the applicable Final Terms as such;

Equity Index means any index specified as an Index in the applicable Final Terms, subject to Condition 9.2 (*Adjustments to Indices*), it being specified that no index is composed by the Issuer or by any legal entity belonging to the same group;

ETF means (in respect of an ETF Interest) any exchange traded fund specified in the applicable Final Terms as an ETF;

ETF Interest means the share or other interest or unit of holding (including, without limitation, any debt security) issued to or held by an investor in an ETF, as identified in the applicable Final Terms;

Exchange, in respect of any Combination Basket Component which is:

- (a) an Underlying Share, an ETF Interest or an Equity Index, has the meaning given to it in Condition 9; or
- (b) a Dividend Futures Contract, has the meaning given to it in Condition 13;

Reference Cut-Off Date means, in respect of a Combination Basket and a Scheduled Reference Date, the date falling the Specified Number of Scheduled Trading Days or the Specified Number of Common Scheduled Trading Days (as the case may be) following the Scheduled Reference Date, or if no such number is specified:

- (a) if "Common Scheduled Trading Days and Common Disrupted Days" is specified to be applicable in the Final Terms, the eighth Common Scheduled Trading Day following such Scheduled Reference Date; or
- (b) in any other case, the eighth Scheduled Trading Day following such Scheduled Reference Date;

Reference Date means, for the purposes of Condition 14.1, each Valuation Date specified in the applicable Final Terms, or otherwise, any date construed to be a Reference Date in accordance with the Conditions;

Relevant Underlying Value has the meaning given to it in such provisions of the Additional Terms and Conditions as are specified as being applicable in the applicable Final Terms;

Scheduled Averaging Date means an original date (following any adjustment (if applicable) pursuant to paragraph (a) or (b) in the definition of "Averaging Date") that, but for such day being a Disrupted Day, would have been an Averaging Date;

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

Scheduled Reference Date means, for the purposes of Condition 14.1, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Reference Date;

Scheduled Trading Day, in respect of any Combination Basket Component which is:

- (a) an Underlying Share or an Equity Index, has the meaning given to it in Condition 9; or
- (b) a Dividend Futures Contract, has the meaning given to it in Condition 13;

Specified Number of Common Scheduled Trading Days means the number specified as such in the applicable Final Terms;

Specified Number of Scheduled Trading Days means the number specified as such in the applicable Final Terms;

Underlying Issuer means the entity that is the issuer of the Underlying Share specified in the applicable Final Terms;

Underlying Share means, in relation to a particular Series of Notes, a share specified as such in the applicable Final Terms (with the exception of a share of the Issuer or any entity belonging to its group), or, in the case of a Share Basket Note, a share forming part of a basket of shares to which such Note relates;

Valid Date means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the Reference Date does not, or is not deemed to, occur; and

Valuation Date means each date specified as such in the applicable Final Terms, **provided that** if any such date is (i) not a Scheduled Trading Day and/or (ii) a Disrupted Day, the relevant Valuation Date shall be determined in accordance with the provisions of Condition 14.1.

15. REDEMPTION AND PURCHASE

15.1 *Scheduled Redemption.* Unless previously redeemed, or purchased and cancelled, and unless otherwise specified in the Conditions, Notes will be redeemed at their Final Redemption Amount on the Maturity Date in accordance with these Conditions including any applicable provisions of the Additional Terms and Conditions as are specified as being applicable in the applicable Final Terms.

15.2 *Tax Redemption.* The Notes may be redeemed in whole (but not in part), at the option of the relevant Issuer at any time prior to maturity, upon the giving of a notice of redemption as described below not less than 10 Business Days prior to the date on which the Notes are to be redeemed, if the relevant Issuer determines, in its reasonable discretion, that it or the Guarantor is or will become required by law

to make any withholding or deduction with respect to the Notes, as described in Condition 17 (*Taxation*). If the applicable Final Terms specify that:

15.2.1 **Par Redemption** shall apply in relation to any Series of Notes, the Notes shall be redeemed at an amount equal to the principal amount of the Notes, together with accrued interest (if any); or

15.2.2 **Qualified Financial Institution Determination** shall apply in relation to any Series of Notes, the Notes shall be redeemed at an amount determined by the Determination Agent, acting in good faith and in a commercially reasonable manner, as at such date as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 Business Days prior to the date fixed for redemption of the Notes) to be the amount that a Qualified Financial Institution would charge either to assume all of the Issuer's payment and other obligations with respect to such Notes as if no such Event of Default had occurred or to undertake obligations that would have the effect of preserving the economic equivalent of any payment by the Issuer to the Noteholders with respect to the Notes.

The Issuer will give notice of any tax redemption in accordance with Condition 24 (*Notices*).

15.3 Prior to the relevant Issuer giving notice of redemption under Condition 15.2 (*Tax Redemption*), it will deliver to the Fiscal Agent:

15.3.1 a certificate stating that it is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to its right to so redeem have occurred (the date on which that certificate is delivered to the Fiscal Agent is the **Redemption Determination Date**); and

15.3.2 an opinion of independent legal counsel of recognised standing to that effect based on the statement of facts.

Notice of redemption will be given not less than 10 Business Days prior to the date fixed for redemption. The date and the applicable redemption price will be specified in the notice.

15.4 *Redemption at the Option of the Issuer.* If the Call Option is specified in the applicable Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the applicable Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than the Minimum Notice Period nor more than the Maximum Notice Period to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

15.5 *Partial Redemption.* If the Notes are to be redeemed in part only on any date in accordance with Condition 15.4 (*Redemption at the Option of the Issuer*), the redemption will be effected by reducing the nominal amount of all such Notes in a Series in proportion to the aggregate nominal amount redeemed by application of a pool factor.

15.6 *Redemption at the Option of Noteholders.* If the Put Option is specified in the applicable Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put), together with interest (if any) accrued to such date.

15.7 In order to exercise the option contained in Condition 15.6 (*Redemption at the Option of Noteholders*) the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (i) deposit with any Paying Agent at its specified office a duly completed Put

Option Notice in the form obtainable from any Paying Agent and (ii) transfer, or cause to be transferred, the Notes to be redeemed to the account of the Paying Agent specified in the Put Notice

Notwithstanding the foregoing, the right to require redemption of such Notes must be exercised in accordance with the rules and procedures of the Relevant Clearing System and if there is any inconsistency between the above and the rules and procedures of the Relevant Clearing System, then the rules and procedures of the Relevant Clearing System shall prevail.

- 15.8 *Early Redemption of Zero Coupon Notes:* Unless a different Redemption Amount is specified in the applicable Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

15.8.1 the Reference Price; and

15.8.2 the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the applicable Final Terms for the purposes of this Condition 15.8 (*Early Redemption of Zero Coupon Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

- 15.9 *Purchase:* Morgan Stanley, MSIP, MSBV, MSFL or any of their respective Subsidiaries may at any time purchase Notes in the market or otherwise and at any price.

- 15.10 *Cancellation:* All Notes so redeemed shall, and all Notes so purchased by the Issuer may, at the reasonable discretion of the relevant Issuer, be cancelled or retained in accordance with all applicable and regulations and in particular the laws and regulations of the jurisdiction of incorporation of the Issuer (*lex societatis*), the French laws and regulations on market abuse and the rules of the General Regulation of the *Autorité des marchés financiers* regarding disclosure and procedure for orderly acquisition of debt securities that do not give access to equity (Articles 238-1 and following). All Notes so redeemed or purchased and that the Issuer has decided to cancel will be cancelled by transfer to an account in accordance with the rules and procedures of Euroclear France and, if so transferred, shall, together with all Notes redeemed by the relevant Issuer be cancelled forthwith (together with all rights relating to payment of interest and other amounts relating to such Notes). Any Notes so cancelled or, where applicable, transferred for cancellation may not be reissued or resold and the obligations of the relevant Issuer in respect of any such Notes shall be discharged.

- 15.11 *Automatic Early Redemption Event*

Capitalised terms not defined herein shall have the meanings given to them in (i) the applicable provisions of the Additional Terms and Conditions, or, if no such provisions are applicable, (ii) these Conditions 9.7 above.

If "Automatic Early Redemption Event" is specified as applicable in the Final Terms, then, subject to any applicable provisions of the Additional Terms and Conditions, unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount in the Specified Currency specified in the applicable Final Terms equal to the relevant Automatic Early Redemption Amount.

Definitions

In these conditions:

Automatic Early Redemption Amount means (a) an amount in the Specified Currency determined in accordance with the applicable provisions (if any) of the Additional Terms and Conditions, or, if no such provisions are applicable (b) an amount in the Specified Currency (if any) specified as such in the applicable Final Terms or if neither (a) nor (b) applies, (c) an amount equal to the product of (i) the denomination of each Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

Automatic Early Redemption Date means each date specified as such in the applicable Final Terms or if such date is not a Business Day, the next following Business Day, and no Noteholder shall be entitled to any interest or further payment in respect of such delay.

Automatic Early Redemption Event means, unless otherwise defined in such applicable provisions of the Additional Terms and Conditions as are specified as being applicable in the applicable Final Terms (a) in case of a single Index, single ETF Interest, single Underlying Share, single Inflation Index, single Currency Pair, single Fund Interest or single Futures Contract that the level of the Index, Inflation Index, the exchange rate of the Currency Pair or the price of the Underlying Share, ETF Interest, Fund Interest or Futures Contract as the case may be determined by the Determination Agent as of the Determination Time on any Automatic Early Redemption Valuation Date is, (b) in the case of a Basket of Indices, basket of ETF Interests, Basket of Shares, Basket of Inflation Indices, Basket of Currencies, Basket of Fund Interests or Basket of Futures Contracts the amount determined by the Determination Agent equal to the sum of the values of each Index, Inflation Index, Currency, ETF Interest, Underlying Share, Fund or Futures Contract as the product of (x) the level of such Index, ETF Interest or Underlying Share as determined by the Determination Agent as of the Determination Time on any Automatic Early Redemption Valuation Date and (y) the relevant Weighting, and (c) in the case of Floating Rate Notes, the sum of the Coupon Amounts paid to the Noteholders, expressed as a percentage of the Calculation Amount, is, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Level, as specified in the Final Terms.

Automatic Early Redemption Level means, unless otherwise defined in the applicable provisions of the Additional Terms and Conditions the level of the Index, Inflation Index, the exchange rate of the Currency Pair or the price of the ETF Interest, Underlying Share, Fund Interest or the Futures Contract, as applicable, specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions of these Conditions or in the case of Floating Rate Notes, the percentage specified as such in the applicable Final Terms.

Automatic Early Redemption Rate means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms or, if no such rate is specified, 100 per cent.

Automatic Early Redemption Valuation Date means, in relation to Floating Rate Notes, Equity-Linked Notes, Currency-Linked Notes, Fund-Linked Notes, Inflation-Linked Notes or Futures Contract-Linked Notes each date specified as such in the applicable Final Terms, **provided that** (i) if such date is not a Scheduled Trading Day, the relevant Automatic Early Redemption Valuation Date shall (A) in the case of Currency-Linked Notes, fall on the next succeeding Scheduled Trading Day; (B) in the case of Equity-Linked Notes, be the next succeeding Scheduled Trading Day or, if either "Common Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and Individual Disrupted Days" is specified to be applicable in the relevant Final Terms, the next succeeding Common Scheduled Trading Day; (C) in the case of Fund-Linked Notes, be the next succeeding Fund Business Day or, if either "Common Fund Business Days and Common Disrupted Days" or "Common Fund Business Days and Individual Disrupted Days" is specified to be applicable in the relevant Final Terms, the next succeeding Common Fund Business Day; (D) in the case of Futures Contract-Linked Notes, be the next succeeding Scheduled Trading Day or, if either "Common Scheduled Trading Days and Common Disrupted Days" or "Common Scheduled Trading Days and

Individual Disrupted Days” is specified to be applicable in the relevant Final Terms, the next succeeding Common Scheduled Trading Day or (E) in the case of Combination Basket Notes, be the next succeeding Scheduled Trading Day or, if either “Common Scheduled Trading Days and Common Disrupted Days” or “Common Scheduled Trading Days and Individual Disrupted Days” is specified to be applicable in the relevant Final Terms, the next succeeding Common Scheduled Trading Day, and (ii) if, in the opinion of the Determination Agent, any such day is (x) in the case of Equity-Linked Notes, Fund-Linked Notes, Futures Contract-Linked Notes or Combination Basket Notes, a Disrupted Day, the provisions of Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*), Condition 12.1 (*Market Disruption, Reference Dates and Averaging Dates*) or 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) shall apply *mutatis mutandis* as if such Automatic Early Redemption Valuation Date were a Reference Date; or (y) in the case of Currency-Linked Notes, a day on which a Currency Disruption Event occurs or is continuing, the provisions of Condition 10.4 (*Currency Disruption Fallbacks*) shall apply *mutatis mutandis* as if such Automatic Early Redemption Valuation Date were a Valuation Date.

16. PAYMENTS

16.1 *Payments in relation to the Notes*

Payments of principal and interest in respect of Notes shall (in the case of Notes in bearer dematerialised form or administered registered form) be made by transfer to the account (denominated in the relevant currency) of the relevant Euroclear France Account Holders for the benefit of the Noteholders and (in the case of Notes in fully registered form) to accounts (denominated in the relevant currency) with a Bank designated by the Noteholders. All payments validly made to such accounts of such Euroclear France Account Holders or Noteholders will be an effective discharge of the Issuer in respect of such payments.

If the date for payment of any amount in respect of any Note is not a Payment Business Day, the holder thereof shall instead be entitled to payment: (i) on the next following Payment Business Day in the relevant place, if "Following Payment Business Day" is specified in the applicable Final Terms; or (ii) on the next following Payment Business Day in the relevant place, unless the date for payment would thereby fall into the next calendar month, in which event such date for payment shall be brought forward to the immediately preceding Payment Business Day in the relevant place, if "Modified Following Payment Business Day" is specified in the applicable Final Terms; provided that if neither "Following Payment Business Day" nor "Modified Following Payment Business Day" is specified in the applicable Final Terms, "Following Payment Business Day" shall be deemed to apply. In the event that any adjustment is made to the date for payment in accordance with this Condition 16 (*Payments*), the relevant amount due in respect of any Note shall not be affected by any such adjustment. For these purposes, unless otherwise specified in the applicable Final Terms, Payment Business Day means a day (other than a Saturday or a Sunday) (A) on which Euroclear France is open for business, (B) in such jurisdictions as shall be specified as Additional Business Centres in the relevant Final Terms and (C) (i) in the case of a payment in euro, on which the TARGET2 system is open or (ii) in the case of a payment in a currency other than euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency.

16.2 *Unavailability of Currency.*

If the Specified Currency is not available to the Issuer for making payments of principal of, and premium, interest and/or additional amounts, if any, on any Note (whether due to the imposition of exchange controls or other circumstances beyond the control of the Issuer, or if the Specified Currency is no longer used by the government of the country issuing that currency or by public institutions within the international banking community for the settlement of transactions), the Issuer may satisfy its

obligations to Noteholders by making payments on the date of payment in U.S. Dollars on the basis of the prevailing exchange rate on the date of the payment or of the most recent practicable date, such rate being based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 a.m., New York City time, on the second Business Day preceding the applicable payment date from three recognised foreign exchange dealers for the purchase by the quoting dealer:

16.2.1 of the Specified Currency for U.S. Dollars for settlement on the payment date;

16.2.2 in the aggregate amount of the Specified Currency payable to those holders or beneficial owners of Notes; and

16.2.3 at which the applicable dealer commits to execute a contract.

If those bid quotations are not available, the Exchange Rate Agent will determine the Market Exchange Rate at its reasonable discretion. All determinations by the Exchange Rate Agent will, in the absence of manifest error, be conclusive for all purposes and binding on the Issuer, the Guarantor (if applicable) and the Noteholders. The Exchange Rate Agent will be Morgan Stanley & Co. International plc, unless otherwise noted in the applicable Final Terms. If the Exchange Rate Agent is not an affiliate of Morgan Stanley, it may be one of the dealers providing quotations.

Any payment made in U.S. Dollars on the basis of the prevailing exchange rate where the required payment is in an unavailable Specified Currency will not constitute an Event of Default.

The foregoing provisions do not apply if a Specified Currency is unavailable because it has been replaced by the euro. If the euro has been substituted for a Specified Currency, the Issuer may (or will, if required by applicable law) without the consent of the holders of the affected Notes, pay the principal of, premium, if any, or interest, if any, on any Note denominated in the Specified Currency in euro instead of the Specified Currency, in conformity with legally applicable measures taken pursuant to, or by virtue of, the Treaty. Any payment made in U.S. Dollars or in euro as described above where the required payment is in an unavailable Specified Currency will not constitute an Event of Default.

17. TAXATION

- 17.1 *Withholding tax:* All payments of principal and interest by the Issuers and the Guarantor in respect of the Notes shall be made free and clear of, and without withholding or deduction for any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied collected, withheld or assessed by any jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law or agreement with such taxing authority.
- 17.2 *No gross-up:* None of the Issuer or the Guarantor shall be required to make any additional payments on account of any such withholding or deduction.
- 17.3 *Implementation of Financial Transaction Tax:* If **Implementation of Financial Transaction Tax Event** is specified in the applicable Final Terms to be applicable to any Series of Notes, then upon the occurrence of an Implementation of Financial Transaction Tax Event, the Issuer may (i) in its reasonable discretion, with immediate effect amend the Conditions of the Notes by adjusting downward any amount payable and/or any other value or term of the Conditions to account for the economic impact of the Implementation of Financial Transaction Tax on the Issuer and its Affiliates in relation to the Notes, and (ii) to the extent that at any time thereafter the Issuer determines (acting in good faith and in a commercially reasonable manner) that it (including its Affiliates) has incurred additional loss as a result of the Implementation of Financial Transaction Tax Event that has not been accounted for through the adjustment made pursuant to sub-paragraph (i) (such amount, **Additional Increased Tax**), it may reduce the amount otherwise payable on the Notes on the next payment date (and any payment date thereafter) by an amount up to the Additional Increased Tax amount. Any such adjustments shall be

notified to Noteholders as soon as reasonably practicable and in any event within 15 Business Days of such adjustments having been made. If an event or circumstance which would otherwise constitute a Change in Law or Increased Cost of Hedging (where applicable) also constitutes an Implementation of Financial Transaction Tax Event, it will be treated as an Implementation of Financial Transaction Tax Event.

18. EVENTS OF DEFAULT

If any of the following events (each, an **Event of Default**) occurs and is continuing:

- 18.1 *Non-payment:* in the case of Morgan Stanley Notes, Morgan Stanley or, in the case of MSIP Notes, MSIP or, in the case of MSBV Notes, either MSBV or the Guarantor or, in the case of MSFL Notes, either MSFL or the Guarantor fails to pay any amount of principal in respect of the Notes within thirty days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within thirty days of the due date for payment thereof; or
- 18.2 *Insolvency, etc.:* (i) the Issuer becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer or the whole or a substantial part of the undertaking, assets and revenues of the Issuer is appointed (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent), (iii) the Issuer takes any action for a composition with or for the benefit of its creditors generally, or (iv) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent) and, such order or effective resolution has remained in force and has not been rescinded, revoked or set aside for sixty days after the date on which such order is made or effective resolution is passed,

then Noteholders of not less than 25 per cent. in aggregate principal amount of the Notes may, by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, declare the Notes to be immediately due and payable, whereupon they shall become so due and payable at their Early Redemption Amount without further action or formality. Notice of any such declaration shall promptly, and in any event not more than 10 Business Days after such declaration is made, be given to the Noteholders.

In the case of MSBV Notes and MSFL Notes, nothing herein contained shall be deemed to authorise any Noteholder to exercise any remedy against the Issuer or the Guarantor solely as a result of, or because it is related directly or indirectly to, the insolvency of the Guarantor or the commencement of any proceedings relative to the Guarantor under Title 11 of the United States Bankruptcy Code, or the appointment of a receiver for the Guarantor under Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or the commencement of any other applicable federal or state bankruptcy, insolvency, resolution or other similar law, or solely as a result of, or because it is related directly or indirectly to, a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official having been appointed for or having taken possession of the Guarantor or its property, or solely as a result of, or because it is related directly or indirectly to, the institution of any other comparable judicial or regulatory proceedings relative to the Guarantor, or to the creditors or property of the Guarantor. Notwithstanding the foregoing, Noteholders are authorised to exercise any remedy against the relevant Issuer as a result of an Event of Default described in Condition 18.2.

19. ILLEGALITY AND REGULATORY EVENT

- 19.1 The Issuer shall have the right to redeem the Notes early (at the amount specified in the applicable Final Terms), if it shall have determined that:
- (a) its performance thereunder, or, if applicable, the Guarantor's performance of its obligation under the Guarantee, shall have become or will be unlawful in whole or in part as a result of compliance

in good faith by the Issuer, or, if applicable, the Guarantor, with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power (**applicable law**) (an **Illegality Event**); or

(b) in respect of Notes issued by MSBV only, a Regulatory Event has occurred.

19.2 Subject to the conditions set out in Condition 19.1 above, if the Issuer determines that the Notes shall be redeemed early in accordance with this Condition 19, the Issuer shall give not less than five Business Days' notice to the Noteholders informing them that either an Illegality Event or, in respect of Notes issued by MSBV only, a Regulatory Event, as applicable, has occurred, as a result of which the Notes shall be redeemed early on the date specified for redemption in such notice. In such circumstances the Issuer will, if and to the extent permitted by applicable law, pay to each Noteholder in respect of each Note held by such Noteholder an amount determined by the Determination Agent, in reasonable discretion, as representing either:

- (i) the fair market value of such Note immediately prior to such redemption (ignoring such Illegality Event or Regulatory Event) less the cost to the Issuer (or its Affiliates) of, or the loss realised by the Issuer (or its Affiliates) on, unwinding any related underlying hedging arrangements, the amount of such cost or loss being as determined by the Determination Agent in its reasonable discretion, if "Early Redemption Amount (Illegality and Regulatory Event) – Fair Market Value Less Costs" is specified in the Final Terms;
- (ii) the fair market value of such Note immediately prior to such redemption (ignoring such Illegality Event or Regulatory Event), if "Early Redemption Amount (Illegality and Regulatory Event) – Fair Market Value" is specified in the Final Terms; or
- (iii) the Calculation Amount of such Note, if "Early Redemption Amount (Illegality and Regulatory Event) – Par" is specified in the Final Terms.

19.3 The Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of the amount determined by the Determination Agent to be payable in accordance with the provisions above, based on the elections made in the applicable Final Terms.

19.4 The Issuer shall also, as soon as reasonably practicable under the circumstances and in any event within 15 Business Days of such event occurring, notify the Fiscal Agent and the Determination Agent of the occurrence of an Illegality Event or, in respect of Notes issued by MSBV only, a Regulatory Event, as applicable.

20. PRESCRIPTION

Claims for payment in respect of Notes issued by an Issuer shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

21. AGENTS

21.1 In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders. All calculation and determination functions required of the relevant Agent may be delegated to such persons as the relevant Agent may decide and all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the Notes by the Agents or the Issuer shall (in the absence of manifest error or wilful misconduct) be binding on the Issuer and the Noteholders and (subject as aforesaid) no liability to the Noteholders (or any of them) shall attach to the Agents or the Issuer in connection with the exercise or non-exercise by any of them of their powers, duties and discretions for such purposes.

21.2 The initial Agents and their initial Specified Office are listed below on the inside back cover of this Base Prospectus. The initial Calculation Agent is the Fiscal Agent. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor Fiscal Agent or Calculation Agent and additional or successor paying agents; **provided, however, that:**

21.2.1 there shall at all times be a Fiscal Agent appointed in respect of the Notes;

21.2.2 if a Calculation Agent is specified in the applicable Final Terms, the Issuer shall at all times maintain a Calculation Agent; and

21.2.3 if and for so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly, and in any event not more than 15 Business Days after any such change has been confirmed, be given to the Noteholders in accordance with Condition 24 (*Notices*).

22. REPRESENTATION OF NOTEHOLDERS

The Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *Masse* (the **Masse**) which will be governed by the provisions of the French *Code de Commerce* with the exception of articles L. 228-71 and R. 228-79 of the French *Code de Commerce* subject to the following provisions:

22.1 Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through collective decisions of the Noteholders (the **Collective Decisions**).

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

22.2 Representative

The office of Representative may only be conferred to persons that are nationals of a Member State of the European Union or on persons domiciled in a Member State of the European Union, and associations and companies having their registered office therein. However, the following persons may not be chosen as Representatives:

- (i) the Issuer, the members of its Supervisory Board or Board of Directors, Management Board, its general manager, its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers, general managers, members of their Supervisory Board or Board of Directors, Management Board, their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, liquidation (as the case may be), retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, liquidation (as the case may be), retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the name and address of the Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

22.3 Powers of Representative

The Representative shall have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

22.4 Collective Decisions

Collective Decisions are adopted either in a general meeting (the **General Meeting**) or by consent following a written consultation (the **Written Decision**).

In accordance with Articles R. 228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Euroclear France Account Holder of the name of such Noteholder as of 0:00 Paris time, on the second (2nd) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 22.10.

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes of such Series.

22.5 General Meeting

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-30th of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such request, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 22.10, not less than 15 calendar days prior to the date of the General Meeting

on first convocation and not less than 5 calendar days prior to the date of the General Meeting on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy or by correspondence. Each Note carries the right to one vote.

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and to act with respect to any other matter that relates to the common rights, actions and benefits which may accrue now or in the future with respect to the Notes, including authorising the Representative to act (in legal proceedings) as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes at such time outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Noteholders attending such General Meetings or represented thereat.

Each Noteholder or Representative thereof will have the right, during the 15 calendar days period preceding the holding of each General Meeting (on first convocation) or during the 5 calendar days (on second convocation), to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the principal office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.

22.6 Written Decision and Electronic Consent

At the initiative of the Issuer or the Representative, Collective Decisions may also be taken by a Written Decision.

Such Written Decision shall be signed by or on behalf of Noteholders holding not less than 66.67% of the Notes the relevant Series without having to comply with formalities and time limits referred to in Condition 22.10.

Any such Written Decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting. Such Written Decision may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such Noteholders and shall be published in accordance with Condition 22.10.

Pursuant to Article L.228-46-1 of the French *Code de commerce*, the Noteholders may also express their approval or rejection of the proposed Written Decision by way of electronic communication allowing the identification of Noteholders (the **Electronic Consent**).

22.7 Expenses

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of Collective Decisions and, more generally, all

administrative expenses resolved upon by the Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

22.8 Single Masse

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of another Series in accordance with Condition 23.1 (*Further Issues*), shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Series of Notes issued will be the Representative of the single Masse of all such Series.

22.9 Single Noteholder

As long as the Notes are held by a single Noteholder, such Noteholder will exercise directly the powers delegated to the Representative and general meetings of Noteholders under the Conditions.

The Issuer (or its agent on its behalf) shall keep a record of the decisions taken by the sole Noteholder in such capacity, which shall be available, upon request, to any future Noteholders. A Representative shall be appointed when the Notes of a Series are held by more than one Noteholder.

22.10 Notices to Noteholders

Any notice to be given to Noteholders in accordance with this Condition 22.10 shall be given in accordance with Condition 24.5.

22.11 Full Masse

For Notes issued with a Specified Denomination of less than €100,000 (or its equivalent in any other currency), except if the Final Terms specify "Issue outside of France" as applicable, Condition 22.7 shall be deleted and replaced by the following:

"22.7 Expenses

The Issuer shall pay all expenses relating to the operations of the *Masse*, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions."

In this Condition 22, the expression "outstanding" (as defined in Condition 1) does not include the Notes subscribed or purchased by the Issuer and which are held by the Issuer and not cancelled.

23. FURTHER ISSUES AND CONSOLIDATION

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

23.2 Consolidation: Any of the Issuers, with the prior approval of the Fiscal Agent (which shall not be unreasonably withheld), may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 15 Business Days' prior notice to the Noteholders in accordance with Condition 24 (*Notices*), without the consent of the Noteholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in euro, provided

such other Notes have been redenominated in Euro (if not originally denominated in euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

24. NOTICES

- 24.1 Notices to the holders of Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, as long as such Notes are listed and admitted to trading on Euronext Paris, they are published (a) in a daily leading newspaper of general circulation in France (which is expected to be *Les Echos*) or (b) in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the *Autorité des marchés financiers* (AMF) or (iii) so long as such Notes are listed and admitted to trading on any Regulated Market or other stock exchange and the rules of such Regulated Market or other stock exchange so require, in a leading daily newspaper with general circulation in the city where the Regulated Market or other stock exchange on which such Notes are listed and admitted to trading is located and on the website of any other competent authority or Regulated Market of the EEA Member State or Switzerland where the Notes are listed and admitted to trading.
- 24.2 Notices to the Noteholders in bearer form (*au porteur*) shall be valid if published (i) so long as such Notes are listed and admitted to trading on Euronext Paris, (a) in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*) or (b) in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the AMF or (ii) so long as such Notes are listed and admitted to trading on any Regulated Market or other stock exchange and the rules of such Regulated Market or other stock exchange so require, in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) or other stock exchange(s) on which such Notes are listed and admitted to trading is located and on the website of any other competent authority or Regulated Market of the EEA Member State or Switzerland where the Notes are listed and admitted to trading.
- 24.3 If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication.
- 24.4 Notices required to be given to the Noteholders (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication of a notice required by Conditions 24.1, 24.2 and 24.3 above; except that so long as the Notes are listed and admitted to trading on a Regulated Market or other stock exchange and the rules of such Regulated Market or other stock exchange so require, notices shall also be published in a leading daily newspaper of general circulation in the city where the Regulated Market or other stock exchange on which such Note(s) is/are listed and admitted to trading is located.
- 24.5 Notices relating to the convocation and decision(s) of the Collective Decisions pursuant to Condition 22, as well as any decision of the Issuer pursuant to Article R. 228-79 of the French *Code de commerce*, shall be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared. For the avoidance of doubt, Conditions 22.1, 22.2, 22.3 and 22.4 above shall not apply to such notices.

- 24.6 Notices will, if published more than once, be deemed to have been given on the date of the first publication.
- 24.7 Notwithstanding the other provisions of these Conditions, any failure by the Issuer, the Calculation Agent, the Determination Agent or any other party to provide Noteholders with any notice due to be given to Noteholders in accordance with the Conditions shall not of itself affect the validity of the determination, adjustment, event or any other occurrence to which such notice relates.
- 24.8 If an adjustment is made, or any other action is taken, by the Determination Agent under any one or more of the following Conditions: 9.2(b), 9.2(c), 9.2(e), 9.3(a), 9.3(b), 9.4(a), 9.4(b), 9.5(b), 9.6(b), 10.5, 10.6(b), 11.1, 11.2, 11.3, 11.4, 11.7(b), 12.1.1, 12.3, 13.2, 13.4, 13.5 or 13.6, the Determination Agent shall notify the Issuer and the Fiscal Agent of such adjustment. The Fiscal Agent shall, on behalf of and on instruction of the Issuer, provide notice (which notice shall, for the avoidance of doubt, be in the form provided to it by or on behalf of the Issuer) to the Noteholders of the relevant adjustment within 15 Business Days of receipt of such notification from the Determination Agent.

25. CURRENCY INDEMNITY

- 25.1 If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the **first currency**) in which the same is payable under these Conditions or such order or judgment into another currency (the **second currency**) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.
- 25.2 This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action. However, if a judgment awarded by a French court were to be expressed in euros, it would normally be expressed by reference to the exchange value of the relevant amount of the said foreign currency at the rate of exchange prevailing on the effective date of payment or on the date of the judgment; it should be noted, however, that if, after having obtained a judgment from a French court with respect to the Notes, any party were to seek a separate judgment on the basis of any indemnity clause with respect to currency indemnity, the court may hold that such clause did not survive the original judgment.

26. ROUNDING

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

all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency (with 0.005 rounded up to 0.01).

27. REDENOMINATION

- 27.1 *Application:* This Condition 27 (*Redenomination*) is applicable to the Notes only if it is specified in the applicable Final Terms as being applicable.
- 27.2 *Notice of redenomination:* If the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Noteholders, on giving at least 15 Business Days' prior notice to the Noteholders and the Paying Agents, designate a date (the **Redenomination Date**), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.
- 27.3 *Redenomination:* Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date, the Notes shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into euro at the rate for conversion of such currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); **provided, however, that**, if the Issuer determines, with the agreement of the Fiscal Agent that the then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly, and in any event within not more than 15 Business Days of the Issuer making such determination, notify the Noteholders, each listing authority, stock exchange and/or quotation system (if any) by which the Notes have been admitted to listing, trading and/or quotation and the Paying Agents of such deemed amendments.
- 27.4 *Interest Determination Date:* If the Floating Rate Note Provisions are specified in the applicable Final Terms as being applicable and Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date, the Interest Determination Date shall be deemed to be the second TARGET Settlement Day before the first day of the relevant Interest Period.

28. REPRESENTATIONS AND ACKNOWLEDGEMENTS BY NOTEHOLDERS

Each Noteholder shall be deemed to represent and acknowledge to the Issuer and, as the case may be, to the Guarantor, on acquiring any Notes that:

- 28.1 neither the Issuer, the Guarantor (as the case may be), nor any Affiliate or any of their agents is acting as a fiduciary for it or provides investment, tax, accounting, legal or other advice in respect of the Notes and that such Noteholder and its advisors are not relying on any communication (written or oral and including, without limitation, opinions of third party advisors) of the Issuer, the Guarantor (as the case may be), or any Affiliate as (i) legal, regulatory, tax, business, investment, financial, accounting or other advice, (ii) a recommendation to invest in any Notes or (iii) an assurance or guarantee as to the expected results of an investment in the Notes (it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be any such advice, recommendation, assurance or guarantee and should be independently confirmed by the recipient and its advisors prior to making any such investment);

- 28.2 such Noteholder (i) has consulted with its own legal, regulatory, tax, business, investments, financial and accounting advisors to the extent that it has deemed necessary, and has made its own investment, hedging, and trading decisions based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Guarantor (as the case may be), or any Affiliate or any of their agents and (ii) is acquiring the Notes with a full understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks; and
- 28.3 the Issuer, the Guarantor (as the case may be), and/or any Affiliates may have banking or other commercial relationships with issuers of any securities to which the Notes relate and may engage in proprietary trading in any securities, indices, fund interests or other property to which the Notes relate or options, futures, derivatives or other instruments relating thereto (including such trading as the Issuer, the Guarantor (as the case may be), and/or any Affiliate deem appropriate in their reasonable discretion to hedge the market risk on the Notes and other transactions between the Issuer, the Guarantor (as the case may be), and/or any Affiliates and any third parties), and that such trading (i) may affect the price or level thereof and consequently the amounts payable under the Notes and (ii) may be effected at any time, including on or near any Valuation Date, Observation Date, Interest Determination Date, Determination Date or Averaging Date.

29. SUBSTITUTION

29.1 *Substitution of Issuer with Morgan Stanley Group entities*

By its acquisition of the Notes, each Noteholder acknowledges, accepts, consents and agrees that, subject to the conditions set out in this Condition 29 (*Substitution*), but without the consent of Noteholders, each Issuer may, where the Issuer is:

- (a) Morgan Stanley, substitute a subsidiary of Morgan Stanley in place of Morgan Stanley as principal debtor under the Notes, provided that any Notes in respect of which such a substitution is effected will be fully, unconditionally and irrevocably guaranteed pursuant to a guarantee of Morgan Stanley as to the payment of principal of, premium, interest and supplemental amounts, if any, on those Notes when and as the same will become due and payable, whether at maturity or otherwise, and provided further that under the terms of the guarantee, Noteholders will not be required to exercise their remedies against the substitute prior to proceeding directly against Morgan Stanley (as guarantor);
- (b) MSI plc, substitute Morgan Stanley or a subsidiary of Morgan Stanley in place of MSI plc as principal debtor under the Notes, provided that, unless Morgan Stanley is the substitute issuer, any Notes in respect of which such a substitution is effected will be fully, unconditionally and irrevocably guaranteed pursuant to a guarantee of MSI plc as to the payment of principal of, premium, interest and supplemental amounts, if any, on those Notes when and as the same will become due and payable, whether at maturity or otherwise, and provided further that under the terms of the guarantee, Noteholders will not be required to exercise their remedies against the substitute prior to proceeding directly against MSI plc (as guarantor);
- (c) MSBV, substitute Morgan Stanley or a subsidiary of Morgan Stanley in place of MSBV as principal debtor under the Notes, provided that, unless Morgan Stanley is the substitute issuer, any Notes in respect of which such a substitution is effected will be fully, unconditionally and irrevocably guaranteed pursuant to a guarantee of Morgan

Stanley as to the payment of principal of, premium, interest and supplemental amounts, if any, on those Notes when and as the same will become due and payable, whether at maturity or otherwise, and provided further that under the terms of the guarantee, Noteholders will not be required to exercise their remedies against the substitute prior to proceeding directly against Morgan Stanley (as guarantor); or

- (d) MSFL, substitute Morgan Stanley or a subsidiary of Morgan Stanley in place of MSFL as principal debtor under the Notes, provided that, unless Morgan Stanley is the substitute issuer, any Notes in respect of which such a substitution is effected will be fully, unconditionally and irrevocably guaranteed pursuant to a guarantee of Morgan Stanley as to the payment of principal of, premium, interest and supplemental amounts, if any, on those Notes when and as the same will become due and payable, whether at maturity or otherwise, and provided further that under the terms of the guarantee, Noteholders will not be required to exercise their remedies against the substitute prior to proceeding directly against Morgan Stanley (as guarantor).

29.2 *Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*

If this Condition 29.2 is specified in the Final Terms to be applicable to a Series of Notes, subject to the conditions set out in this Condition 29 (*Substitution*), including the rights of Noteholders under Condition 29.6 (*Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*), but without the consent of Noteholders, the Issuer or the Guarantor (as applicable) may, in the event that the Issuer or the Guarantor (in the case of MSBV or MSFL Notes) has determined that any of the following events has occurred in respect of the Issuer or the Guarantor (as the case may be): an insolvency, receivership or equivalent event under the jurisdiction of the Issuer or the Guarantor (as the case may be); a divestment mandated for regulatory reasons; any action being required to satisfy any regulatory licensing requirements; or a change of control (each a **Substitution Event**), substitute for itself any entity which is not a Morgan Stanley Group entity, provided that such entity has a long term credit rating from at least one rating agency of standard application on the international capital markets (including but not limited to S&P, Moody's and Fitch) which is at least as high as the long term credit rating of the relevant Issuer or Guarantor (as the case may be) being substituted immediately prior to the occurrence of the relevant Substitution Event). Notwithstanding the foregoing, for any Series of Notes in respect of which Morgan Stanley is the Issuer, Morgan Stanley may not be substituted as Issuer with any entity which is not a Morgan Stanley Group entity within one year of the Issue Date of such Notes or the Guarantee.

As a result of the above, each Noteholder, by its acquisition of Notes, is deemed to expressly accept the release of the original Issuer or Guarantor, as the case may be, from all its obligations under the Notes.

29.3 *Conditions to substitution*

Substitution of an Issuer or Guarantor for another entity (the **Substitute**) as provided in Condition 29.1 (*Substitution of Issuer with Morgan Stanley Group entities*) or 29.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*) above (as applicable) are subject to the following conditions:

- (a) the substitution not being materially prejudicial to the interests of the Noteholders;
- (b) the Substitute becoming the new Issuer or new guarantor (as the case may be) of the relevant issue of Notes and party to the Agency Agreement with any appropriate consequential amendments, in place of the former Issuer or the former Guarantor (as the case may be), as from the date of such substitution;

- (c) a supplement to the Base Prospectus or new base prospectus, as the case may be, being published to provide information regarding the Substitute becoming the new Issuer or new guarantor (as the case may be) in accordance with the Prospectus Regulation;
- (d) the Substitute is validly existing under the laws under which it is established or incorporated, has capacity to assume all rights, obligations and liabilities under the Notes and Guarantee, as applicable, and has obtained all necessary corporate authorisations to assume all such rights, obligations and liabilities under the Notes or Guarantee (as applicable);
- (e) the Substitute has obtained all necessary governmental or regulatory approvals and consents for the performance by it of its obligations in connection with the Notes or Guarantee (as applicable) and that all such approvals and consents are in full force and effect and that the Substitute and the Notes comply with all applicable requirements of the Securities Act;
- (f) in the case of substitution of an Issuer or Guarantor pursuant to Condition 29.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*) above only:
 - (i) the Substitute and the relevant Issuer having obtained (a) legal opinions from independent legal advisers of recognised standing in the country of incorporation of the Substitute and in France that the obligations of the Substitute, in the case of a substitution of an Issuer, under the Notes, or, in New York in the case of a substitution of the Guarantor under the Guarantee, are legal, valid and binding obligations of the Substitute and (b) in the case of the substitution of the Issuer which is MSBV or MSFL (or any substitute thereof), a legal opinion from an independent legal adviser in New York of recognised standing, that the Guarantee will apply to the Substitute mutatis mutandis as it applies to the Issuer prior to the substitution and will constitute legal, valid and binding obligations of the Guarantor, in respect of the Substitute, provided that no opinion as referred to in this sub paragraph (d) shall be required where the Substitute is Morgan Stanley with respect to MSBV Notes or MSFL Notes; and
 - (ii) if the relevant Notes are rated at the relevant time, the Substitute has obtained, prior to the substitution date, acknowledgement from the relevant rating agencies that the substitution will not result in whole or in part in a withdrawal, downgrading, placement in creditwatch or negative outlook of the Notes;
- (g) all consents and approvals as required have been obtained and that the Substitute and the Notes comply with all applicable requirements under French law;
- (h) the Fiscal Agent has confirmed to the relevant Issuer or Guarantor (as the case may be) that it has completed its relevant “*know your customer*” requirements on the proposed Substitute;
- (i) such substitution being permitted by the rules of any stock exchange on which the Notes are listed and each such stock exchange confirming that, following the proposed substitution of the Substitute and applicable requirements, if any, the Notes will continue to be listed on such stock exchange;
- (j) no payment in respect of the Notes is overdue at the relevant time; and

- (k) at the time of any such substitution, the Substitute is in a position to fulfil all payment obligations arising from or in connection with the Notes in freely convertible and transferable lawful money without the necessity of any taxes or duties to be withheld at source, and to transfer all amounts which are required therefor to the Fiscal Agent without any restrictions; et
- (l) in respect of Notes which benefit from the Guarantee, such Notes shall continue to benefit from the Guarantee following substitution of the Issuer and/or the Guarantor (as the case may be), pursuant to this Condition 29.

29.4 *Reference in the Conditions to the Issuer or the Guarantor (as the case may be)*

In the event of a substitution pursuant to this Condition 29, any reference in the Conditions to the relevant Issuer or the Guarantor (as the case may be) shall be construed as a reference to the entity substituted.

29.5 *Notification to Noteholders of substitutions with Morgan Stanley Group entities*

The relevant Issuer shall as soon as reasonably practicable, and in any event not more than 15 Business Days after the date on which a substitution pursuant to Condition 29.1 (*Substitution of Issuer with Morgan Stanley Group entities*) has taken place, notify Noteholders of such substitution in accordance with Condition 24 (*Notices*).

29.6 *Right to Redemption in respect of substitutions with non Morgan Stanley Group entities*

With respect to the right of substitution referred to in Condition 29.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*), the Issuer shall provide 60 calendar days' notice of any substitution under such Condition to Noteholders in accordance with Condition 24 (*Notices*). Noteholders who object to the substitution will have the right to require the Issuer to redeem their Notes at a price determined in accordance with the provisions of this Condition 29.6, by providing notice of their intention to exercise such right in the manner set out in this Condition 29.6 (the **Right to Redemption**).

The redemption of any Notes in respect of which the Right to Redemption has been exercised by Noteholders shall take place 10 Business Days prior to the relevant substitution becoming effective (the **Substitution Redemption Date**). The Issuer shall redeem any Notes in respect of which the Right to Redemption has been exercised at a price equal to (i) in the case of Notes the terms of which provide for the repayment in full of principal at maturity, the Replacement Value of such Notes or (ii) in every other case, the fair market value of such Notes on the day on which the relevant Right to Redemption Notice is deposited, in accordance with the provisions of this Condition 29.6, as determined by the Determination Agent in its reasonable discretion, together with interest (if any) accrued to such date (to the extent that such interest is not otherwise taken into account in determining the fair market value of such Notes).

For the purpose of this Condition 29.6, **Replacement Value** means an amount determined by the Determination Agent, acting in good faith and in a commercially reasonable manner, as at the day on which the relevant Right to Redemption Notice is deposited in accordance with the provisions of this Condition 29.6 to be the amount that a Qualified Financial Institution would charge to assume all of the Issuer's payment and other obligations with respect to the Notes as if the relevant Substitution Event described in Condition 29.2 (*Substitution of Issuer or Guarantor with non Morgan Stanley Group entities*) and the substitution described in this Condition 29.6 had not occurred or to undertake obligations that would have the effect of preserving the economic equivalent of any payment by the Issuer to the Noteholder with respect to the Notes.

In order to exercise the option contained in this Condition 29.6 the holder of any Note must, not less than 15 Business Days before the date on which the substitution is due to take place, deposit with the Fiscal Agent a duly completed Right to Redemption Notice in the form set out in the Agency Agreement. The Fiscal Agent with which a Right to Redemption Notice is so deposited shall deliver a duly completed Right to Redemption Receipt to the depositing Noteholder. Once deposited a duly completed Right to Redemption Notice may not be withdrawn; provided, however, that if, prior to the relevant Substitution Redemption Date, the related Note becomes due and payable or, upon the relevant Substitution Redemption Date, payment of the redemption moneys is improperly withheld or refused, the Fiscal Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Right to Redemption Notice and the relevant depositing Noteholder and not the Fiscal Agent shall be deemed to be the holder of such Note for all purposes in such case.

Notwithstanding the foregoing, in respect of any Series of Notes for which Morgan Stanley is the Issuer, Noteholders shall only have the right to submit a Right to Redemption Notice from the date which is one calendar year after the Issue Date of such Notes.

Any payments made to Noteholders in accordance with this Condition 29.6 shall be made in accordance with the provisions of Condition 16 (*Payments*).

29.7 *Tax consequences of the substitution*

If the Issuer substitutes an entity for the Issuer as the principal debtor in respect of the Notes, the tax consequences (including the withholding tax consequences) of holding the Notes may change. Except as otherwise set out in these Terms and Conditions, if withholding is required on the Notes the Issuer will not be required to pay any additional amounts.

30. GOVERNING LAW AND JURISDICTION

30.1 *Governing Law:* The Notes shall be governed by and construed in accordance with French law (except in relation to the Issuer's right to repurchase Notes as specified in Condition 15.10 above). The Guarantee and any non-contractual obligations arising out of or in connection with the Guarantee will be governed by, and shall be construed in accordance with, New York law.

30.2 *Jurisdiction:* Any claim against Morgan Stanley, MSIP, MSBV or MSFL as Issuer, or Morgan Stanley as Guarantor, in connection with any Notes may exclusively be brought before the competent courts in Paris.

31. AGREEMENT WITH RESPECT TO THE EXERCISE OF U.K. BAIL-IN POWER WITH RESPECT TO MSIP NOTES

31.1 *Acknowledgement:*

Notwithstanding any other agreements, arrangements, or understandings between MSIP and any Noteholder or beneficial owner of MSIP Notes, by purchasing or acquiring the MSIP Notes, each Noteholder (including each beneficial owner) of MSIP Notes acknowledges, accepts, agrees to be bound by and consents to the effect of the exercise of any U.K. bail-in power by the relevant U.K. resolution authority that may include and result in any of the following, or some combination thereof:

- (1) the reduction or cancellation of all, or a portion, of the principal amount of, or interest on, MSIP Notes or any other outstanding amounts due under or in respect of MSIP Notes;

- (2) the conversion of all, or a portion, of the principal amount of, or interest on, MSIP Notes into shares or other securities or other obligations of MSIP or another person (and the issue to or conferral on the Noteholder of such shares, securities or obligations); and/or
- (3) the amendment or alteration of the maturity of MSIP Notes, or amendment of the amount of interest due on MSIP Notes, or the dates on which interest becomes payable, including by suspending payment for a temporary period; any U.K. bail-in power may be exercised by means of variation of the terms of MSIP Notes solely to give effect to the exercise by the relevant U.K. resolution authority of such U.K. bail-in power.

With respect to (a), (b) and (c) above, references to principal and interest shall include payments of principal and interest that have become due and payable (including principal that has become due and payable at the maturity date), but which have not been paid, prior to the exercise of any U.K. bail-in power.

Each Noteholder and each beneficial owner of MSIP Notes further acknowledges and agrees that the rights of the Noteholders and/or beneficial owners under MSIP Notes are subject to, and will be varied, if necessary, solely to give effect to, the exercise of any U.K. bail-in power by the relevant U.K. resolution authority.

31.2 *U.K. bail-in power:*

For these purposes, a “**U.K. bail-in power**” is any write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to MSIP and the MSIP Group, including but not limited to any such laws, regulations, rules or requirements which are implemented, adopted or enacted within the context of a U.K. resolution regime under the U.K. Banking Act 2009 as the same has been or may be amended from time to time (whether pursuant to the Banking Reform Act 2013, secondary legislation or otherwise), pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, amended, transferred and/or converted into shares or other securities or obligations of the obligor or any other person (and a reference to the “**relevant U.K. resolution authority**” is to any authority with the ability to exercise a U.K. bail-in power).

“**MSIP Group**” means Morgan Stanley & Co. International plc and all of its subsidiary undertakings.

31.3 *No repayment of the principal amount or interest of MSIP Notes:*

No repayment of the principal amount of MSIP Notes or payment of interest on MSIP Notes shall become due and payable after the exercise of any U.K. bail-in power by the relevant U.K. resolution authority unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by MSIP under the laws and regulations of the United Kingdom applicable to MSIP or other members of the MSIP Group.

31.4 *No Event of Default:*

By its acquisition of MSIP Notes, each Noteholder and each beneficial owner of MSIP Notes acknowledges and agrees that:

- (i) the exercise of the U.K. bail-in power by the relevant U.K. resolution authority with respect to MSIP Notes shall not give rise to an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Noteholder to any remedies which are hereby expressly waived; and
- (ii) it shall be deemed to have consented to the exercise of any U.K. bail-in power as it may be imposed without any prior notice by the relevant U.K. resolution authority of its decision to exercise such power with respect to MSIP Notes.

31.5 *Notice to Noteholders:*

Upon the exercise of the U.K. bail-in power by the relevant U.K. resolution authority with respect to MSIP Notes, MSIP shall provide a written notice to the Noteholders in accordance with Condition 24 (*Notices*) as soon as practicable regarding such exercise of the U.K. bail-in power for purposes of notifying Noteholders of such occurrence. MSIP shall also deliver a copy of such notice to the Fiscal Agent for information purposes only. Any delay or failure by MSIP to give notice shall not affect the validity and enforceability of the U.K. bail-in power nor the effects on MSIP Notes described in this Condition 31.

31.6 *Duties of the Fiscal Agent:*

Upon the exercise of any U.K. bail-in power by the relevant U.K. resolution authority, MSIP and, by its acquisition of MSIP Notes, each Noteholder (including each holder of a beneficial interest in MSIP Notes) hereby agree that (a) the Fiscal Agent shall not be required to take any directions from Noteholders, and (b) the Agency Agreement shall impose no duties upon the Fiscal Agent whatsoever, in each case with respect to the exercise of any U.K. bail-in power by the relevant U.K. resolution authority.

Notwithstanding the foregoing, if, following the completion of the exercise of the U.K. bail-in power by the relevant U.K. resolution authority, any MSIP Notes remain outstanding (for example, if the exercise of the Bail-In Power results in only a partial write-down of the principal of MSIP Notes), then the Fiscal Agent's duties under the Agency Agreement shall remain applicable with respect to MSIP Notes following such completion to the extent that MSIP and the Fiscal Agent shall agree pursuant to an amendment to the Agency Agreement.

PART 2 - ADDITIONAL TERMS AND CONDITIONS

Additional Provisions relating to Equity-Linked Notes, Currency-linked Notes, Inflation-Linked Notes, Fund-Linked Notes and Futures Contract-Linked Notes

Section 1

General

These Additional Terms and Conditions (**Additional Terms and Conditions**) apply to each Series of Equity-Linked Notes, Currency-Linked Notes, Inflation-Linked Notes, Fund-Linked Notes and Futures Contract-Linked Notes (collectively, **Linked Notes**) and, only when expressly specified in the Additional Terms and Conditions, to Floating Rate Notes. In relation to each Series of Linked Notes, **Relevant Underlying** means the share(s), index(es), exchange traded fund(s), a currency pair, inflation index(es), the fund(s) and/or the futures contract(s) specified in the applicable Final Terms as the Underlying Share, the Basket of Shares (for Equity-Linked Notes), the Index, the Basket of Indices (for Equity-Linked Notes), the ETF Interest, the Basket of ETF Interests (for Equity-Linked Notes), the Basket of Currency Pair (for Currency-Linked Notes), the Inflation Index, the Basket of Inflation Indices (for Inflation-Linked Notes), the Fund Interest, the Basket of Fund Interests (for Fund-Linked Notes), the Futures Contract and/or the Basket of Futures Contracts (for Futures Contract-Linked Notes) and, where the context so permits, each such share, index, exchange traded fund, currency pair, inflation index, fund, fund interest or futures contract.

The terms relating to the payment of interest (if any) and redemption may be linked to the performance or value of the Relevant Underlying determined in a number of different ways which will be specified in the applicable Final Terms by reference to particular provisions contained in these Additional Terms and Conditions.

For the purpose of determining values of the Relevant Underlying, provisions from among those contained in Section 2 (*Value Determination Terms*) of these Additional Terms and Conditions will be specified in the applicable Final Terms.

For the purpose of determining values for the performance of the Relevant Underlying, provisions from among those contained in Section 3 (*Performance Determination Terms*) of these Additional Terms and Conditions will be specified in the applicable Final Terms.

The applicable Final Terms will also specify:

- (a) the applicable terms (if any) for the payment of interest under Condition 6.5 from among those contained in Section 4 (*Interest Provisions*) of these Additional Terms and Conditions;
- (b) the applicable terms (if any) as to automatic early redemption from among those contained in Section 5 (*Early Redemption Terms*) of these Additional Terms and Conditions; and
- (c) the applicable terms (if any) for determining the Final Redemption Amount from among those contained in Section 6 (*Scheduled Redemption Terms*) of these Additional Terms and Conditions.

The provisions set out in each of the following Sections of these Additional Terms and Conditions (other than any introductory description in italicised script) which are applicable to a Series of Linked Notes comprise additional Terms and Conditions forming part of the Conditions of the Notes of such Series. (Any such introductory description is a general description only, does not form part of, and is subject to, the provisions which it describes.)

Section 2

Value Determination Terms

With respect to each Series of Linked Notes, the **Relevant Underlying Value** for a Relevant Underlying as of any date (including but not limited to a Valuation Date, Interest Determination Date, Determination Date, Observation Date or Averaging Date) for the purposes of determinations linked to the value or performance of the Relevant Underlying shall be, as determined by the Determination Agent and subject as provided in the Conditions:

- (a) for an Underlying Share or ETF Interest and a Series of Equity-Linked Notes, the price (or, if applicable, two or more such prices) of such Underlying Share or ETF Interest on the relevant Exchange;
- (b) for an Index and a Series of Equity-Linked Notes, the official level of the Index (or, if applicable, two or more such levels);
- (c) for an Index and a Series of Inflation-Linked Notes, the level of the Inflation Index for a specified calendar month (or, if applicable, two or more such levels);
- (d) for a Futures Contract and a Series of Futures Contract-Linked Notes, the Settlement Price of such Futures Contract on the relevant Exchange;
- (e) for a Currency Pair and a Series of Currency-Linked Notes, means the Specified Rate;
- (f) for a Fund and a Series of Fund Linked Notes, (A) the official Fund net asset value which is published by the Fund, Fund Manager or any service provider appointed by the Fund or Fund Manager who reports such value on behalf of the Fund, on Bloomberg, Reuters or other similar publishing service, or on the website of the Fund, or in any other manner, divided by (B) the total number of Fund Interests, **provided that** if the information is published on more than one source and the information published on one source differs from the information published on another, the Determination Agent shall choose one of these in its discretion, acting in good faith and in a commercially reasonable manner;
- (g) for a Relevant Underlying which is a basket comprising any combination of the foregoing, the value for the Relevant Underlying equal to the sum of the weighted values or, as the case may be, non weighted values, of the components of the Relevant Underlying applying (a) to (d) above, as applicable,

determined, in each case, in accordance with such of the provisions contained in the following provisions of this Section 2 (**Value Determination Terms**) as are applicable to the relevant determination as specified in the applicable Final Terms.

1. If **Closing Value** is specified in the applicable Final Terms or referred to in any other Value Determination Terms that are relevant to the applicable Final Terms, the Relevant Underlying Value will be determined:
 - (a) for an Underlying Share, Index or ETF Interest and a Series of Equity-Linked Notes, as of the Scheduled Closing Time of the Exchange in respect of such Relevant Underlying on the relevant date;
 - (b) for an Inflation Index and a Series of Inflation-Linked Notes, for the month specified as the Reference Month with respect to the relevant date in the applicable Final Terms;
 - (c) for a Fund Interest and a Series of Fund-Linked Notes, as of close of business in respect of such Relevant Underlying on the Fund Business Day immediately succeeding the relevant date;

- (d) for a Futures Contract and a Series of Futures Contract-Linked Notes, as of the Scheduled Closing Time the Exchange (or such other time as the Settlement Price is announced and published) in respect of such Relevant Underlying on the relevant date;
 - (e) for a Basket of Shares, Indices or ETFs and a Series of Equity-Linked Notes, as of the Scheduled Closing Time of the Exchange in respect of such Relevant Underlying on the relevant date;
 - (f) for a Currency Pair and a Series of Currency-Linked Notes, as of the close of business hours in the Principal Financial Centre in respect of the Reference Currency on the relevant date;
 - (g) for a Basket of Inflation Indices and a Series of Inflation-Linked Notes, for the month specified as the Reference Month with respect to the relevant date in the applicable Final Terms;
 - (h) for a Basket of Fund Interests and a Series of Fund-Linked Notes, as of close of business in respect of such Relevant Underlying on the Fund Business Day immediately succeeding the relevant date; and
 - (i) for a Basket of Futures Contracts and a Series of Futures Contract-Linked Notes, as of the Scheduled Closing Time of the Exchange (or such other time as the Settlement Price is announced and published) in respect of such Relevant Underlying on the relevant date.
2. If **Intraday Value** is specified in the applicable Final Terms or referred to in any other Value Determination Terms in the context of comparing the Relevant Underlying Value against any other value, the Relevant Underlying Value may be determined at any time on the relevant date for the purposes of such comparison.
3. If **Average Value** is specified in the applicable Final Terms, the Relevant Underlying Value will be equal to the arithmetic mean of, as specified in the applicable Final Terms, (i) the Closing Values or (ii) the Intraday Values, of the Relevant Underlying on each of the Averaging Dates
- where:
Averaging Dates means the dates specified as such in the applicable Final Terms, subject to adjustment in accordance with the Conditions;
- Closing Value** has the meaning given to it in these Value Determination Terms; and
- Intraday Value** has the meaning given to it in these Value Determination Terms.
4. If **Min Value** is specified in the applicable Final Terms, the Relevant Underlying Value will be equal to the lowest Closing Value of the Relevant Underlying as of any of the Observation Dates
- where:
Closing Value has the meaning given to it in these Value Determination Terms; and
- Observation Dates** means the dates specified as such in the applicable Final Terms.
5. If **Max Value** is specified in the applicable Final Terms, the Relevant Underlying Value will be equal to the highest Closing Value of the Relevant Underlying as of any of the Observation Dates
- where:

Closing Value has the meaning given to it in these Value Determination Terms; and

Observation Dates means the dates specified as such in the applicable Final Terms.

6. If **Floored Min Value** is specified in the applicable Final Terms, the Relevant Underlying Value will be equal to the Lowest Closing Value or, if greater, the Floor Value

where:

Floor Value means the value specified as such in the applicable Final Terms;

Closing Value has the meaning given to it in these Value Determination Terms;

Lowest Closing Value the lowest of the Closing Values of the Relevant Underlying as of any of the Observation Dates, and

Observation Dates means the dates specified as such in the applicable Final Terms.

7. If **Capped Max Value** is specified in the applicable Final Terms, the Relevant Underlying Value will be equal to the Highest Closing Value or, if lower, the Cap Value

where:

Cap Value means the value specified as such in the applicable Final Terms;

Closing Value has the meaning given to it in these Value Determination Terms;

Highest Closing Value means the highest of the Closing Values of the Relevant Underlying as of any of the Observation Dates; and

Observation Dates means the dates specified as such in the applicable Final Terms.

8. If **Individually Floored Average Value** is specified in the applicable Final Terms, the Relevant Underlying Value will be the value determined by the Determination Agent to be equal to the arithmetic mean of the values for each Averaging Date equal to the greater of: (a) the Closing Value of the Relevant Underlying as of such Averaging Date; and (b) the Floor Value in respect of the Relevant Underlying as of such Averaging Date, and determined in accordance with the following formula:

$$\text{Relevant Underlying Value} = \sum_{i=1}^n \frac{1}{n} \times \text{Max} [\text{Floor Value}; \text{Closing Value}_i]$$

where:

i is a series of numbers from one to n, each representing an Averaging Date;

n means the number of Averaging Dates;

Averaging Dates means the dates specified as such in the applicable Final Terms, subject to adjustment in accordance with the Conditions;

Closing Value has the meaning given to it in these Value Determination Terms and **Closing Value_i** means the Closing Value of the Relevant Underlying on the relevant Averaging Date; and

Floor Value means the value specified as such in the applicable Final Terms.

9. If **Individually Capped Average Value** is specified in the applicable Final Terms, the Relevant Underlying Value will be the value determined by the Determination Agent to be equal to the arithmetic mean of the values for each Averaging Date equal to the lower of: (a) the Closing

Value of the Relevant Underlying as of such Averaging Date; and (b) the Cap Value in respect of such Relevant Underlying as of such Averaging Date and determined in accordance with the following formula:

$$\text{Relevant Underlying Value} = \sum_{i=1}^n \frac{1}{n} \times \text{Min} [\text{Cap Value}; \text{Closing Value}_i]$$

where:

i is a series of numbers from one to n, each representing an Averaging Date;

n means the number of Averaging Dates;

Averaging Dates means the dates specified as such in the applicable Final Terms, subject to adjustment in accordance with the Conditions;

Closing Value has the meaning given to it in these Value Determination Terms and **Closing Value_i** means the Closing Value of the Relevant Underlying on the relevant Averaging Date; and

Cap Value means the value specified as such in the applicable Final Terms.

10. If **Globally Floored Average Value** is specified in the applicable Final Terms, the Relevant Underlying Value will be the value determined by the Determination Agent to be equal to the greater of: (a) arithmetic mean of the Closing Values of the Relevant Underlying as of each of the Averaging Dates; and (b) the Global Floor Value, and determined in accordance with the following formula:

$$\text{Relevant Underlying Value} = \text{Max} \left[\text{Global Floor Value}; \sum_{i=1}^n \frac{1}{n} \times \text{Closing Value}_i \right]$$

where:

i is a series of numbers from one to n, each representing an Averaging Date;

n means the number of Averaging Dates;

Averaging Dates means the dates specified as such in the applicable Final Terms, subject to adjustment in accordance with the Conditions;

Closing Value has the meaning given to it in these Value Determination Terms and **Closing Value_i** means the Closing Value of the Relevant Underlying on the relevant Averaging Date; and

Global Floor Value means the value specified as such in the applicable Final Terms.

11. If **Globally Capped Average Value** is specified in the applicable Final Terms, the Relevant Underlying Value will be the value determined by the Determination Agent to be equal to the lower of: (a) the arithmetic mean of the Closing Values of the Relevant Underlying as of each of the Averaging Dates; and (b) the Global Cap Value, and determined in accordance with the following formula:

$$\text{Relevant Underlying Value} = \text{Min} \left[\text{Global Cap Value}; \sum_{i=1}^n \frac{1}{n} \times \text{Closing Value}_i \right]$$

where:

i is a series of numbers from one to n, each representing an Averaging Date;

n means the number of Averaging Dates;

Averaging Dates means the dates specified as such in the applicable Final Terms, subject to adjustment in accordance with the Conditions;

Closing Value has the meaning given to it in these Value Determination Terms and **Closing Value_i** means the Closing Value of the Relevant Underlying on the relevant Averaging Date; and

Global Cap Value means the value specified as such in the applicable Final Terms.

12. If **Reset Value** is specified as applicable in the applicable Final Terms, (a) if on any Reset Observation Date the Closing Value of the Relevant Underlying is (i) greater than, (ii) greater than or equal to, (iii) less than, or (iv) less than or equal to, as specified in the applicable Final Terms, the Reset Barrier Value, then the Relevant Underlying Value will be equal to the product of the Initial Closing Value and the Reset Rate, or (b) else, the Relevant Underlying Value will be equal to the Initial Closing Value. For the avoidance of doubt, this Value Determination Term is only applicable with respect to the determination of the Initial Reference Value.

where:

Closing Value has the meaning given to it in these Value Determination Terms;

Initial Closing Value means the Closing Value of the Relevant Underlying as of the Strike Date;

Reset Barrier Value means, for each Reset Observation Date, the value specified as such in the applicable Final Terms (expressed as a single value or as a percentage of the Initial Closing Value);

Reset Observation Dates means the dates specified as such in the applicable Final Terms; and

Reset Rate means the percentage specified as such in the applicable Final Terms.

Section 3 Performance Determination Terms

Where the performance of the Relevant Underlying is to be determined for the purposes of determining any Interest Amount, any Early Redemption Amount or the Final Redemption Amount for the Linked Notes of any Series, the value of such performance will be determined applying the provisions of one or more of the paragraphs set out below in this Section 3 (each **Performance Determination Terms**) as specified in the applicable Final Terms. For the purposes of such provisions, **Performance Determination Date** means, as applicable, the Interest Determination Date, Valuation Date or Determination Date as of which performance is to be determined and which falls within the Applicable Period **provided that**, in the case of Equity-Linked Notes, Fund-Linked Notes and Futures Contract-Linked Notes (i) if any such date is not a Scheduled Trading Day or a Fund Business Day (as applicable), the relevant Performance Determination Date shall (A) in the case of Equity-Linked Notes, be the next succeeding Scheduled Trading Day or, if either “Common Scheduled Trading Days and Common Disrupted Days” or “Common Scheduled Trading Days and Individual Disrupted Days” is specified to be applicable in the relevant Final Terms, the next succeeding Common Scheduled Trading Day; or (B) in the case of Fund-Linked Notes, be the next succeeding Fund Business Day or, if either “Common Fund Business Days and Common Disrupted Days” or “Common Fund Business Days and Individual Disrupted Days” is specified to be applicable in the relevant Final Terms, the next succeeding Common Fund Business Day; (C) in the case of Futures Contract-Linked Notes, be the next succeeding Scheduled Trading Day or, if either “Common Scheduled Trading Days and Common Disrupted Days” or “Common Scheduled Trading Days and Individual Disrupted Days” is specified to be applicable in the relevant Final Terms, the next succeeding Common Scheduled Trading Day or (D) in the case of Combination Basket Notes, be the next succeeding Scheduled Trading Day or, if either “Common Scheduled Trading Days and Common Disrupted Days” or “Common Scheduled Trading Days and Individual Disrupted Days” is specified to be applicable in the relevant Final Terms, the next succeeding Common Scheduled Trading Day, and (ii) if any Performance Determination Date is a Disrupted Day, the provisions of, as applicable, Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*), 12.1 (*Market Disruption, Reference Dates and Averaging Dates*), 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) and Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*), shall apply *mutatis mutandis* as if such Performance Determination Date were a Reference Date. For the purposes of such provisions, **Applicable Period** means the period which shall begin on the Issue Date and end on the Maturity Date, unless otherwise specified in the applicable Final Terms.

Performance Determination Terms for Notes linked to a single Share, Index, ETF Interest, Inflation Index, Fund Interest or Futures Contract

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1. Basic Performance

If "Basic Performance" is specified in the applicable Final Terms, the Performance will be determined by the Determination Agent as of the relevant Performance Determination Date:

- (a) Unless "**Put Performance**" is specified as being applicable, in accordance with the following formula:

$$Performance = Performance Rate \times \left(\frac{Final Reference Value}{Initial Reference Value} - Strike \right)$$

- (b) If "**Put Performance**" is specified as being applicable, in accordance with the following formula:

$$Performance = Performance Rate \times \left(Strike - \frac{Final Reference Value}{Initial Reference Value} \right)$$

where:

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value means the Relevant Underlying Value as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms.

2. Capped Performance

If "Capped Performance" is specified in the applicable Final Terms, the Performance will be determined by the Determination Agent as of the relevant Performance Determination Date:

- (a) Unless "**Put Performance**" is specified as being applicable, in accordance with the following formula:

$$Performance = Performance Rate \times \text{Min} \left(\text{Cap}; \frac{Final Reference Value}{Initial Reference Value} - Strike \right)$$

- (b) If "**Put Performance**" is specified as being applicable, in accordance with the following formula:

$$Performance = Performance Rate \times \text{Min} \left(\text{Cap}; Strike - \frac{Final Reference Value}{Initial Reference Value} \right)$$

where:

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Cap means the value specified as such in the applicable Final Terms;

Final Reference Value means the Relevant Underlying Value as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms.

3. **Floored Performance**

If "Floored Performance" is specified in the applicable Final Terms, the Performance will be determined by the Determination Agent as of the relevant Performance Determination Date

- (a) Unless "**Put Performance**" is specified as being applicable, in accordance with the following formula:

$$\text{Performance} = \text{Performance Rate} \times \text{Max} \left(\text{Floor}; \frac{\text{Final Reference Value}}{\text{Initial Reference Value}} - \text{Strike} \right)$$

- (b) If "**Put Performance**" is specified as being applicable, in accordance with the following formula:

$$\text{Performance} = \text{Performance Rate} \times \text{Max} \left(\text{Floor}; \text{Strike} - \frac{\text{Final Reference Value}}{\text{Initial Reference Value}} \right)$$

where:

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Floor means the value specified as such in the applicable Final Terms;

Final Reference Value means the Relevant Underlying Value as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms.

4. **Capped & Floored Performance**

If "Capped & Floored Performance" is specified in the applicable Final Terms, the Performance will be determined by the Determination Agent as of the relevant Performance Determination Date:

- (a) Unless "**Put Performance**" is specified as being applicable, in accordance with the following formula:

$$\text{Performance} = \text{Performance Rate} \times \text{Min} \left(\text{Cap}; \text{Max} \left[\text{Floor}; \frac{\text{Final Reference Value}}{\text{Initial Reference Value}} - \text{Strike} \right] \right)$$

- (b) If "**Put Performance**" is specified as being applicable, in accordance with the following formula:

$$\text{Performance} = \text{Performance Rate} \times \text{Min} \left(\text{Cap}; \text{Max} \left[\text{Floor}; \text{Strike} - \frac{\text{Final Reference Value}}{\text{Initial Reference Value}} \right] \right)$$

where:

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Cap means the value specified as such in the applicable Final Terms;

Floor means the value specified as such in the applicable Final Terms;

Final Reference Value means the Relevant Underlying Value as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms.

5. Absolute Basic Performance

If "Absolute Basic Performance" is specified in the applicable Final Terms, the Performance will be determined by the Determination Agent as of the relevant Performance Determination Date:

- (a) Unless "**Put Performance**" is specified as being applicable, in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value by the Initial Reference Value and the subsequent subtraction of 1):

$$\text{Performance} = \text{Performance Rate} \times \left| \frac{\text{Final Reference Value}}{\text{Initial Reference Value}} - \text{Strike} \right|$$

- (b) If "**Put Performance**" is specified as being applicable, in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value by the Initial Reference Value and the subsequent subtraction of the result from 1):

$$\text{Performance} = \text{Performance Rate} \times \left| \text{Strike} - \frac{\text{Final Reference Value}}{\text{Initial Reference Value}} \right|$$

where:

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value means the Relevant Underlying Value as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms.

6. **Absolute Capped Performance**

If "Absolute Capped Performance" is specified in the applicable Final Terms, the Performance will be determined by the Determination Agent as of the relevant Performance Determination Date:

- (a) Unless "**Put Performance**" is specified as being applicable, in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value by the Initial Reference Value and the subsequent subtraction of 1):

$$\text{Performance} = \text{Performance Rate} \times \text{Min} \left[\text{Cap}; \left| \left(\frac{\text{Final Reference Value}}{\text{Initial Reference Value}} - \text{Strike} \right) \right| \right]$$

- (b) If "**Put Performance**" is specified as being applicable, in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value by the Initial Reference Value and the subsequent subtraction of the resultant value from 1):

$$\text{Performance} = \text{Performance Rate} \times \text{Min} \left[\text{Cap}; \left| \left(\text{Strike} - \frac{\text{Final Reference Value}}{\text{Initial Reference Value}} \right) \right| \right]$$

where:

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Cap means the value specified as such in the applicable Final Terms;

Final Reference Value means the Relevant Underlying Value as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms.

7. **Absolute Floored Performance**

If "Absolute Floored Performance" is specified in the applicable Final Terms, the Performance will be determined by the Determination Agent as of the relevant Performance Determination Date:

- (a) Unless "**Put Performance**" is specified as being applicable, in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value by the Initial Reference Value and the subsequent subtraction of 1):

$$\text{Performance} = \text{Performance Rate} \times \text{Max} \left(\text{Floor}; \left| \left(\frac{\text{Final Reference Value}}{\text{Initial Reference Value}} - \text{Strike} \right) \right| \right)$$

- (b) If "**Put Performance**" is specified as being applicable, in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value by the Initial Reference Value and the subsequent subtraction of the resultant value from 1):

$$\text{Performance} = \text{Performance Rate} \times \text{Max} \left(\text{Floor}; \left| \left(\text{Strike} - \frac{\text{Final Reference Value}}{\text{Initial Reference Value}} \right) \right| \right)$$

where:

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Floor means the value specified as such in the applicable Final Terms;

Final Reference Value means the Relevant Underlying Value as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms.

8. Absolute Capped & Floored Performance

If "Absolute Capped & Floored Performance" is specified in the applicable Final Terms, the Performance will be determined by the Determination Agent as of the relevant Performance Determination Date:

- (a) Unless "**Put Performance**" is specified as being applicable, in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value by the Initial Reference Value and the subsequent subtraction of 1):

$$\text{Performance} = \text{Performance Rate} \times \text{Min} \left(\text{Cap}; \text{Max} \left[\text{Floor}; \left| \left(\frac{\text{Final Reference Value}}{\text{Initial Reference Value}} - \text{Strike} \right) \right| \right] \right)$$

- (b) If "**Put Performance**" is specified as being applicable, in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value by the Initial Reference Value and the subsequent subtraction of the resultant value from 1):

$$\text{Performance} = \text{Performance Rate} \times \text{Min} \left(\text{Cap}; \text{Max} \left[\text{Floor}; \left| \left(\text{Strike} - \frac{\text{Final Reference Value}}{\text{Initial Reference Value}} \right) \right| \right] \right)$$

where:

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Cap means the value specified as such in the applicable Final Terms;

Floor means the value specified as such in the applicable Final Terms;

Final Reference Value means the Relevant Underlying Value as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms.

9. Basic performance with synthetic dividends

If "Basic performance with synthetic dividends" is specified in the applicable Final Terms, the Performance will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value by the Initial Reference Value and the subsequent subtraction of 1):

$$Performance = Performance Rate \times \left(\frac{Final Reference Value}{Initial Reference Value} \right) \times (1 - synthetic dividends level)^j - Strike$$

where:

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value means the Relevant Underlying Value as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

j means a number of year between the Strike Date and the Performance Determination Date; and

Synthetic dividends level means a level specified in the applicable Final Terms.

Selected Average Performance Determination Terms for Notes linked to a Relevant Underlying which is a basket (referred to below as the Basket) consisting of a number of components (with each such component of the Basket, as specified in the Final Terms, being a Basket Component)

10. Selected Average Basic Performance

If "Selected Average Basic Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula:

$$Performance = \sum_{i=1}^n \frac{1}{n} \left\{ Performance Rate \times \left(\frac{Final Reference Value_i}{Initial Reference Value_i} - Strike \right) \right\}$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value_i** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_i** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J = ..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,5...7" in the applicable Final Terms, the Selected Basket Components will comprise the 4 Basket Components numbered 1, 5, 6 and 7),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

11. Selected Average Individually Capped Performance

If "Selected Average Individually Capped Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula:

$$Performance = \sum_{i=1}^n \frac{1}{n} \left(Performance\ Rate \times Min \left[Cap_i; \frac{Final\ Reference\ Value_i}{Initial\ Reference\ Value_i} - Strike \right] \right)$$

where:

i is a series of numbers from one to *n*, each representing a Basket Component;

n means the number of Basket Components in the Basket;

Cap_i means, in respect of any Selected Basket Component_i, the value specified as such in the applicable Final Terms;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value_i** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_i** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J = ..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,5...7" in the applicable Final Terms, the Selected Basket Components will comprise the 4 Basket Components numbered 1, 5, 6 and 7),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

12. **Selected Average Individually Floored Performance**

If "Selected Average Individually Floored Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula:

$$Performance = \sum_{i=1}^n \frac{1}{n} \left(Performance\ Rate \times Max \left[Floor_i; \frac{Final\ Reference\ Value_i}{Initial\ Reference\ Value_i} - Strike \right] \right)$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

Floor_i means, in respect of any Selected Basket Component_i, the value specified as such in the applicable Final Terms;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value_i** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_i** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J = ..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,5...7" in the applicable Final Terms, the Selected Basket Components will comprise the 4 Basket Components numbered 1, 5, 6 and 7),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

13. Selected Average Individually Capped & Floored Performance

If "Selected Average Individually Capped & Floored Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula:

$$Performance = \sum_{i=1}^n \frac{1}{n} Performance Rate \times \text{Min} \left(Cap_i; \text{Max} \left[Floor_i; \frac{Final Reference Value_i}{Initial Reference Value_i} - Strike \right] \right)$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

Cap_i means, in respect of any Selected Basket Component_i, the value specified as such in the applicable Final Terms;

Floor_i means, in respect of any Selected Basket Component_i, the value specified as such in the applicable Final Terms;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value_i** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_i** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J =

..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,5...7" in the applicable Final Terms, the Selected Basket Components will comprise the 4 Basket Components numbered 1, 5, 6 and 7),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

14. **Selected Average Global Capped Performance**

If "Selected Average Global Capped Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula:

$$Performance = Min \left[Cap; \sum_{i=1}^n \frac{1}{n} \left(Performance Rate \times \left(\frac{Final Reference Value_i}{Initial Reference Value_i} - Strike \right) \right) \right]$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

Cap means the value specified as such in the applicable Final Terms;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value_i** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_i** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J =

..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,5...7" in the applicable Final Terms, the Selected Basket Components will comprise the 4 Basket Components numbered 1, 5, 6 and 7),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

15. **Selected Average Global Floored Performance**

If "Selected Average Global Floored Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula:

$$Performance = Max \left[Floor; \sum_{i=1}^n \frac{1}{n} \left(Performance Rate \times \left(\frac{Final Reference Value_i}{Initial Reference Value_i} - Strike \right) \right) \right]$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

Floor means the value specified as such in the applicable Final Terms;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value_i** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_i** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J =

..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,5...7" in the applicable Final Terms, the Selected Basket Components will comprise the 4 Basket Components numbered 1, 5, 6 and 7),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

16. **Selected Average Global Capped & Floored Performance**

If "Selected Average Global Capped & Floored Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula:

$$Performance = \min \left[Cap; \max \left[Floor; \sum_{i=1}^n \frac{1}{n} \left(Performance\ Rate \times \left(\frac{Final\ Reference\ Value_i}{Initial\ Reference\ Value_i} - Strike \right) \right) \right] \right]$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

Cap means the value specified as such in the applicable Final Terms;

Floor means the value specified as such in the applicable Final Terms;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value_i** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_i** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket

Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and

- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J = ..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,5...7" in the applicable Final Terms, the Selected Basket Components will comprise the 4 Basket Components numbered 1, 5, 6 and 7),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

17. **Selected Absolute Average Basic Performance**

If "Selected Absolute Average Basic Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value_i by the Initial Reference Value_i and the subsequent subtraction of 1):

$$Performance = \sum_{i=1}^n \frac{1}{n} \left(Performance Rate \times \left| \left(\frac{Final Reference Value_i}{Initial Reference Value_i} - Strike \right) \right| \right)$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value_i** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_i** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket

Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and

- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J = ..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,5...7" in the applicable Final Terms, the Selected Basket Components will comprise the 4 Basket Components numbered 1, 5, 6 and 7),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

18. **Selected Absolute Average Individually Capped Performance**

If "Selected Absolute Average Individually Capped Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value_{*i*} by the Initial Reference Value_{*i*} and the subsequent subtraction of 1):

$$Performance = \sum_{i=1}^n \frac{1}{n} \left(Performance\ Rate \times Min \left[Cap_i; \left| \left(\frac{Final\ Reference\ Value_i}{Initial\ Reference\ Value_i} - Strike \right) \right| \right] \right)$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

Cap_{*i*} means, in respect of any Selected Basket Component_{*i*}, the value specified as such in the applicable Final Terms;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value_{*i*}** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_{*i*}** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J = ..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,2...5" in the applicable Final Terms, the Selected Basket Components will comprise the 5 Basket Components from and including Basket Component 1 to and including Basket Component 5),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

19. **Selected Absolute Average Individually Floored Performance**

If "Selected Absolute Average Individually Floored Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value_{*i*} by the Initial Reference Value_{*i*} and the subsequent subtraction of 1):

$$Performance = \sum_{i=1}^n \frac{1}{n} \left(Performance\ Rate \times Max \left[Floor_i; \left| \left(\frac{Final\ Reference\ Value_i}{Initial\ Reference\ Value_i} - Strike \right) \right| \right] \right)$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

Floor_{*i*} means, in respect of any Selected Basket Component_{*i*}, the value specified as such in the applicable Final Terms;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value_{*i*}** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_{*i*}** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J = ..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,5...7" in the applicable Final Terms, the Selected Basket Components will comprise the 4 Basket Components numbered 1, 5, 6 and 7),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

20. **Selected Absolute Average Individually Capped & Floored Performance**

If "Selected Absolute Average Individually Capped & Floored Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value_{*i*} by the Initial Reference Value_{*i*} and the subsequent subtraction of 1):

$$\sum_{i=1}^n \frac{1}{n} \left(Performance Rate \times Min \left[Cap_i; Max \left[Floor_i; \left| \left(\frac{Final Reference Value_i}{Initial Reference Value_i} - Strike \right) \right| \right] \right] \right)$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

Cap_{*i*} means, in respect of any Selected Basket Component_{*i*}, the value specified as such in the applicable Final Terms;

Floor_{*i*} means, in respect of any Selected Basket Component_{*i*}, the value specified as such in the applicable Final Terms;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value_{*i*}** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_i** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J = ..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,5...7" in the applicable Final Terms, the Selected Basket Components will comprise the 4 Basket Components numbered 1, 5, 6 and 7),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

21. **Selected Absolute Average Global Capped Performance**

If "Selected Absolute Average Global Capped Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value_i by the Initial Reference Value_i and the subsequent subtraction of 1):

$$Performance = Min \left[Cap; \sum_{i=1}^n \frac{1}{n} \left(Performance Rate \times \left| \left(\frac{Final Reference Value_i}{Initial Reference Value_i} - Strike \right) \right| \right) \right]$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

Cap means the value specified as such in the applicable Final Terms;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as

are specified as being applicable in the applicable Final Terms and **Final Reference Value_i** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_i** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J = ..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,5...7" in the applicable Final Terms, the Selected Basket Components will comprise the 4 Basket Components numbered 1, 5, 6 and 7),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

22. **Selected Absolute Average Global Floored Performance**

If "Selected Absolute Average Global Floored Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value_i by the Initial Reference Value_i and the subsequent subtraction of 1):

$$Performance = Max \left[Floor; \sum_{i=1}^n \frac{1}{n} \left(Performance Rate \times \left| \left(\frac{Final Reference Value_i}{Initial Reference Value_i} - Strike \right) \right| \right) \right]$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

Floor means the value specified as such in the applicable Final Terms;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value**_{*i*} means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value**_{*i*} means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J = ..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,5...7" in the applicable Final Terms, the Selected Basket Components will comprise the 4 Basket Components numbered 1, 5, 6 and 7),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

23. **Selected Absolute Average Global Capped & Floored Performance**

If "Selected Absolute Average Global Capped & Floored Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula (treating as an absolute value any negative value resulting from the division of the Final Reference Value_{*i*} by the Initial Reference Value_{*i*} and the subsequent subtraction of 1):

$$Performance = \text{Min} \left[\text{Cap}; \text{Max} \left[\text{Floor}; \sum_{i=1}^n \frac{1}{n} \left(\text{Performance Rate} \times \left| \left(\frac{\text{Final Reference Value}_i}{\text{Initial Reference Value}_i} - \text{Strike} \right) \right| \right) \right] \right]$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

Cap means the value specified as such in the applicable Final Terms;

Floor means the value specified as such in the applicable Final Terms;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value_i** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_i** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J = ..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,5...7" in the applicable Final Terms, the Selected Basket Components will comprise the 4 Basket Components numbered 1, 5, 6 and 7),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

24. **Best of – Non Equally Weighted Average Performance**

If "Best of – Non Equally Weighted Average Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula:

$$Performance = \sum_{i=1}^n W_i \times Performance Rate \times \left(\frac{Final Reference Value_i}{Initial Reference Value_i} - Strike \right)$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

W_i or Relevant Weighting means, for any Selected Basket Component, the value specified as the Weighting for such Selected Basket Component in the applicable Final Terms;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value_i** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_i** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J = ..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,2...5" in the applicable Final Terms, the Selected Basket Components will comprise the 5 Basket Components from and including Basket Component 1 to and including Basket Component 5),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

For the avoidance of doubt, if "Best of – Non Equally Weighted Average Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined solely based on the highest performing single Basket Component (in which case the Relevant Weighting of such highest performing Basket Component will be 100%) or basket of Basket Components (in which case the Relevant Weighting of such highest performing Basket Components will be as specified in the relevant Final Terms), as the case may be, irrespective of the performance of any other Basket Component.

25. **Worst of – Non Equally Weighted Average Performance**

If "Worst of – Non Equally Weighted Average Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula:

$$\sum_{i=1}^n W_i \times \text{Performance Rate} \times \left(\frac{\text{Final Reference Value}_i}{\text{Initial Reference Value}_i} - \text{Strike} \right)$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

W_i or Relevant Weighting means, for any Selected Basket Component, the value specified as the Weighting for such Selected Basket Component in the applicable Final Terms;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value_i** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_i** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *lowest* such value (Basket Component 1) and ending with the Basket Component with the *highest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J = ..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,2...5" in the applicable Final Terms, the Selected Basket Components will comprise the 5 Basket Components from and including Basket Component 1 to and including Basket Component 5),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

For the avoidance of doubt, if "Worst of – Non Equally Weighted Average Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined solely based on the worst performing single Basket Component (in which case the

Relevant Weighting of such worst performing Basket Component will be 100%) or basket of Basket Components (in which case the Relevant Weighting for each worst performing Basket Component will be as specified in the relevant Final Terms), as the case may be, irrespective of the performance of any other Basket Component.

26. Selection of – Non Equally Weighted Average Performance

If "Selection of – Non Equally Weighted Average Performance" is specified in the applicable Final Terms, the Performance in respect of the Basket will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula:

$$\sum_{i=1}^n W_i \times Performance\ Rate \times \left(\frac{Final\ Reference\ Value_i}{Initial\ Reference\ Value_i} - Strike \right)$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

W_i or Relevant Weighting means, for any Selected Basket Component, the value specified as the weighting for such Selected Basket Component in the applicable Final Terms;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Final Reference Value_i** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms and **Initial Reference Value_i** means such value in respect of the relevant Selected Basket Component; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J =

..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,5...7" in the applicable Final Terms, the Selected Basket Components will comprise the 4 Basket Components numbered 1, 5, 6 and 7),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

27. Selection of – Non Equally Weighted Average Performance with synthetic dividends

If "Selection of – Non Equally Weighted Average Performance with synthetic dividends" is specified in the applicable Final Terms, the Performance will be determined by the Determination Agent as of the relevant Performance Determination Date in accordance with the following formula:

$$Performance = \left[\sum_{i=1}^n W_i \times \left(\frac{Final\ Reference\ Value_i}{Initial\ Reference\ Value_i} \right) \right] \times (1 - synthetic\ dividends\ level)^j - Strike$$

where:

i is a series of numbers from one to *n*, each representing a Selected Basket Component;

n means the number of Selected Basket Components in the Basket;

Strike means the number specified as such in the applicable Final Terms, **provided that** if no number is indicated, the Strike shall be 1;

Final Reference Value, for any Basket Component, means the Relevant Underlying Value in respect of such Basket Component as of the relevant Performance Determination Date as determined by the Determination Agent in accordance with the provisions of Section 2 (*Value Determination Terms*) specified as being applicable in the applicable Final Terms and **Final Reference Value_i** means such value in respect of the relevant Selected Basket Component;

Initial Reference Value, for any Basket Component, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value in respect of such Basket Component as of the Strike Date as determined by the Determination Agent in accordance with the provisions of Section 2 (*Value Determination Terms*) specified as being applicable in the applicable Final Terms and **Initial Reference Value_i** means such value in respect of the relevant Selected Basket Component;

j means a number of year between the Strike Date and the Performance Determination Date;

Synthetic dividends level means a level specified in the applicable Final Terms;

W_i or **Relevant Weighting** means, for any Selected Basket Component, the value specified as the Weighting for such Selected Basket Component in the applicable Final Terms; and

Selected Basket Component means the Basket Components determined by the Determination Agent as follows:

- (a) by numbering the Basket Components in order according to the respective values for each Basket Component determined by dividing the Final Reference Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the *highest* such value (Basket Component 1) and ending with the Basket Component with the *lowest* such value (and so that, if more than one Basket Component has the same value, the order of the relevant Basket Components shall be as determined by the Determination Agent); and
- (b) by selecting the numbered Basket Components corresponding to the numbers specified for the Selected Basket Components in the applicable Final Terms in the format "J = ..." (so that, for example, where there are 10 Basket Components and the Selected Basket Components are identified as "J=1,5...7" in the applicable Final Terms, the Selected Basket Components will comprise the 4 Basket Components numbered 1, 5, 6 and 7),

where "J" is a number from 1 to N denoting one of the Basket Components numbered as described in (a) and selected as described in (b) above and "N" is the total number of Basket Components.

Section 4 Interest Provisions

Where the Equity-Linked, Currency-Linked, Inflation-Linked, Fund-Linked or Futures Contract-Linked Interest Note Provisions are applicable as specified in the applicable Final Terms, interest payable in relation to the Linked Notes of the relevant Series shall be determined applying the provisions of one or more of the paragraphs set out below in this Section 4 (each **Interest Provision**) as specified in the applicable Final Terms. Notwithstanding anything to the contrary, the "*Structured Spread Rate Coupon*" provisions will only apply with respect to Floating Rate Notes.

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Fixed Interest Provisions

1. Fixed Coupon

If "Fixed Coupon" is applicable as specified in the applicable Final Terms, the Issuer will pay a fixed amount of interest in respect of the Notes on each Interest Payment Date.

If "Fixed Coupon" is applicable as specified in the applicable Final Terms, the Issuer shall pay interest on the Notes on each Interest Payment Date in an amount per Calculation Amount equal to the Coupon Amount determined by the Determination Agent as of the relevant Interest Determination Date immediately preceding such Interest Payment Date in accordance with the following formula:

$$\text{Coupon Amount} = \text{Coupon Rate} \times \text{Calculation Amount}$$

Where **Coupon Rate** means, for the relevant Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms.

The Coupon Amount determined as being payable in accordance with this Paragraph 1 shall be referred to in these Conditions as the **Fixed Coupon Amount**.

Barrier Conditional Interest Provisions

2. Non Memory Barrier Conditional Coupon

If "Non Memory Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer will pay an amount of interest in respect of the Notes on each Interest Payment Date, in each case conditional on the performance of the Relevant Underlying as of the or one of the relevant Interest Determination Dates being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified barrier value. If such condition is not satisfied, no such interest will be payable.

If, "Additional Non Memory Barrier Conditional Coupon" is also applicable as specified in the applicable Final Terms, the Issuer will also pay an amount of interest in respect of the Notes on each Interest Payment Date immediately following an Additional Interest Determination Date, in each case conditional on the performance of the Relevant Underlying as of the or one of the relevant Additional Interest Determination Dates being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified barrier value. If such condition is not satisfied, no such interest will be payable.

If "Bonus Coupon" is applicable as specified in the applicable Final Terms, in addition to any interest payable as calculated in accordance with the previous paragraphs, the Issuer will also pay interest in respect of the Notes on the earliest of the dates specified as the "Redemption Date", calculated as of each Bonus Coupon Interest Determination Date by the Determination Agent as being an amount which is a percentage multiplied by the total amount of interest determined in respect of the Notes on preceding Interest Determination Dates and, if specified as applicable, Additional Interest Determination Dates or Bonus Coupon Interest Determination Dates.

If "Non Memory Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, and if the Relevant Underlying Performance as of the or one of the Interest Determination Dates is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Coupon Barrier Value for such

Interest Determination Date, the Issuer will on the immediately following Interest Payment Date pay interest on the Notes in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent in accordance with the following formula:

$$\text{Coupon Amount} = \text{Coupon Rate} \times \text{Calculation Amount}$$

Save for any amount payable in accordance with the following provision of this Paragraph 2, if applicable, no interest will otherwise be payable on the Notes on an Interest Payment Date.

If **Additional Non Memory Barrier Conditional Coupon** is also applicable as specified in the applicable Final Terms, and if the Relevant Underlying Performance as of any Additional Interest Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Additional Coupon Barrier Value for such Additional Interest Determination Date, the Issuer will on the immediately following Interest Payment Date pay interest on the Notes (in addition to any interest payable in accordance with the foregoing provision of this Paragraph 2) in an amount per Calculation Amount (the **Additional Coupon Amount**) determined by the Determination Agent in accordance with the following formula:

$$\text{Additional Coupon Amount} = \text{Additional Coupon Rate} \times \text{Calculation Amount}$$

If "**Bonus Coupon**" is applicable as specified in the applicable Final Terms, and if the Relevant Underlying Performance as of each Bonus Coupon Interest Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Bonus Coupon Barrier Value, the Issuer will, on the Redemption Date, and in addition to any other amounts which may be payable on such date, pay interest on the Notes in an amount per Calculation Amount (the **Bonus Coupon Amount**) determined by the Determination Agent in accordance with the following formula:

$$\text{Bonus Coupon Amount} = \text{Specified Rate} \times \text{Prior Coupon Amount}$$

The Coupon Amount and any Additional Coupon Amount or Bonus Coupon Amount determined as being payable in accordance with this Paragraph 2 shall be referred to in these Conditions as the **Non-Memory Barrier Conditional Coupon Amount**.

Save for any amount payable pursuant to any of the foregoing provisions, no interest will otherwise be payable on the Notes on an Interest Payment Date.

where:

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Coupon Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Coupon Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be);

Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms (expressed as a single value or as a percentage);

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Coupon Rate means, for each Interest Determination Date, either (i) the fixed rate expressed as a percentage specified as such in the applicable Final Terms, (ii) the fixed rate expressed as a percentage specified as such in the applicable Final Terms multiplied by the number of calendar days or Business Days from the Strike Date divided by Y or (iii) the rate, expressed as a percentage, calculated by applying the following formula:

$$\text{Coupon Rate} = \text{Max} [\text{Minimum Rate}; \text{Participation Rate} \times \text{Relevant Underlying Performance}]$$

Minimum Rate means a rate expressed as a percentage as specified in the applicable Final Terms;

Participation Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms which will increase on each successive Interest Determination Date;

Y means a number percentage as specified in the applicable Final Terms;

Additional Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Additional Interest Determination Date were an Interest Determination Date. Where the context so requires, references to "Interest Determination Date" in 0 (*General Terms and Conditions*) of these Conditions shall be interpreted to include references to the Additional Interest Determination Dates;

Additional Coupon Barrier Value means, for each Additional Interest Determination Date, the value specified as such in the applicable Final Terms (expressed as a single value or as a percentage);

Additional Coupon Rate means, for each Additional Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms;

Bonus Coupon Interest Determination Date means the date or dates specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Bonus Coupon Interest Determination Date were an Interest Determination Date;

Redemption Date means the Maturity Date or, (i) if Automatic Early Redemption Event (as defined in Condition 15.11 or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions) is specified in the applicable Final Terms as being applicable and if an Automatic Early Redemption Event occurs, the Automatic Early Redemption Date (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions); (ii) if Call Option is specified in the applicable Final Terms as being applicable and such Call Option has been exercised by the Issuer as specified in Condition 15.4 (*Redemption at the Option of the Issuer*), the relevant Optional Redemption Date (Call), (iii) if Put Option is specified in the applicable Final Terms as being applicable and such Put Option has been exercised by the Noteholder as specified in Condition 15.7 (*Redemption at the Option of Noteholders*), the Optional Redemption Date (Put), (iv) in case of early redemption pursuant to Condition 18 (*Events of Defaults*) the Early Redemption Date, (v)

the date on which the Notes are redeemed pursuant to Condition 15.2 (*Tax Redemption*) or Condition 19 (*Illegality and Regulatory Event*);

Bonus Coupon Barrier Value means, in respect of each Bonus Coupon Interest Determination Date, the value specified as such in the applicable Final Terms (expressed as a single value or as a percentage);

Specified Rate means, in respect of each Bonus Coupon Barrier Interest Determination Date, the percentage rate specified as such in the applicable Final Terms; and

Prior Coupon Amount means, in respect of each Bonus Coupon Interest Determination Date, the sum of, as specified in the Final Terms, (a) all Coupon Amounts determined for preceding Interest Determination Dates (if any), and/or (b) all Additional Coupon Amounts, if any, determined for preceding Interest Determination Dates (if any) and/or (c) the sum of any Fixed Coupon Amounts (if any) which may have been determined in respect of preceding Interest Determination Dates (if any).

3. Memory Barrier Conditional Coupon

If "Memory Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer will pay interest in respect of the Notes on each Interest Payment Date, conditional on the performance of the Relevant Underlying as of the relevant Interest Determination Date being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified barrier value, and calculated after applying a multiplier based on the number of Period End Dates elapsed and after deducting all such interest previously paid in respect of the Notes (if any). If such condition is not satisfied in respect of any Interest Determination Date, the amount determined as of such Interest Determination Date will be zero. However, if such condition is then satisfied in respect of a later Interest Determination Date, the amount determined in respect of that later Interest Determination Date will include the amount which would have been determined in respect of the earlier Interest Determination Date had the condition then been satisfied.

If "**Memory Barrier Conditional Coupon**" is applicable as specified in the applicable Final Terms, and if the Relevant Underlying Performance as of any Interest Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Coupon Barrier Value for such Interest Determination Date, the Issuer will on the immediately following Interest Payment Date pay interest on the Notes in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent in accordance with the following formula:

$$\text{Coupon Amount} = \text{Calculation Amount} \times (\text{Coupon Rate} \times \text{NPED}) - \text{Prior Coupon Amount}$$

where:

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Coupon Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Coupon Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) ;

NPED means, as of any Interest Determination Date, the number of Period End Dates that have occurred (including such Interest Determination Date) as determined by the Determination Agent;

Period End Dates means the Interest Determination Dates and each date specified as an additional Period End Date in the applicable Final Terms;

Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage);

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms; and

Prior Coupon Amount means, for each Interest Determination Date, the sum of all Coupon Amounts determined for preceding Interest Determination Dates (if any) **provided that** if the applicable Final Terms specify "**Cumulative Prior Coupon**" as being applicable, the Prior Coupon Amount shall also include, as specified in the applicable Final Terms, the sum of any Fixed Coupon Amounts and/or Non Memory Barrier Conditional Coupon Amounts which may have been determined for preceding Interest Determination Dates.

No interest will otherwise be payable on the Notes on an Interest Payment Date.

4. **Participation & Barrier(s) Conditional Coupon**

If "Participation & Barrier(s) Conditional Coupon" is applicable and if "Second Coupon Barrier Value" is not applicable as specified in the applicable Final Terms, the Issuer will pay interest in respect of the Notes on each Interest Payment Date, in each case conditional on the performance of the Relevant Underlying as of the relevant Interest Determination Date being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified first barrier value, in an amount which is calculated at the greater of (a) a specified fixed rate and (b) a rate linked to a percentage of the performance of the Relevant Underlying. If "Cap" is applicable and if, on any Interest Determination Date, the interest rate to be paid is greater than or equal to the Cap, the Coupon Amount for such Interest Determination Date will amount to the product of the Calculation Amount and the Cap.

If "Participation & Barrier(s) Conditional Coupon" is applicable and if "Second Coupon Barrier Value" is applicable as specified in the applicable Final Terms, the Issuer will pay interest in respect of the Notes on each Interest Payment Date, in each case conditional on the performance of the Relevant Underlying as of the relevant Interest Determination Date being (a) (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified first barrier value AND (b) (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified second barrier value, in an amount which is linked to a percentage of the performance of the Relevant Underlying. If "Cap" is applicable and if, on any Interest Determination Date, the interest rate to be paid is greater than or equal to the Cap, the Coupon Amount for such Interest Determination Date will amount to the product of the Calculation Amount and the Cap.

In the two hypothesis above, the Relevant Underlying Performance for the purposes of determining the Coupon Amount, may, if specified in the applicable Final Terms, be determined

by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) treating as an absolute value any negative value of the Relevant Underlying Performance.

If none of these conditions is satisfied, no interest will be payable.

If "Participation & Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer will pay, on the immediately following Interest Payment Date interest in respect of the Notes in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent in accordance with the following formula:

Coupon Amount = Min (Cap; Max (Coupon Rate; Participation Rate × Relevant Underlying Performance)) × Calculation Amount

if "Second Coupon Barrier Value" is not applicable and the Relevant Underlying Performance as of any Interest Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the First Coupon Barrier Value for such Interest Determination Date.

OR

Coupon Amount = Min (Cap; Max (Coupon Rate; Participation Rate × Relevant Underlying Performance)) × Calculation Amount

if "Second Coupon Barrier Value" is applicable and the Relevant Underlying Performance as of any Interest Determination Date is (a) (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the First Coupon Barrier Value for such Interest Determination Date AND (b) (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Second Coupon Barrier Value for such Interest Determination Date.

In each case, the Relevant Underlying Performance for the purposes of determining the Coupon Amount, may, if specified in the applicable Final Terms, be determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) treating as an absolute value any negative value of the Relevant Underlying Performance.

where:

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and (a) for the purposes of determining the Coupon Amount, the Determination Agent shall use such percentage, being specified that it shall use the absolute value of the performance if "Absolute Performance Value" is applicable as specified in the applicable Final Terms; and (b) for the purposes only of comparing the Relevant Underlying Performance, the First Coupon Barrier Value and, as the case may be, the Second Coupon Barrier Value and where the First Coupon Barrier Value and, as the case may be, the Second Coupon Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) ;

Cap means, if applicable, the value specified as such in the applicable Final Terms;

First Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage;

Second Coupon Barrier Value means, if applicable, for each Interest Determination Date, the value specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage;

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms; and

Participation Rate means, if applicable, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms.

No interest will otherwise be payable on the Notes on an Interest Payment Date.

5. **Lock in Non Memory Barrier Conditional Coupon**

If "Lock in Non Memory Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer will pay interest in respect of the Notes on each Interest Payment Date if either:

- (a) the performance of the Relevant Underlying as of the immediately preceding Interest Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the value specified as the Coupon Barrier Value for such Interest Determination Date, or*
- (b) the performance of the Relevant Underlying as of any Interest Determination Date preceding the Interest Determination Date referred to in (a) above is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the value specified as the Lock in Barrier Value for such earlier Interest Determination Date.*

If neither such condition is satisfied, no interest will be payable on an Interest Payment Date. Interest (if any) payable on an Interest Payment Date will be a fixed amount.

If "Lock in Non Memory Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer will pay interest on an Interest Payment Date in an amount (the **Coupon Amount**) per Calculation Amount determined by the Determination Agent in accordance with the following formula:

$$\text{Coupon Amount} = \text{Coupon Rate} \times \text{Calculation Amount}$$

if either:

- (a) the Relevant Underlying Performance as of the immediately preceding Interest Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Coupon Barrier Value for such Interest Determination Date; or
- (b) the Relevant Underlying Performance as of any Interest Determination Date preceding the Interest Determination Date referred to in (a) above is (i) greater than, (ii) greater

than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Lock in Barrier Value for such earlier Interest Determination Date

where:

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Coupon Barrier Value and / or the Lock in Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Coupon Barrier Value and / or the Lock in Barrier Value (as relevant), determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) ;

Lock in Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms, which may be expressed as a single value, as a mathematical formula or as a percentage;

Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage;

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms.

No interest will otherwise be payable on the Notes on an Interest Payment Date.

6. **Lock in Memory Barrier Conditional Coupon**

If "Lock in Memory Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer will pay interest in respect of the Notes on each Interest Payment Date if either:

- (a) *the performance of the Relevant Underlying as of the immediately preceding Interest Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the value specified as the Coupon Barrier Value for such Interest Determination Date, or*
- (b) *the performance of the Relevant Underlying as of any Interest Determination Date preceding the preceding the Interest Determination Date referred to in (a) above is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the value specified as the Lock in Barrier Value for such earlier Interest Determination Date.*

If neither such condition is satisfied, no interest will be payable on an Interest Payment Date. Interest (if any) payable on an Interest Payment Date will be a fixed amount after applying a multiplier based on the number of Period End Dates elapsed less all interest payments previously paid. However, if such condition is then satisfied in respect of a later Interest

Determination Date, the amount determined in respect of that later Interest Determination Date will include the amount which would have been determined in respect of the earlier Interest Determination Date had the condition then been satisfied.

If "Lock in Memory Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer will pay interest on an Interest Payment Date in an amount (the **Coupon Amount**) per Calculation Amount determined by the Determination Agent in accordance with the following formula:

$$\text{Coupon Amount} = \text{Calculation Amount} \times (\text{Coupon Rate} \times \text{NPED}) - \text{Prior Coupon Amount}$$

if either:

- (a) the Relevant Underlying Performance as of the immediately preceding Interest Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Coupon Barrier Value for such Interest Determination Date; or
- (b) the Relevant Underlying Performance determined as of any Interest Determination Date preceding the Interest Determination Date referred to in (a) above is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Lock in Barrier Value for such earlier Interest Determination Date

where:

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Coupon Barrier Value and / or the Lock in Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Coupon Barrier Value and / or the Lock in Barrier Value (as relevant), determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) ;

NPED means, as of any Interest Determination Date, the number of Period End Dates that have occurred (including such Interest Determination Date) as determined by the Determination Agent;

Period End Dates means the Interest Determination Dates and each date specified as an additional Period End Date in the applicable Final Terms;

Lock in Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms, which may be expressed as a single value, as a mathematical formula or as a percentage;

Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage);

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms; and

Prior Coupon Amount means, for each Interest Determination Date, the sum of all Coupon Amounts determined for preceding Interest Determination Dates (if any) **provided that** if the applicable Final Terms specify "**Cumulative Prior Coupon**" as being applicable, the Prior Coupon Amount shall also include, as specified in the applicable Final Terms, the sum of any Fixed Coupon Amounts and/or Non Memory Barrier Conditional Coupon Amounts which may have been determined for preceding Interest Determination Dates.

No interest will otherwise be payable on the Notes on an Interest Payment Date.

7. Capitalised Non Memory Barrier Conditional Coupon

If "Capitalised Non Memory Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer will on the earliest of the dates specified as the "Redemption Date" pay an amount of interest equal to the sum of amounts determined as of each Interest Determination Date, in each case conditional on the performance of the Relevant Underlying as of the relevant Interest Determination Date being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified barrier value. If such condition is not satisfied in respect of any Interest Determination Date, the amount determined as of such Interest Determination Date will be zero.

If "Capitalised Non Memory Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount equal to the Total Coupon Amount

where:

Total Coupon Amount means the sum of the Coupon Amounts for each Interest Determination Date as determined by the Determination Agent;

Coupon Amount means, for an Interest Determination Date:

- (a) if the Relevant Underlying Performance as of such Interest Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Coupon Barrier Value for such Interest Determination Date, an amount calculated by the Determination Agent in accordance with the following formula:

$$\text{Coupon Amount} = \text{Coupon Rate} \times \text{Calculation Amount}$$

or

- (b) in any other case, zero;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Coupon Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Coupon Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates),

Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) ;

Redemption Date means the Maturity Date or, (i) if Automatic Early Redemption Event (as defined in Condition 15.11 or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions) is specified in the applicable Final Terms as being applicable and if an Automatic Early Redemption Event occurs, the Automatic Early Redemption Date (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions); (ii) if Call Option is specified in the applicable Final Terms as being applicable and such Call Option has been exercised by the Issuer as specified in Condition 15.4 (*Redemption at the Option of the Issuer*), the relevant Optional Redemption Date (Call), (iii) if Put Option is specified in the applicable Final Terms as being applicable and such Put Option has been exercised by the Noteholder as specified in Condition 15.7 (*Redemption at the Option of Noteholders*), the Optional Redemption Date (Put), (iv) in case of early redemption pursuant to Condition 18 (*Events of Defaults*) the Early Redemption Date, (v) the date on which the Notes are redeemed pursuant to Condition 15.2 (*Tax Redemption*) or Condition 19 (*Illegality and Regulatory Event*);

Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms (expressed as a single value or as a percentage);

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms.

8. Capitalised Memory Barrier Conditional Coupon

If "Capitalised Memory Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer will on the earliest of the dates specified as the "Redemption Date" pay an amount of interest equal to the sum of amounts determined as of each Interest Determination Date, in each case conditional on the performance of the Relevant Underlying as of the relevant Interest Determination Date being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified barrier value, and calculated after applying a multiplier based on the number of Period End Dates elapsed and deducting amounts determined in respect of earlier Interest Determination Dates, if any. If such condition is not satisfied in respect of any Interest Determination Date, the amount determined as of such Interest Determination Date will be zero. However, if such condition is then satisfied in respect of a later Interest Determination Date, the amount determined in respect of that later Interest Determination Date will include the amount which would have been determined in respect of the earlier Interest Determination Date had the condition then been satisfied.

If "Capitalised Memory Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount equal to the Total Coupon Amount

where:

Total Coupon Amount means the sum of the Coupon Amounts for each Interest Determination Date as determined by the Determination Agent;

Coupon Amount means, for an Interest Determination Date:

- (a) if the Relevant Underlying Performance as of such Interest Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Coupon Barrier Value for such Interest Determination Date, an amount per Calculation Amount, calculated by the Determination Agent in accordance with the following formula:

$$\text{Coupon Amount} = \text{Calculation Amount} \times (\text{Coupon Rate} \times \text{NPED}) - \text{Prior Coupon Amount}$$

or

- (b) in any other case, zero;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Coupon Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Coupon Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) ;

Redemption Date means the Maturity Date or, (i) if Automatic Early Redemption Event (as defined in Condition 15.11 or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions) is specified in the applicable Final Terms as being applicable and if an Automatic Early Redemption Event occurs, the Automatic Early Redemption Date (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions); (ii) if Call Option is specified in the applicable Final Terms as being applicable and such Call Option has been exercised by the Issuer as specified in Condition 15.4 (*Redemption at the Option of the Issuer*), the relevant Optional Redemption Date (Call), (iii) if Put Option is specified in the applicable Final Terms as being applicable and such Put Option has been exercised by the Noteholder as specified in Condition 15.7 (*Redemption at the Option of Noteholders*), the Optional Redemption Date (Put), (v) in case of early redemption pursuant to Condition 18 (*Events of Defaults*), the Early Redemption Date or (iv) the date on which the Notes are redeemed pursuant to Condition 15.2 (*Tax Redemption*) or Condition 19 (*Illegality and Regulatory Event*);

NPED means, as of any Interest Determination Date, the number of Period End Dates that have occurred (including such Interest Determination Date) as determined by the Determination Agent;

Period End Dates means the Interest Determination Dates and each date specified as an additional Period End Date in the applicable Final Terms;

Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage;

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms; and

Prior Coupon Amount means, for each Interest Determination Date, the sum of all Coupon Amounts determined for preceding Interest Determination Dates (if any) **provided that** if the applicable Final Terms specify "**Cumulative Prior Coupon**" as being applicable, the Prior Coupon Amount shall also include, as specified in the applicable Final Terms, the sum of any Fixed Coupon Amounts and/or Non Memory Barrier Conditional Coupon Amounts which may have been determined for preceding Interest Determination Dates.

9. **Capitalised Participation & Barrier Conditional Coupon**

If "Capitalised Participation & Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer will on the earliest of the dates specified as the "Redemption Date" pay an amount of interest equal to the sum of amounts determined as of each Interest Determination Date, in each case conditional on the performance of the Relevant Underlying as of the relevant Interest Determination Date being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified barrier value, and in an amount which is calculated at the greater of (a) a specified fixed rate and (b) a rate linked to the performance of the Relevant Underlying. If such condition is not satisfied in respect of any Interest Determination Date, the amount determined as of such Interest Determination Date will be zero.

If "Capitalised Participation & Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount equal to the Total Coupon Amount

where:

Total Coupon Amount means the sum of the Coupon Amounts for each Interest Determination Date as determined by the Determination Agent;

Coupon Amount means, for an Interest Determination Date:

- (a) if the Relevant Underlying Performance as of such Interest Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Coupon Barrier Value for such Interest Determination Date, an amount per Calculation Amount, calculated by the Determination Agent in accordance with the following formula:

$$\text{Coupon Amount} = \text{Max} (\text{Coupon Rate}; \text{Relevant Underlying Performance}) \times \text{Calculation Amount}$$

or

- (b) in any other case, zero;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and (a) for the purposes of determining the Coupon Amount, the Determination Agent shall use such percentage; and (b) for the purposes only of comparing the Relevant Underlying Performance and the Coupon Barrier Value and where the Coupon Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates),

Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) ;

Redemption Date means the Maturity Date or, (i) if Automatic Early Redemption Event (as defined in Condition 15.11 or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions) is specified in the applicable Final Terms as being applicable and if an Automatic Early Redemption Event occurs, the Automatic Early Redemption Date (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions); (ii) if Call Option is specified in the applicable Final Terms as being applicable and such Call Option has been exercised by the Issuer as specified in Condition 15.4 (*Redemption at the Option of the Issuer*), the relevant Optional Redemption Date (Call), (iii) if Put Option is specified in the applicable Final Terms as being applicable and such Put Option has been exercised by the Noteholder as specified in Condition 15.7 (*Redemption at the Option of Noteholders*), the Optional Redemption Date (Put), (v) in case of early redemption pursuant to Condition 18 (*Events of Defaults*), the Early Redemption Date or (iv) the date on which the Notes are redeemed pursuant to Condition 15.2 (*Tax Redemption*) or Condition 19 (*Illegality and Regulatory Event*);

Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage;

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms.

10. Capitalised Lock in Non Memory Barrier Conditional Coupon

If "Capitalised Lock in Non Memory Barrier Conditional Coupon" is specified in the applicable Final Terms, the Issuer will on the earliest of the dates specified as the "Redemption Date" pay an amount of interest equal to the sum of amounts determined as of each Interest Determination Date, in each case conditional on either (a) the performance of the Relevant Underlying as of the relevant Interest Determination Date being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a value specified as the relevant Coupon Barrier Value or (b) the performance of the Relevant Underlying as of any Interest Determination Date preceding the Interest Determination Date referred to in (a) above is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a value specified as the Lock in Barrier Value for that earlier Interest Determination Date. If neither such condition is satisfied, the amount determined as of the relevant Interest Determination Date will be zero. Otherwise, the amount to be determined will be a fixed amount.

If "Capitalised Lock-in Non Memory Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount equal to the Total Coupon Amount

where:

Total Coupon Amount means the sum of the Coupon Amounts for each Interest Determination Date as determined by the Determination Agent;

Coupon Amount means, for an Interest Determination Date, the amount determined by the Determination Agent in accordance with the following formula:

$$\text{Coupon Amount} = \text{Coupon Rate} \times \text{Calculation Amount}$$

- (a) if either:
 - (1) the Relevant Underlying Performance determined as of the Interest Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Coupon Barrier Value for such Interest Determination Date; or
 - (2) the Relevant Underlying Performance determined as of any Interest Determination Date preceding the Interest Determination Date referred to in (a) above is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Lock in Barrier Value for such earlier Interest Determination Date;
- or
- (b) in any other case, zero;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Coupon Barrier Value and / or the Lock in Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Coupon Barrier Value and / or the Lock in Barrier Value (as relevant), determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) ;

Redemption Date means the Maturity Date or, (i) if Automatic Early Redemption Event (as defined in Condition 15.11 or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions) is specified in the applicable Final Terms as being applicable and if an Automatic Early Redemption Event occurs, the Automatic Early Redemption Date (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions); (ii) if Call Option is specified in the applicable Final Terms as being applicable and such Call Option has been exercised by the Issuer as specified in Condition 15.4 (*Redemption at the Option of the Issuer*), the relevant Optional Redemption Date (Call), (iii) if Put Option is specified in the applicable Final Terms as being applicable and such Put Option has been exercised by the Noteholder as specified in Condition 15.7 (*Redemption at the Option of Noteholders*), the Optional Redemption Date (Put), (iv) in case of early redemption pursuant to Condition 18 (*Events of Defaults*), the Early Redemption Date or (v) the date on which the Notes are redeemed pursuant to Condition 15.2 (*Tax Redemption*) or Condition 19 (*Illegality and Regulatory Event*);

Lock in Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms, which may be expressed as a single value, as a mathematical formula or as a percentage;

Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage;

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms.

11. **Capitalised Lock in Memory Barrier Conditional Coupon**

If "Capitalised Lock in Memory Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer will on the earliest of the dates specified as the "Redemption Date" pay an amount of interest equal to the sum of amounts determined as of each Interest Determination Date, in each case conditional on either (a) the performance of the Relevant Underlying as of the relevant Interest Determination Date being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a value specified as the relevant Coupon Barrier Value or (b) the performance of the Relevant Underlying as of any Interest Determination Date preceding the Interest Determination Date referred to in (a) above is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a value specified as the Lock in Barrier Value for that earlier Interest Determination Date. The amount to be determined will be a fixed amount after applying a multiplier based on the number of Period End Dates elapsed and less all amounts determined in respect of earlier Interest Determination Dates. If neither such condition is satisfied, the amount determined as of the relevant Interest Determination Date will be zero. However, if such condition is then satisfied in respect of a later Interest Determination Date, the amount determined in respect of that later Interest Determination Date will include the amount which would have been determined in respect of the earlier Interest Determination Date had the condition then been satisfied.

If "Capitalised Lock-in Memory Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount equal to the Total Coupon Amount.

where:

Total Coupon Amount means the sum of the Coupon Amounts for each Interest Determination Date as determined by the Determination Agent;

Coupon Amount means, for an Interest Determination Date, the amount determined by the Determination Agent in accordance with the following formula:

Coupon Amount = Calculation Amount × (Coupon Rate × NPED) - Prior Coupon Amount

(a) if either:

- (1) the Relevant Underlying Performance determined as of the Interest Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Coupon Barrier Value for such Interest Determination Date; or
- (2) the Relevant Underlying Performance determined as of any Interest Determination Date preceding the Interest Determination Date referred to in (a) above is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Lock in Barrier Value for such earlier Interest Determination Date,

or

(b) in any other case, zero;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Coupon Barrier Value and / or the Lock

in Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Coupon Barrier Value and / or the Lock in Barrier Value (as relevant), determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) ;

Redemption Date means the Maturity Date or, (i) if Automatic Early Redemption Event (as defined in Condition 15.11 or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions) is specified in the applicable Final Terms as being applicable and if an Automatic Early Redemption Event occurs, the Automatic Early Redemption Date (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions); (ii) if Call Option is specified in the applicable Final Terms as being applicable and such Call Option has been exercised by the Issuer as specified in Condition 15.4 (*Redemption at the Option of the Issuer*), the relevant Optional Redemption Date (Call), (iii) if Put Option is specified in the applicable Final Terms as being applicable and such Put Option has been exercised by the Noteholder as specified in Condition 15.7 (*Redemption at the Option of Noteholders*), the Optional Redemption Date (Put), (iv) in case of early redemption pursuant to Condition 18 (*Events of Defaults*), the Early Redemption Date or (v) the date on which the Notes are redeemed pursuant to Condition 15.2 (*Tax Redemption*) or Condition 19 (*Illegality and Regulatory Event*);

NPED means, as of any Interest Determination Date, the number of Period End Dates that have occurred (including such Interest Determination Date) as determined by the Determination Agent;

Period End Dates means the Interest Determination Dates and each date specified as an additional Period End Date in the applicable Final Terms;

Lock in Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms, which may be expressed as a single value, as a mathematical formula or as a percentage;

Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage);

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms; and

Prior Coupon Amount means, for each Interest Determination Date, the sum of all Coupon Amounts determined for preceding Interest Determination Dates (if any) **provided that** if the applicable Final Terms specify "**Cumulative Prior Coupon**" as being applicable, the Prior Coupon Amount shall also include, as specified in the applicable Final Terms, the sum of any Fixed Coupon Amounts and/or Non Memory Barrier Conditional Coupon Amounts which may have been determined for preceding Interest Determination Dates.

Participation Coupon Categories

12. Basic Participation Coupon

If "Basic Participation Coupon" is applicable as specified in the applicable Final Terms, the Issuer will pay interest on the Notes on each Interest Payment Date in an amount linked to a percentage of the performance of the Relevant Underlying determined as of the relevant Interest Determination Date. If "Cap" is applicable and if, on any Interest Determination Date, the interest rate to be paid is greater than or equal to the Cap, the Coupon Amount for such Interest Determination Date will amount to the product of the Calculation Amount and the Cap.

If "Basic Participation Coupon" is applicable as specified in the applicable Final Terms the Issuer will on each Interest Payment Date pay interest on the Notes in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent as of the Interest Determination Date immediately preceding such Interest Payment Date in accordance with the following formula:

Coupon Amount = Min (Cap; Max [0; Participation Rate × Relevant Underlying Performance]) × Calculation Amount

where:

Participation Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms;

Cap means, if applicable, the value specified as such in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent as of the relevant Interest Determination Date in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) .

13. **Locked Participation Coupon**

If "Locked Participation Coupon" is applicable as specified in the applicable Final Terms, the Issuer will pay interest on the Notes on each Interest Payment Date in an amount linked to a percentage (defined as the Participation Rate) of the performance of the Relevant Underlying determined as of the relevant Interest Determination Date less all interest payments previously paid. The applicable Participation Rate will increase on each successive Interest Determination Date. If "Cap" is applicable and if, on any Interest Determination Date, the interest rate to be paid is greater than or equal to the Cap, the Coupon Amount for such Interest Determination Date will amount to the product of the Calculation Amount and the Cap.

If "Locked Participation Coupon" is applicable as specified in the applicable Final Terms, the Issuer will on each Interest Payment Date pay interest on the Notes in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent as of the Interest Determination Date immediately preceding such Interest Payment Date in accordance with the following formula:

Coupon Amount = Min (Cap; Max [0; (Participation Rate × Relevant Underlying Performance)]) × Calculation Amount - Prior Coupon Amount]

where:

Participation Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms which will increase on each successive Interest Determination Date;

Cap means, if applicable, the value specified as such in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent as of the relevant Interest Determination Date in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) ; and

Prior Coupon Amount means, for each Interest Determination Date, the sum of all Coupon Amounts determined for preceding Interest Determination Dates (if any).

14. Capitalised Basic Participation Coupon

If "Capitalised Basic Participation Coupon" is applicable as specified in the applicable Final Terms, the Issuer will on the earliest of the dates specified as the "Redemption Date" pay an amount of interest equal to the sum of amounts linked to a percentage of the performance of the Relevant Underlying determined as of each Interest Determination Date. If "Cap" is applicable and if, on any Interest Determination Date, the interest rate to be paid is greater than or equal to the Cap, the Coupon Amount for such Interest Determination Date will amount to the product of the Calculation Amount and the Cap.

If "Capitalised Basic Participation Coupon" is applicable as specified in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount equal to the Total Coupon Amount

where:

Total Coupon Amount means the sum of the Coupon Amounts for each Interest Determination Date as determined by the Determination Agent;

Cap means, if applicable, the value specified as such in the applicable Final Terms;

Coupon Amount means, for an Interest Determination Date, the amount determined by the Determination Agent in accordance with the following formula:

$$\text{Coupon Amount} = \text{Min}(\text{Cap}; \text{Max}[0; \text{Participation Rate} \times \text{Relevant Underlying Performance}]) \times \text{Calculation Amount}$$

Participation Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms;

Redemption Date means the Maturity Date or, (i) if Automatic Early Redemption Event (as defined in Condition 15.11 or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions) is specified in the applicable Final Terms as being applicable and if an Automatic Early Redemption Event occurs, the Automatic Early Redemption Date (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions); (ii) if Call Option is specified in the applicable Final Terms as being applicable and such Call Option has been exercised by the Issuer as specified in Condition 15.4 (*Redemption at the Option of the Issuer*), the relevant Optional Redemption Date (Call), (iii) if Put Option is specified in the applicable Final Terms as being applicable and such Put Option has been exercised by the Noteholder as specified in

Condition 15.7 (*Redemption at the Option of Noteholders*), the Optional Redemption Date (Put), (iv) in case of early redemption pursuant to Condition 18 (*Events of Defaults*), the Early Redemption Date or (v) the date on which the Notes are redeemed pursuant to Condition 15.2 (*Tax Redemption*) or Condition 19 (*Illegality and Regulatory Event*);

Relevant Underlying Performance means the percentage determined by the Determination Agent as of the relevant Interest Determination Date in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) .

15. Capitalised Locked Participation Coupon

If "Capitalised Locked Participation Coupon" is applicable as specified in the applicable Final Terms, the Issuer will on the earliest of the dates specified as the "Redemption Date" pay an amount of interest equal to the sum of amounts linked to a percentage of the performance defined as the Participation Rate of the Relevant Underlying determined as of each Interest Determination Date, deducting in respect of such Interest Determination Date all interest payments previously paid. The applicable Participation Rate will increase on each successive Interest Determination Date. If "Cap" is applicable and if, on any Interest Determination Date, the interest rate to be paid is greater than or equal to the Cap, the Coupon Amount for such Interest Determination Date will amount to the product of the Calculation Amount and the Cap.

If "Capitalised Locked Participation Coupon" is applicable as specified in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount equal to the Total Coupon Amount

where:

Total Coupon Amount means the sum of the Coupon Amounts for each Interest Determination Date as determined by the Determination Agent;

Cap means, if applicable, the value specified as such in the applicable Final Terms;

Coupon Amount means, for an Interest Determination Date, the amount determined by the Determination Agent in accordance with the following formula:

Coupon Amount = Min (Cap; Max [0; (Participation Rate x Relevant Underlying Performance)]) × Calculation Amount - Prior Coupon Amount

where:

Participation Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms which will increase on each successive Interest Determination Date;

Redemption Date means the Maturity Date or, (i) if Automatic Early Redemption Event (as defined in Condition 15.11 or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions) is specified in the applicable Final Terms as being applicable and if an Automatic Early Redemption Event occurs, the Automatic Early Redemption Date (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions); (ii) if Call Option is specified in the applicable Final Terms as being applicable and such Call Option has been exercised by the Issuer as specified in Condition 15.4 (*Redemption at the Option of the Issuer*),

the relevant Optional Redemption Date (Call), (iii) if Put Option is specified in the applicable Final Terms as being applicable and such Put Option has been exercised by the Noteholder as specified in Condition 15.7 (*Redemption at the Option of Noteholders*), the Optional Redemption Date (Put), (iv) in case of early redemption pursuant to Condition 18 (*Events of Defaults*), the Early Redemption Date or (v) the date on which the Notes are redeemed pursuant to Condition 15.2 (*Tax Redemption*) or Condition 19 (*Illegality and Regulatory Event*);

Relevant Underlying Performance means the percentage determined by the Determination Agent as of the relevant Interest Determination Date in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) ; and

Prior Coupon Amount means, for each Interest Determination Date, the sum of all Coupon Amounts determined for preceding Interest Determination Dates (if any).

16. Cumulative Participation Inflation Coupon

If "Cumulative Participation Inflation Coupon" is applicable as specified in the applicable Final Terms, the Issuer will on the earliest of the dates specified as the "Redemption Date" pay an amount of interest linked to a percentage of the performance of the Relevant Underlying as of the relevant Interest Determination Date. If "Cap" is applicable and if, on any Interest Determination Date, the interest rate to be paid is greater than or equal to the Cap, the Coupon Amount for such Interest Determination Date will amount to the product of the Calculation Amount and the Cap.

If "Cumulative Participation Inflation Coupon" is applicable as specified in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent as of the Interest Determination Date in accordance with the following formula:

Coupon Amount = Calculation Amount × Participation Rate × Min (Cap; Max [0; (Multiplier x Relevant Underlying Performance) - Adjustment])

where:

Interest Determination Date means the date specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) ;

Cap means, if applicable, the value specified as such in the applicable Final Terms;

Participation Rate means the percentage specified as such in the applicable Final Terms;

Multiplier means the percentage specified as such in the applicable Final Terms;

Redemption Date means the Maturity Date or, (i) if Automatic Early Redemption Event (as defined in Condition 15.11 or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions) is specified in the applicable Final Terms as being applicable and if an Automatic Early Redemption Event occurs, the Automatic Early Redemption Date (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions);

(ii) if Call Option is specified in the applicable Final Terms as being applicable and such Call Option has been exercised by the Issuer as specified in Condition 15.4 (*Redemption at the Option of the Issuer*), the relevant Optional Redemption Date (Call), (iii) if Put Option is specified in the applicable Final Terms as being applicable and such Put Option has been exercised by the Noteholder as specified in Condition 15.7 (*Redemption at the Option of Noteholders*), the Optional Redemption Date (Put), (iv) in case of early redemption pursuant to Condition 18 (*Events of Defaults*), the Early Redemption Date or (v) the date on which the Notes are redeemed pursuant to Condition 15.2 (*Tax Redemption*) or Condition 19 (*Illegality and Regulatory Event*);

Relevant Underlying Performance means the percentage determined by the Determination Agent as of the relevant Interest Determination Date in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Adjustment means the percentage specified as such in the applicable Final Terms.

17. **Range Accrual Coupon Categories**

If "Range Accrual Coupon" is applicable as specified in the applicable Final Terms, the Issuer will, on each Interest Payment Date, pay an amount of interest linked to the value which is, as determined by the Determination Agent as of the immediately preceding Interest Determination Date, (i) the number of days in a specified Barrier Observation Period where the performance of the Relevant Underlying is, as specified in the applicable Final Terms (a) greater than, (b) greater than or equal to, (c) less than, or (d) less than or equal to, a value specified as being a Coupon Barrier Value divided by (ii) the total number of days in that Barrier Observation Period.

If "Range Accrual Coupon" is applicable as specified in the applicable Final Terms, the Issuer shall, on each Interest Payment Date, pay interest on the Notes of the relevant Series in an amount (which may be zero) per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent on the immediately preceding Interest Determination Date in accordance with the following formula:

$$\text{Coupon Amount} = \text{Coupon Rate} \times \text{Calculation Amount} \times \frac{\text{Number of Relevant Days (Barrier Condition Satisfied)}}{\text{Total Number of Relevant Days}}$$

where:

Coupon Rate means, for each Barrier Observation Period, the rate expressed as a percentage specified as such in the applicable Final Terms;

Number of Relevant Days (Barrier Condition Satisfied) means, in respect of each Barrier Observation Period, the number of Relevant Days in such Barrier Observation Period on which, as determined by the Determination Agent, the Relevant Underlying Performance is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Coupon Barrier Value;

Total Number of Relevant Days means, in respect of each Barrier Observation Period, the total number of Relevant Days in such Barrier Observation Period, as determined by the Determination Agent;

Barrier Observation Period means, in respect of any Interest Determination Date, a period specified as such in the applicable Final Terms, which may, without limitation, be expressed as beginning from (and including) a specified date and ending on and excluding a specified date, **provided that** if such specified date is not a Relevant Day, the Barrier Observation Period will begin on the next succeeding Relevant Day, and if any such specified date is a Disrupted Day, the provisions of, as applicable, Condition 9.1 or Condition 12.1 shall apply as if such Barrier Observation Period were a Valuation Date;

Relevant Days means, in respect of each Barrier Observation Period, (i) calendar days, (ii) Business Days or (iii) Scheduled Trading Days, as specified in the applicable Final Terms;

Coupon Barrier Value means, in respect of each Barrier Observation Period, the value specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage;

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Coupon Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Coupon Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Interest Determination Date means the dates specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be).

18. IRR Coupon

If "IRR Coupon" is specified as applicable in the applicable Final Terms, the Issuer will pay interest on the Notes on each Interest Payment Date in an amount linked to a percentage of the performance of the Relevant Underlying determined as of the relevant Interest Determination Date. If "Cap" is applicable and if, on any Interest Determination Date, the interest rate to be paid is greater than or equal to the Cap, the Coupon Amount for such Interest Determination Date will amount to the product of the Calculation Amount and the Cap.

If "IRR Coupon" is specified as applicable in the applicable Final Terms, the Issuer will on each Interest Payment Date pay interest on the Notes in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent as of the Interest Determination Date immediately preceding such Interest Payment Date in accordance with the following formula:

Coupon Amount = Min (Cap; Max [Floor; Max [0; [Relevant Underlying Performance + 1]^{1/I-1}]]) × Calculation Amount
where:

Cap means, if applicable, the value specified as such in the applicable Final Terms;

Floor means, if applicable, the value specified as such in the applicable Final Terms;

I means the value specified as such in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent as of the relevant Interest Determination Date in accordance with the provisions of Section 3 (*Performance Determination Terms*) specified as being applicable in the applicable Final Terms; and

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation,

Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be).

19. Locked IRR Coupon

If "Locked IRR Coupon" is specified as applicable in the applicable Final Terms, the Issuer will pay interest on the Notes on each Interest Payment Date in an amount linked to a percentage of the performance of the Relevant Underlying determined as of the relevant Interest Determination Date. If "Cap" is applicable and if, on any Interest Determination Date, the interest rate to be paid is greater than or equal to the Cap, all Coupon Amounts as from such Interest Determination Date will amount to the product of the Calculation Amount and the Cap.

If "Locked IRR Coupon" is specified as applicable in the applicable Final Terms the Issuer will on each Interest Payment Date pay interest on the Notes in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent as of the Interest Determination Date immediately preceding such Interest Payment Date in accordance with the following formula:

Coupon Amount = Min (Cap; Max [Floor; Max [0; [Relevant Underlying Performance + 1)^{1/I-1}]]) × Calculation Amount]
where:

Cap means, if applicable, the value specified as such in the applicable Final Terms;

Floor means, if applicable, the value specified as such in the applicable Final Terms;

I means the value specified as such in the applicable Final Terms;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be); and

Relevant Underlying Performance means the percentage determined by the Determination Agent as of the relevant Interest Determination Date in accordance with the provisions of Section 3 (*Performance Determination Terms*) specified as being applicable in the applicable Final Terms.

20. Level Conditional Coupon

If "Level Conditional Coupon" is specified as applicable in the applicable Final Terms, the Issuer will pay interest in respect of the Notes on each Interest Payment Date, in each case conditional on the performance of the Relevant Underlying as of the relevant Interest Determination Date being greater than a specified level. If such condition is not satisfied, no interest will be payable.

If "Level Conditional Coupon" is specified as applicable in the applicable Final Terms, and if the Relevant Underlying Performance as of any Interest Determination Date is greater than the Level for such Interest Determination Date, the Issuer will on the immediately following Interest Payment Date pay interest on the Notes in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent in accordance with the following formula:

Coupon Amount = (Relevant Underlying Performance - Level) × Calculation Amount
where:

Level means, for each Interest Determination Date, a percentage of the Relevant Underlying Performance specified as such in the applicable Final Terms;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be); and

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with the provisions of Section 3 (*Performance Determination Terms*) specified as being applicable in the applicable Final Terms;

No interest will otherwise be payable on the Notes on an Interest Payment Date.

21. Memory or Non Memory Double Barrier Conditional Coupon – Option 1

If "Memory or Non Memory Double Barrier Conditional Coupon – Option 1" is applicable as specified in the applicable Final Terms, the Issuer will pay an amount of interest linked to the First Coupon Rate in respect of the Notes (a) on the First Interest Payment Date, conditional on the performance of the Relevant Underlying as of the First Interest Determination Date (x) being equal or greater than the First Coupon Barrier Value and (y) if "Second Barrier" is applicable as specified in the applicable Final Terms, being also less than the Second Coupon Barrier Value and (b) on each Interest Payment Date thereafter, conditional on (x) only if "Restructuring Barrier" is applicable as specified in the applicable Final Terms, the performance of the Relevant Underlying, as of each Restructuring Observation Date preceding the relevant Interest Determination Date being equal or greater than the Restructuring Barrier Value and/or (y) the performance of the Relevant Underlying as of the relevant Interest Determination Date, (i) being greater than or equal to the First Coupon Barrier Value and (ii) if "Second Barrier" is applicable as specified in the applicable Final Terms, being also less than the Second Coupon Barrier Value.

The Issuer will pay an amount of interest linked to the Second Coupon Rate (a) only if "Restructuring Barrier" is applicable as specified in the applicable Final Terms, conditional on the performance of the Relevant Underlying, as of any Restructuring Observation Date preceding the relevant Interest Determination Date being less than the Restructuring Barrier Value and/or (b) conditional on the performance of the Relevant Underlying as of the relevant Interest Determination Date, being greater than or equal to the Second Coupon Barrier Value.

If neither such condition is satisfied, the amount determined as of the relevant Interest Determination Date will be zero. Otherwise, the amount to be determined will be a fixed amount. If "Capitalised" is specified as being applicable in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount equal to the sum of the Coupon Amounts for each Interest Determination Date as determined by the Determination Agent.

If "Memory or Non Memory Double Barrier Conditional Coupon – Option 1" is applicable as specified in the applicable Final Terms, the Issuer will pay interest on an Interest Payment Date in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent in accordance with one of the following formulas:

If "Non Memory effect" is applicable as specified in the applicable Final Terms:

$$\text{Coupon Amount} = \text{First Coupon Rate} \times \text{Calculation Amount}$$

If “Memory effect” is applicable as specified in the applicable Final Terms:

$$\text{Coupon Amount} = \text{Calculation Amount} \times (\text{First Coupon Rate} \times \text{NPED}) - \text{Prior Coupon Amount}$$

if either:

- (a) with respect to the First Interest Payment Date, the Relevant Underlying Performance as of the First Interest Determination Date is equal or greater than the First Coupon Barrier Value and, if "Second Barrier" is applicable as specified in the applicable Final Terms, is also less than the Second Coupon Barrier Value; or
- (b) with respect to each Interest Payment Date (excluding the First Interest Payment Date), (i) only if "Restructuring Barrier" is applicable as specified in the applicable Final Terms, the Relevant Underlying Performance as of each Restructuring Observation Date preceding the relevant Interest Determination Date has been equal or greater than the Restructuring Barrier Value, and/or (ii) the performance of the Relevant Underlying as of the relevant Interest Determination Date, is greater than or equal to the First Coupon Barrier Value and, if "Second Barrier" is applicable as specified in the applicable Final Terms, is also less than the Second Coupon Barrier Value.

OR

$$\text{Coupon Amount} = \text{Second Coupon Rate} \times \text{Calculation Amount}$$

with respect to each Interest Payment Date (i) only if "Restructuring Barrier" is applicable as specified in the applicable Final Terms (excluding the First Interest Payment Date), if the Relevant Underlying, as of any Restructuring Observation Date preceding the relevant Interest Determination Date has been less than the Restructuring Barrier Value and/or (ii) the performance of the Relevant Underlying as of the relevant Interest Determination Date, is greater than or equal to the Second Coupon Barrier Value.

Save for any amount payable pursuant to any of the foregoing provisions, no interest will otherwise be payable on the Notes on an Interest Payment Date. If "Capitalised" is specified as being applicable in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount equal to the sum of the Coupon Amounts for each Interest Determination Date as determined by the Determination Agent.

where:

First Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms (expressed as a single value or as a percentage);

First Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms;

First Interest Determination Date means the date specified as such in the applicable Final Terms;

First Interest Payment Date means the date specified as such in the applicable Final Terms;

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be);

NPED means, as of any Interest Determination Date, the number of Period End Dates that have occurred (including such Interest Determination Date) as determined by the Determination Agent;

Period End Dates means the Interest Determination Dates and each date specified as an Additional Period End Date in the applicable Final Terms;

Prior Coupon Amount means, for each Interest Determination Date, the sum of all Coupon Amounts determined for preceding Interest Determination Dates (if any), provided that if the applicable Final Terms specify "**Cumulative Prior Coupon**" as being applicable, the Prior Coupon Amount shall also include, as specified in the applicable Final Terms, the sum of any Fixed Coupon Amounts and/or Non Memory Barrier Conditional Coupon Amounts which may have been determined for preceding Interest Determination Dates.

Redemption Date means the Maturity Date or, (i) if Automatic Early Redemption Event (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions) is specified in the applicable Final Terms as being applicable and if an Automatic Early Redemption Event occurs, the Automatic Early Redemption Date (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions); (ii) if Call Option is specified in the applicable Final Terms as being applicable and such Call Option has been exercised by the Issuer as specified in Condition 15.4 (*Redemption at the Option of the Issuer*), the relevant Optional Redemption Date (Call), (iii) if Put Option is specified in the applicable Final Terms as being applicable and such Put Option has been exercised by the Noteholder as specified in Condition 15.7 (*Redemption at the Option of Noteholders*), the Optional Redemption Date (Put), (iv) in case of early redemption pursuant to Condition 18 (*Events of Defaults*), the Early Redemption Date or (v) the date on which the Notes are redeemed pursuant to Condition 15.2 (*Tax Redemption*) or Condition 19 (*Illegality and Regulatory Event*);

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the First Coupon Barrier Value, Second Coupon Barrier Value or the Restructuring Barrier Value, as applicable, is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the First Coupon Barrier Value, Second Coupon Barrier Value or the Restructuring Barrier Value, as applicable, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Restructuring Barrier Value means, in respect of each Restructuring Observation Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage);

Restructuring Observation Date(s) means the date(s) specified as such in the applicable Final Terms;

Second Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms (expressed as a single value or as a percentage); and

Second Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms.

22. Non Memory Double Barrier Conditional Coupon – Option 2

If "Non Memory Double Barrier Conditional Coupon – Option 2" is applicable as specified in the applicable Final Terms, the Issuer will pay an amount of interest in respect of the Notes (a) on the First Interest Payment Date, conditional (x) on the performance of the Relevant Underlying as of the First Interest Determination Date being equal or greater than the First Coupon Barrier or (y) on the performance of the Relevant Underlying as of the First Interest Determination Date (such date also being a Restructuring Observation Date for the purposes of the Restructuring Barrier Value) being less than the Restructuring Barrier Value and being greater than or equal to the Second Coupon Barrier Value and (b) on each Interest Payment Date thereafter, conditional (x) on the performance of the Relevant Underlying, as of each Restructuring Observation Date until the relevant Interest Determination Date (included), being equal or greater than the Restructuring Barrier Value and, as of the relevant Interest Determination Date, being greater than or equal to the First Coupon Barrier Value or (y) on the performance of the Relevant Underlying, as of any Restructuring Observation Date until the relevant Interest Determination Date (included), being less than the Restructuring Barrier Value and, as of the relevant Interest Determination Date, being greater than or equal to the Second Coupon Barrier Value.

If neither such condition is satisfied, the amount determined as of the relevant Interest Determination Date will be zero. Otherwise, the amount to be determined will be a fixed amount. If "Capitalised" is specified as being applicable in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount equal to the sum of the Coupon Amounts for each Interest Determination Date as determined by the Determination Agent.

If "Non Memory Double Barrier Conditional Coupon – Option 2" is applicable as specified in the applicable Final Terms, the Issuer will pay interest on an Interest Payment Date in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent in accordance with the following formula:

$$\text{Coupon Amount} = \text{First Coupon Rate} \times \text{Calculation Amount}$$

if either:

- (a) with respect to the First Interest Payment Date, the Relevant Underlying Performance as of the First Interest Determination Date is greater than or equal to the First Coupon Barrier Value; or
- (b) with respect to each Interest Payment Date thereafter, the Relevant Underlying Performance as of each Restructuring Observation Date until the relevant Interest Determination Date (included), is and has been, as the case may be, equal or greater than the Restructuring Barrier Value and, as of the relevant Interest Determination Date, is greater than or equal to the First Coupon Barrier Value.

OR

$$\text{Coupon Amount} = \text{Second Coupon Rate} \times \text{Calculation Amount}$$

if either:

- (a) with respect to the First Interest Payment Date, the performance of the Relevant Underlying as of the First Interest Determination Date (such date also being a Restructuring Observation Date for the purposes of the Restructuring Barrier Value) is less than the Restructuring Barrier Value and is greater than or equal to the Second Coupon Barrier Value; or
- (b) with respect to each Interest Payment Date thereafter, the performance of the Relevant Underlying, as of any Restructuring Observation Date until the relevant Interest Determination Date (included), is or has been, as the case may be, less than the Restructuring Barrier Value and, as of the relevant Interest Determination Date, is greater than or equal to the Second Coupon Barrier Value.

Save for any amount payable pursuant to any of the foregoing provisions, no interest will otherwise be payable on the Notes on an Interest Payment Date. If "Capitalised" is specified as being applicable in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount equal to the sum of the Coupon Amounts for each Interest Determination Date as determined by the Determination Agent.

where:

First Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms (expressed as a single value or as a percentage);

First Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms;

First Interest Determination Date means the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such First Interest Determination Date were an Interest Determination Date;

First Interest Payment Date means the date specified as such in the applicable Final Terms;

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be);

Redemption Date means the Maturity Date or, (i) if Automatic Early Redemption Event (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions) is specified in the applicable Final Terms as being applicable and if an Automatic Early Redemption Event occurs, the Automatic Early Redemption Date (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions); (ii) if Call Option is specified in the applicable Final Terms as being

applicable and such Call Option has been exercised by the Issuer as specified in Condition 15.4 (*Redemption at the Option of the Issuer*), the relevant Optional Redemption Date (Call), (iii) if Put Option is specified in the applicable Final Terms as being applicable and such Put Option has been exercised by the Noteholder as specified in Condition 15.7 (*Redemption at the Option of Noteholders*), the Optional Redemption Date (Put), (iv) in case of early redemption pursuant to Condition 18 (*Events of Defaults*), the Early Redemption Date or (v) the date on which the Notes are redeemed pursuant to Condition 15.2 (*Tax Redemption*) or Condition 19 (*Illegality and Regulatory Event*);

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the First Coupon Barrier Value, Second Coupon Barrier Value or the Restructuring Barrier Value, as applicable, is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the First Coupon Barrier Value, Second Coupon Barrier Value or the Restructuring Barrier Value, as applicable, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Restructuring Barrier Value means, in respect of each Restructuring Observation Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage);

Restructuring Observation Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Restructuring Observation Date were an Interest Determination Date;

Second Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms (expressed as a single value or as a percentage); and

Second Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms.

23. Non Memory Double Barrier Conditional Coupon – Option 3

If "Non Memory Double Barrier Conditional Coupon – Option 3" is applicable as specified in the applicable Final Terms, the Issuer will pay an amount of interest in respect of the Notes on the relevant Interest Payment Date (a) conditional on the performance of the Relevant Underlying, as of the relevant Interest Determination Date, being greater than or equal to the First Coupon Barrier Value or (b) conditional on the performance of the Relevant Underlying being during the Basis Period from, and including, (x) the Strike Date until to, but excluding, the First Interest Determination Date (with respect to the First Interest Determination Date) or (y) the Interest Determination Date immediately preceding the relevant Interest Determination Date until to, but excluding, the relevant Interest Determination Date (with respect to any Interest Determination Date other than the First Interest Determination Date), equal or greater than to the relevant value specified as the Second Coupon Barrier Value.

If neither such condition is satisfied, the amount determined as of the relevant Interest Determination Date will be zero. Otherwise, the amount to be determined will be a fixed amount. If "Capitalised" is specified as being applicable in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount equal to the sum of the Coupon Amounts for each Interest Determination Date as determined by the Determination Agent.

If "Non Memory Double Barrier Conditional Coupon – Option 3" is applicable as specified in the applicable Final Terms, the Issuer will pay interest on an Interest Payment Date in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent in accordance with the following formula:

$$\text{Coupon Amount} = \text{Coupon Rate} \times \text{Calculation Amount}$$

if either:

- (a) the Relevant Underlying Performance as of the relevant Interest Determination Date, is greater than or equal to the First Coupon Barrier Value; or
- (b) the Relevant Underlying Performance has been during the Basis Period from, and including, (x) the Strike Date until to, but excluding, the First Interest Determination Date (with respect to the First Interest Determination Date) or (y) the Interest Determination Date immediately preceding the relevant Interest Determination Date until to, but excluding, the relevant Interest Determination Date (with respect to any Interest Determination Date other than the First Interest Determination Date), equal or greater than to the relevant value specified as the Second Coupon Barrier Value.

Save for any amount payable pursuant to any of the foregoing provisions, no interest will otherwise be payable on the Notes on an Interest Payment Date. If "Capitalised" is specified as being applicable in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount equal to the sum of the Coupon Amounts for each Interest Determination Date as determined by the Determination Agent.

where:

Basis Period means a daily, weekly, monthly or quarterly basis, as specified in the applicable Final Terms;

Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms;

First Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms (expressed as a single value or as a percentage);

First Interest Determination Date means the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such First Interest Determination Date were an Interest Determination Date;

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be);

Redemption Date means the Maturity Date or, (i) if Automatic Early Redemption Event (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions) is specified in the applicable Final Terms as being applicable and if an Automatic Early Redemption Event occurs, the Automatic Early Redemption Date (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions); (ii) if Call Option is specified in the applicable Final Terms as being applicable and such Call Option has been exercised by the Issuer as specified in Condition 15.4 (*Redemption at the Option of the Issuer*), the relevant Optional Redemption Date (Call), (iii) if Put Option is specified in the applicable Final Terms as being applicable and such Put Option has been exercised by the Noteholder as specified in Condition 15.7 (*Redemption at the Option of Noteholders*), the Optional Redemption Date (Put), (iv) in case of early redemption pursuant to Condition 18 (*Events of Defaults*), the Early Redemption Date or (v) the date on which the Notes are redeemed pursuant to Condition 15.2 (*Tax Redemption*) or Condition 19 (*Illegality and Regulatory Event*);

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the First Coupon Barrier Value or the Second Coupon Barrier Value, as applicable, is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the First Coupon Barrier Value or the Second Coupon Barrier Value, as applicable, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Second Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms (expressed as a single value or as a percentage).

24. Conditional Coupon – Barrier or Surperformance

If "Conditional Coupon – Barrier or Surperformance" is applicable as specified in the applicable Final Terms, the Issuer will pay an amount of interest in respect of the Notes on the relevant Interest Payment Date, conditional (x) on the performance of the Relevant Underlying as of the relevant Interest Determination Date being (i) greater than or, (ii) greater than or equal to, as specified in the applicable Final Terms, the relevant value specified as the Coupon Barrier Value or (y) on the performance of the Relevant Underlying as of the relevant Interest Determination Date being less than the relevant value specified as the Coupon Barrier Value but (i) greater than or, (ii) greater than or equal to, as specified in the applicable Final Terms, the Relevant Compared Underlying Performance.

If neither such condition is satisfied, the amount determined as of the relevant Interest Determination Date will be zero. Otherwise, the amount to be determined will be a fixed amount. If "Capitalised" is specified as being applicable in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount equal to the sum of the Coupon Amounts for each Interest Determination Date as determined by the Determination Agent.

If "Conditional Coupon – Barrier or Surperformance" is applicable as specified in the applicable Final Terms, the Issuer will pay interest in respect of the Notes on an Interest Payment Date in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent in accordance with the following formula:

$$\text{Coupon Amount} = \text{First Coupon Rate} \times \text{Calculation Amount}$$

if the Relevant Underlying Performance as of the relevant Interest Determination Date is (i) greater than or, (ii) greater than or equal to, as specified in the applicable Final Terms, the relevant value specified as the Coupon Barrier Value;

OR

$$\text{Coupon Amount} = \text{Second Coupon Rate} \times \text{Calculation Amount}$$

if the Relevant Underlying Performance as of the relevant Interest Determination Date is less than the relevant value specified as the Coupon Barrier Value but (i) greater than or, (ii) greater than or equal to, as specified in the applicable Final Terms, the Relevant Compared Underlying Performance.

Save for any amount payable pursuant to any of the foregoing provisions, no interest will otherwise be payable on the Notes on an Interest Payment Date. If "Capitalised" is specified as being applicable in the applicable Final Terms, the Issuer shall pay interest on the Notes on the Redemption Date in an amount per Calculation Amount equal to the sum of the Coupon Amounts for each Interest Determination Date as determined by the Determination Agent.

where:

Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms (expressed as a single value or as a percentage);

First Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms;

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be);

Redemption Date means the Maturity Date or, (i) if Automatic Early Redemption Event (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions) is specified in the applicable Final Terms as being applicable and if an Automatic Early Redemption Event occurs, the Automatic Early Redemption Date (as defined in Condition 15.11 (*Automatic Early Redemption Event*) or Section 5 (*Early Redemption Terms*) of the Additional Terms and Conditions); (ii) if Call Option is specified in the applicable Final Terms as being applicable and such Call Option has been exercised by the Issuer as specified in Condition 15.4 (*Redemption at the Option of the Issuer*), the relevant Optional Redemption Date (Call), (iii) if Put Option is specified in the applicable Final Terms as being applicable and such Put Option has been exercised by the Noteholder as specified in Condition 15.7 (*Redemption at the Option of Noteholders*), the Optional Redemption Date (Put), (iv) in case of early redemption pursuant to Condition 18 (*Events of Defaults*), the Early Redemption Date or (v) the date on which the Notes are redeemed pursuant to Condition 15.2 (*Tax Redemption*) or Condition 19 (*Illegality*);

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Coupon Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Coupon Barrier Value, determine the Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Relevant Compared Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Relevant Compared Underlying Performance, determine the Relevant Compared Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value of the Compared Underlying; it being specified that for the purposes of determining the Initial Reference Value of the Compared Underlying all references in Section 3 (*Performance Determination Terms*) to “Relevant Underlying” shall be deemed to be replaced by references to “Compared Underlying”;

Second Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms;

Compared Underlying means the share(s), index(es), exchange traded fund(s), a currency pair, inflation index(es), the fund(s) and/or the futures contracts specified in the applicable Final Terms as the Underlying Share, the Basket of Shares (for Equity-Linked Notes), the Index, the Basket of Indices (for Equity-Linked Notes), the ETF Interest, the Basket of ETF Interests (for Equity-Linked Notes), the Basket of Currency Pair (for Currency-Linked Notes), the Inflation Index, the Basket of Inflation Indices (for Inflation-Linked Notes), the Fund Interest, the Basket of Fund Interests (for Fund-Linked Notes) and/or the Futures Contract, the Basket of Futures Contracts (for Futures Contract-Linked Notes) and, where the context so permits, each such share, index, exchange traded fund, currency pair, inflation index, fund, fund interest or futures contract;

Initial Reference Value of the Compared Underlying, if applicable, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Compared Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms; it being specified that for the purposes of determining the Initial Reference Value of the Compared Underlying all references in Section 2 (*Value Determination Terms*) to “Relevant Underlying” shall be deemed to be replaced by references to “Compared Underlying”; and

Relevant Compared Underlying Value means the value as determined by the Determination Agent in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

25. Knock-Out Event Coupon

If Knock-Out Event Coupon is applicable as specified in the applicable Final Terms, the Issuer will pay an amount of interest in respect of the Notes on the relevant Interest Payment Date, conditional on (a) the performance of the Relevant Underlying as of the relevant Interest Determination Date(s) being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified barrier value and (b) no Knock-Out Event has occurred. If such condition is not satisfied, the amount determined as of the relevant Interest Determination Date will be zero.

If Knock-Out Event Coupon is applicable as specified in the applicable Final Terms, and if (a) the Relevant Underlying Performance as of the relevant Interest Determination Date(s) is (i) greater than, (ii) greater than or equal to, (iii) less than, (iv) less than or equal to, as specified in the applicable Final Terms, the Coupon Barrier Value at the relevant Interest Determination Date and (b) no Knock-Out Event has occurred, the Issuer will pay interest in respect of the Notes, on the Interest Payment Date following such Interest Payment Date, in an amount per Calculation Amount (the **Coupon Amount**), determined by the Determination Agent in accordance with the following formula:

$$\text{Coupon Amount} = \text{Coupon Rate} \times \text{Calculation Amount}$$

For the avoidance of doubt, if a Knock-Out Event has occurred, no interest will be payable on the Notes on any Interest Payment Date following such event.

where:

Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms, (expressed as a single value, as a mathematical formula or as a percentage);

Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be);

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Knock-Out Event means, in respect of each Knock-Out Event Observation Date, the Relevant Underlying Performance as of the relevant Knock-Out Event Observation Date is less than the Knock-Out Event Barrier Value on the relevant Knock-Out Event Observation Date;

Knock-Out Event Barrier Value means, for each Knock-Out Event Observation Date, the value specified as such in the applicable Final Terms, (expressed as a single value, as a mathematical formula or as a percentage);

Knock-Out Event Observation Date means the date(s) specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Knock-Out Event Observation Date were an Interest Determination Date; and

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Coupon Barrier Value or the Knock-Out Event Barrier Value, as applicable, is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Coupon Barrier Value or the Knock-Out Event Barrier Value, as applicable, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value.

26. Coupon with Reserve

If Coupon with Reserve is applicable as specified in the applicable Final Terms, the Issuer will pay, on each Interest Payment Date, an interest amount indexed to a percentage of the Relevant

Underlying Performance as determined on the relevant Interest Determination Date plus the applicable Prior Reserve. If “Cap” is applicable and if at an Interest Determination Date, the interest rate to be paid is greater than or equal to the Cap, the Coupon Amount in respect of such Interest Determination Date will be equal to the product of the Calculation Amount and the Cap.

If Coupon with Reserve is applicable as specified in the applicable Final Terms, the Issuer will pay, on each Interest Payment Date, an interest amount in respect of the Notes for an amount per Calculation Amount (the **Calculation Amount**) determined by the Determination Agent on the immediately preceding Interest Determination Date in accordance with the following formula:

$$\text{Coupon Amount} = \text{Min} (\text{Cap}; \text{Relevant Underlying Performance} + \text{Prior Reserve}) \times \text{Calculation Amount}$$

where:

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be);

Cap means, if applicable, the value specified as such in the applicable Final Terms;

Reserve Cap means the percentage specified as such in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with the provisions of Section 3 (*Performance Determination Terms*) specified as being applicable in the applicable Final Terms;

Reserve means, for each Interest Determination Date, the percentage determined by the Determination Agent in accordance with the following formula:

$$\text{Reserve} = \text{Min} [\text{Reserve Cap} ; \text{Prior Reserve} + \text{Relevant Underlying Performance} - \text{Coupon Amount}]$$

Prior Reserve means, for each Interest Determination Date, the Reserve determined in respect of the preceding Interest Determination Date (as the case may be) and in respect of the first Interest Determination Date, the Initial Reserve; and

Initial Reserve means the percentage specified as such in the applicable Final Terms.

27. Budget Barrier Conditional Coupon

If "Budget Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, the Issuer will pay an amount of interest in respect of the Notes on each Interest Payment Date, in each case conditional on (a) the Relevant Underlying Performance as of the first Interest Determination Date being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified barrier value, or (b) the Sum of Performance as of any of the subsequent Interest Determination Dates being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified barrier value. If such condition is not satisfied, no such interest will be payable.

If "Budget Barrier Conditional Coupon" is applicable as specified in the applicable Final Terms, and if (a) the Relevant Underlying Performance (such Relevant Underlying Performance being floored at zero) as of the first Interest Determination Date being (i) greater than, (ii) greater

than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Coupon Barrier Value for such Interest Determination Date, or (b) the Sum of Performance as of any of the subsequent Interest Determination Dates being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Coupon Barrier Value for such Interest Determination Date, the Issuer will on the immediately following Interest Payment Date pay interest on the Notes in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent in accordance with the following formula:

$$\text{Coupon Amount} = \text{Calculation Amount} \times (\text{Coupon Rate} \times \text{NPED})$$

Where:

Coupon Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms expressed as a percentage;

Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be);

NPED means, as of any Interest Determination Date, the number of Period End Dates that have occurred (including such Interest Determination Date) as determined by the Determination Agent;

Period End Dates means the Interest Determination Dates and each date specified as an Additional Period End Date in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Sum of Performance means the sum of the Relevant Underlying Performance determined for the preceding Interest Determination Date and the Relevant Underlying Performance of the relevant Interest Determination Date, such Relevant Underlying Performance being floored at zero.

28. **Modified Locked IRR Coupon**

If "Modified Locked IRR Coupon" is specified as applicable in the applicable Final Terms, the Issuer will pay interest on the Notes on each Interest Payment Date (a) in an amount linked to a percentage of the performance of the Relevant Underlying determined as of the relevant Interest Determination, if Perf IRR as of the Interest Determination Date immediately preceding the Interest Payment Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a value specified as the Lock in Barrier Value for that earlier Interest Determination Date, or (b) at a fixed amount of interest, if Perf IRR as of any Interest Determination Date preceding the Interest Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a value specified as the Lock in Barrier Value for that earlier Interest Determination Date.

If "Modified Locked IRR Coupon" is specified as applicable in the applicable Final Terms the Issuer will on each Interest Payment Date pay interest on the Notes in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent as of the Interest Determination Date immediately preceding such Interest Payment Date as follows:

- (a) if Perf IRR as of the Interest Determination Date immediately preceding the Interest Payment Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the value specified as the Lock in Barrier Value, in accordance with the following formula:

$$\text{Coupon Amount} = \text{Max} [0; [\text{Relevant Underlying Performance} + 1)^{1/I-1}] \times \text{Calculation Amount}]$$

- (b) if Perf IRR as of any Interest Determination Date preceding the Interest Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the value specified as the Lock in Barrier Value, in accordance with the following formula:

$$\text{Coupon Amount} = \text{Coupon Rate} \times \text{Calculation Amount}$$

where:

Coupon Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms.

I means, for a given Interest Determination Date (included), the number of Interest Determination Date(s) which occurred since the Issue Date;

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*), Condition 12.1 (*Market Disruption, Reference Dates and Averaging Dates*), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be);

Lock in Barrier Value means, for each Interest Determination Date, the value specified as such in the applicable Final Terms, which may be expressed as a single value, as a mathematical formula or as a percentage;

Perf IRR means the performance of the Relevant Underlying determined in accordance with the following formula: $[\text{Relevant Underlying Performance} + 1)^{1/I-1}]$; and

Relevant Underlying Performance means the percentage determined by the Determination Agent as of the relevant Interest Determination Date in accordance with the provisions of Section 3 (*Performance Determination Terms*) specified as being applicable in the applicable Final Terms.

29. Structured Spread Rate Coupon

If "Structured Spread Rate Coupon" is specified as applicable in the applicable Final Terms, the Issuer will pay interest on the Notes on each Interest Payment Date in an amount equal to the product of the Calculation Amount and the sum of the Structured Spread Rate plus the applicable Margin as determined by the Determination Agent as of the relevant Interest Determination Date. For the avoidance of doubt, this Interest Provision will only apply with respect to Floating Rate Notes.

If "Structured Spread Rate Coupon" is specified as applicable in the applicable Final Terms, the Issuer will on each Interest Payment Date pay interest on the Notes in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent as of the Interest Determination Date immediately preceding such Interest Payment Date in accordance with the following formula:

$$\text{Coupon Amount} = (\text{Structured Spread Rate} + \text{Margin}) \times \text{Calculation Amount}$$

Where:

Default Number 1 means the number specified as such in the applicable Final Terms;

Default Number 2 means the number specified as such in the applicable Final Terms;

Level 1 means, either (i) the Default Number 1, if Reference Rate 1 is equal to zero, or (ii) W1, if Reference Rate 1 is not equal to zero;

Level 2 means, either (i) $\text{Max}[\text{Default Number 2} ; Z1 \times \text{Level 1}]$, if Reference Rate 2 is equal to zero, or (ii) W2, if Reference Rate 2 is not equal to zero;

Structured Spread Rate means, in respect of an Interest Period, an amount expressed as a percentage, determined by the Determination Agent on the Interest Determination Date in respect of such Interest period in accordance with the following formula:

$$\frac{\text{Level 2} \times \text{Reference Rate 2} - \text{Level 1} \times \text{Reference Rate 1}}{\text{Level 2} - \text{Level 1}}$$

W1 means an amount determined by the Determination Agent in accordance with the following formula:

$$\frac{1 - (1 + \text{Reference Rate 1})^{-Y1}}{\text{Reference Rate 1}}$$

W2 means an amount determined by the Determination Agent in accordance with the following formula:

$$\text{Max} \left[\frac{1 - (1 + \text{Reference Rate 2})^{-Y2}}{\text{Reference Rate 2}} ; Z1 \times \text{Level 1} \right]$$

Y1 means the number specified as such in the applicable Final Terms;

Y2 means the number specified as such in the applicable Final Terms; and

Z1 means the number specified as such in the applicable Final Terms.

30. **Booster Participation Coupon**

If "Booster Participation Coupon" is applicable as specified in the applicable Final Terms, the Issuer will pay interest on the Notes on each Interest Payment Date in an amount linked to a percentage of the performance of the Relevant Underlying determined as of the relevant Interest Determination.

If "Booster Participation Coupon" is applicable as specified in the applicable Final Terms the Issuer will on each Interest Payment Date pay interest on the Notes in an amount per Calculation Amount (the **Coupon Amount**) determined by the Determination Agent as of the Interest Determination Date immediately preceding such Interest Payment Date in accordance with the following formula:

Coupon Amount = Calculation Amount x (Final Upside Amount - the Final Downside Amount)

where:

Downside Gearing means the percentage rate specified as such in the applicable Final Terms;

Final Downside Amount means an amount per Calculation Amount determined by the Determination Agent in accordance with the following formula:

Downside Gearing x Max(0, Relevant Underlying Performance)

Final Upside Amount means an amount per Calculation Amount determined by the Determination Agent in accordance with the following formula, provided that Put Performance shall not be applicable for the determination of the Final Upside Amount:

Participation Rate x Max(0, Relevant Underlying Performance)

Participation Rate means, for each Interest Determination Date, the rate expressed as a percentage specified as such in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent as of the relevant Interest Determination Date in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, **provided that Put Performance shall be specified in the applicable Final Terms as applicable for the determination of the Final Upside Amount;** and

Interest Determination Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be) .

Section 5

Early Redemption Terms

If applicable as specified in the applicable Final Terms for any Series of Linked Notes, the provisions of one of the paragraphs set out below in this Section 5 (each **Early Redemption Terms**) shall apply to such Notes.

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Early Redemption Terms

1. Barrier Automatic Early Redemption (Principal at Risk)

If "Barrier Automatic Early Redemption" is applicable as specified in the applicable Final Terms, and if the Relevant Underlying Performance as of any specified Automatic Early Redemption Valuation Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant value specified as the Autocall Barrier Value, the Notes will be redeemed early by the Issuer at a fixed Automatic Early Redemption Amount on the relevant Automatic Early Redemption Date.

If "Barrier Automatic Early Redemption" is applicable as specified in the applicable Final Terms, and the Determination Agent determines that the Relevant Underlying Performance, as of any Automatic Early Redemption Valuation Date, is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Autocall Barrier Value in respect of such date, then (unless the Notes have been previously redeemed or purchased and cancelled in accordance with the Conditions) an Automatic Early Redemption Event shall be deemed to have occurred and the Issuer shall redeem the Notes on the immediately following Automatic Early Redemption Date at the Automatic Early Redemption Amount for such Automatic Early Redemption Valuation Date being an amount per Calculation Amount determined by the Determination Agent in accordance with the following formula:

$$\text{Automatic Early Redemption Amount} = \text{Autocall Early Redemption Rate} \times \text{Calculation Amount}$$

where

Automatic Early Redemption Date means each date specified as such in the applicable Final Terms;

Autocall Early Redemption Rate means the percentage rate specified as such in the applicable Final Terms (and if different rates are so specified for different Automatic Early Redemption Valuation Dates, the percentage rate so specified for the relevant Automatic Early Redemption Valuation Date);

Automatic Early Redemption Valuation Date means each date specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 15.11;

Autocall Barrier Value means, in respect of an Automatic Early Redemption Valuation Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage);

Initial Reference Value, if applicable, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Autocall Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Autocall Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value as determined by the Determination Agent in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

2. **Partial Automatic Early Redemption (Principal at Risk)**

If "Partial Automatic Early Redemption" is specified as applicable in the applicable Final Terms, there is a partial automatic early redemption at a fixed partial automatic early redemption rate per Calculation Amount on the partial automatic early redemption date and then, if the Relevant Underlying Performance as of any specified Automatic Early Redemption Valuation Date, is greater than the relevant value specified as the Autocall Barrier Value, the Notes will be redeemed early by the Issuer at a fixed Automatic Early Redemption Amount (on the Reduced Calculation Amount) on the relevant Automatic Early Redemption Date. For the avoidance of doubt, the Coupon Amount will be calculated after the partial automatic early redemption on the Reduced Calculation Amount (it being specified that the concept of Reduced Calculation Amount is only used for the purposes of the calculation of redemption and interest amounts. The denomination of the Notes will remain the Calculation Amount).

If "Partial Automatic Early Redemption" is specified as applicable in the applicable Final Terms, and the Determination Agent determines that, after the Partial Automatic Early Redemption Date, the Relevant Underlying Performance, as of any Automatic Early Redemption Valuation Date, is greater than the Autocall Barrier Value in respect of such date, then (unless the Notes have been previously redeemed or purchased and cancelled in accordance with the Conditions) an Automatic Early Redemption Event shall be deemed to have occurred and the Issuer shall redeem the Notes on the immediately following Automatic Early Redemption Date at the Automatic Early Redemption Amount for such Automatic Early Redemption Valuation Date being an amount per Reduced Calculation Amount determined by the Determination Agent in accordance with the following formula:

Automatic Early Redemption Amount = Autocall Early Redemption Rate x Reduced Calculation Amount

where:

Automatic Early Redemption Date means each date specified as such in the applicable Final Terms;

Autocall Early Redemption Rate means the percentage rate specified as such in the applicable Final Terms (and if different rates are so specified for different Automatic Early Redemption Valuation Dates, the percentage rate so specified for the relevant Automatic Early Redemption Valuation Date);

Automatic Early Redemption Valuation Date means each date specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 15.11;

Autocall Barrier Value means, in respect of an Automatic Early Redemption Valuation Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage);

Initial Reference Value, if applicable, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with the provisions of Section 2 (*Value Determination Terms*) specified as being applicable in the applicable Final Terms;

Partial Automatic Early Redemption Rate means the percentage rate specified as such in the applicable Final Terms;

Partial Automatic Early Redemption Date means the date specified in the applicable Final Terms as a date falling after the specified number of months after the Issue Date;

Reduced Calculation Amount means the Calculation Amount at the Issue Date less the product to the Partial Automatic Early Redemption Rate and the Calculation Amount;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with the provisions of Section 3 (*Performance Determination Terms*) specified as being applicable in the applicable Final Terms, and where the Autocall Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Autocall Barrier Value, determine the Relevant Underlying Performance by multiplying the percentage determined in accordance with the provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value as determined by the Determination Agent in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

3. **Automatic Early Redemption Based on Coupons (Principal at Risk)**

If "Automatic Early Redemption Based on Coupons" is specified as applicable in the applicable Final Terms, and if either (i) where Minimum Number of Coupons is specified as applicable in the applicable Final Terms, the Issuer has paid more than the Minimum Number of Coupons specified in the applicable Final Terms, (ii) where Minimum Number of Time is specified as applicable in the applicable Final Terms, the Relevant Underlying Performance as of any specified Automatic Early Redemption Valuation Date has been at least a Minimum Number of Time specified in the applicable Final Terms (i) greater than, (ii) greater than or equal to, (iii) less than, or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant value specified as the Autocall Barrier Value and/or (iii) where Minimum Aggregate Percentage is specified as applicable in the applicable Final Terms, the

sum of the Coupon Amounts paid to the Noteholders exceeds the Minimum Aggregate Percentage of the Calculation Amount specified in the applicable Final Terms, the Notes will be redeemed early by the Issuer at a fixed Automatic Early Redemption Amount on the relevant Automatic Early Redemption Date.

If "Automatic Early Redemption based on Coupons" is specified as applicable in the applicable Final Terms, and the Determination Agent determines that (as applicable) one or more of condition (i) to (iii) above has occurred, then (unless the Notes have been previously redeemed or purchased and cancelled in accordance with the Conditions) an Automatic Early Redemption Event shall be deemed to have occurred and the Issuer shall redeem the Notes on the immediately following Automatic Early Redemption Date at the Automatic Early Redemption Amount for such Automatic Early Redemption Valuation Date being an amount per Calculation Amount determined by the Determination Agent in accordance with the following formula:

Automatic Early Redemption Amount = Autocall Early Redemption Rate x Calculation Amount

Where:

Automatic Early Redemption Date means each date specified as such in the applicable Final Terms;

Autocall Early Redemption Rate means the percentage rate specified as such in the applicable Final Terms (and if different rates are so specified for different Automatic Early Redemption Valuation Dates, the percentage rate so specified for the relevant Automatic Early Redemption Valuation Date);

Automatic Early Redemption Valuation Date means each date specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 15.11;

Autocall Barrier Value means, in respect of an Automatic Early Redemption Valuation Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage);

Initial Reference Value, if applicable, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with the provisions of Section 2 (*Value Determination Terms*) specified as being applicable in the applicable Final Terms;

Minimum Aggregate Percentage, if applicable, means the percentage rate specified as such in the applicable Final Terms;

Minimum Number of Coupons, if applicable, means a number of coupons paid to the Noteholders specified in the applicable Final Terms;

Minimum Number of Time, if applicable, means a number specified in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with the provisions of Section 3 (*Performance Determination Terms*) specified as being applicable in the applicable Final Terms, and where the Autocall Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Autocall Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in

accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value as determined by the Determination Agent in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

4. **Double Barrier Automatic Early Redemption – Option 1**

If "Double Barrier Automatic Early Redemption – Option 1" is applicable as specified in the applicable Final Terms, the Notes will be redeemed early by the Issuer at a fixed Automatic Early Redemption Amount equal to Par on the relevant Automatic Early Redemption Date (a) if the Relevant Underlying Performance as of each Restructuring Automatic Early Redemption Valuation Date preceding the relevant Automatic Early Redemption Valuation Date has been greater than or equal to the relevant value specified as the Restructuring Autocall Barrier Value in the applicable Final Terms and if the Relevant Underlying Performance as of the relevant Automatic Early Redemption Valuation Date is greater than or equal to the relevant value specified as the First Autocall Barrier Value or (b) if the Relevant Underlying Performance as of any Restructuring Automatic Early Redemption Valuation Date preceding the relevant Automatic Early Redemption Valuation Date has been less than the relevant value specified as the Restructuring Autocall Barrier Value in the applicable Final Terms and if the Relevant Underlying Performance as of the relevant Automatic Early Redemption Valuation Date is greater than or equal to the relevant value specified as the Second Autocall Barrier Value.

If "Double Barrier Automatic Early Redemption – Option 1" is applicable as specified in the applicable Final Terms, (unless the Notes have been previously redeemed or purchased and cancelled in accordance with the Conditions) an Automatic Early Redemption Event shall be deemed to have occurred and the Issuer shall redeem the Notes on the immediately following Automatic Early Redemption Date at the Automatic Early Redemption Amount for such Automatic Early Redemption Valuation Date being an amount per Calculation Amount equal to the Calculation Amount, if either:

- (a) the Relevant Underlying Performance, as of each Restructuring Automatic Early Redemption Valuation Date preceding the relevant Automatic Early Redemption Valuation Date has been greater than or equal to the relevant value specified as the Restructuring Autocall Barrier Value and if the Relevant Underlying Performance as of the relevant Automatic Early Redemption Valuation Date is greater than or equal to the relevant value specified as the First Autocall Barrier Value; or
- (b) if the Relevant Underlying Performance as of any Restructuring Automatic Early Redemption Valuation Date preceding the relevant Automatic Early Redemption Valuation Date has been less than the relevant value specified as the Restructuring Autocall Barrier Value and if the Relevant Underlying Performance as of the relevant Automatic Early Redemption Valuation Date is greater than or equal to the relevant value specified as the Second Autocall Barrier Value.

No early redemption will otherwise occur.

where:

Automatic Early Redemption Date means each date specified as such in the applicable Final Terms;

Automatic Early Redemption Valuation Date means each date specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 15.11;

First Autocall Barrier Value means the means, in respect of an Automatic Early Redemption Valuation Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage);

Initial Reference Value, if applicable, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the First Autocall Barrier Value, Second Autocall Barrier Value or the Restructuring Autocall Barrier Value, as applicable, is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the First Autocall Barrier Value, Second Autocall Barrier Value or the Restructuring Autocall Barrier Value, as applicable, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Relevant Underlying Value means the value as determined by the Determination Agent in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms;

Restructuring Automatic Early Redemption Valuation Date means each date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 15.11, which apply *mutatis mutandis* as if such Restructuring Automatic Early Redemption Valuation Date were an Automatic Early Redemption Valuation Date;

Restructuring Autocall Barrier Value means, in respect of a Restructuring Automatic Early Redemption Valuation Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage); and

Second Autocall Barrier Value means the means, in respect of an Automatic Early Redemption Valuation Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage).

5. **Double Barrier Automatic Early Redemption – Option 2**

If "Double Barrier Automatic Early Redemption – Option 2" is applicable as specified in the applicable Final Terms, the Notes will be redeemed early by the Issuer at a fixed Automatic Early Redemption Amount equal to Par on the relevant Automatic Early Redemption Date (a) if the Relevant Underlying Performance as the relevant Automatic Early Redemption Valuation Date is greater than or equal to the relevant value specified as the First Autocall Barrier Value in the applicable Final Terms or (b) if the Relevant Underlying Performance has been during the Basis Period from, and including, (x) the Strike Date until to, but excluding, the First Automatic Early Redemption Valuation Date (with respect to the First Automatic Early Redemption Valuation Date) or (y) the Automatic Early Redemption Valuation Date immediately preceding the relevant Automatic Early Redemption Valuation Date until to, but excluding, the relevant Automatic Early Redemption Valuation Date (with respect to any Automatic Early Redemption Valuation Date other than the First Automatic Early Redemption Valuation Date), equal or greater than to the relevant value specified as the Second Autocall Barrier Value.

If "Double Barrier Automatic Early Redemption – Option 2" is applicable as specified in the applicable Final Terms, (unless the Notes have been previously redeemed or purchased and cancelled in accordance with the Conditions) an Automatic Early Redemption Event shall be deemed to have occurred and the Issuer shall redeem the Notes on the immediately following

Automatic Early Redemption Date at the Automatic Early Redemption Amount for such Automatic Early Redemption Valuation Date being an amount per Calculation Amount equal to the Calculation Amount, if either:

- (a) the Relevant Underlying Performance, as of the relevant Automatic Early Redemption Valuation Date is greater than or equal to the relevant value specified as the First Autocall Barrier Value; or
- (b) if the Relevant Underlying Performance has been during the Basis Period from, and including, (x) the Strike Date until to, but excluding, the First Automatic Early Redemption Valuation Date (with respect to the First Automatic Early Redemption Valuation Date) or (y) the Automatic Early Redemption Valuation Date immediately preceding the relevant Automatic Early Redemption Valuation Date until to, but excluding, the relevant Automatic Early Redemption Valuation Date (with respect to any Automatic Early Redemption Valuation Date other than the First Automatic Early Redemption Valuation Date), equal or greater than to the relevant value specified as the Second Autocall Barrier Value.

No early redemption will otherwise occur.

where:

Automatic Early Redemption Date means each date specified as such in the applicable Final Terms;

Automatic Early Redemption Valuation Date means each date specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 15.11;

Basis Period means a daily, weekly, monthly or quarterly basis, as specified in the applicable Final Terms;

First Autocall Barrier Value means the means, in respect of an Automatic Early Redemption Valuation Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage);

First Automatic Early Redemption Valuation Date means the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 15.11, which apply *mutatis mutandis* as if such First Automatic Early Redemption Valuation Date were an Automatic Early Redemption Valuation Date;

Initial Reference Value, if applicable, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the First Autocall Barrier Value, Second Autocall Barrier Value or the Restructuring Autocall Barrier Value, as applicable, is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the First Autocall Barrier Value, Second Autocall Barrier Value or the Restructuring Autocall Barrier Value, as applicable, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Relevant Underlying Value means the value as determined by the Determination Agent in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms; and

Second Autocall Barrier Value means the means, in respect of an Automatic Early Redemption Valuation Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage).

6. **Automatic Early Redemption – Range of Barriers**

If "Automatic Early Redemption – Range of Barriers" is applicable as specified in the applicable Final Terms, the Notes will be redeemed early by the Issuer at an Automatic Early Redemption Amount equal to Par on the relevant Automatic Early Redemption Date if the Relevant Underlying Performance as of any specified Automatic Early Redemption Range Valuation Date is (i) less than or (ii) less than or equal to, as specified in the applicable Final Terms, the relevant value specified as the Autocall Barrier High Range Value and is (i) greater than, (ii) greater than or equal to, as specified in the applicable Final Terms, the relevant value specified as the Autocall Barrier Low Range Value.

If "Barrier Automatic Early Redemption – Range of Barriers" is applicable as specified in the applicable Final Terms (unless the Notes have been previously redeemed or purchased and cancelled in accordance with the Conditions) an **Automatic Early Redemption Event** shall be deemed to have occurred and the Issuer shall redeem the Notes on the immediately following Automatic Early Redemption Date at the Automatic Early Redemption Amount being an amount per Calculation Amount equal to the Calculation Amount, if the Relevant Underlying Performance as of any specified Automatic Early Redemption Range Valuation Date is (i) less than or (ii) less than or equal to, as specified in the applicable Final Terms, the relevant value specified as the Autocall Barrier High Range Value and is (i) greater than, (ii) greater than or equal to, as specified in the applicable Final Terms, the relevant value specified as the Autocall Barrier Low Range Value.

where

Automatic Early Redemption Date means each date specified as such in the applicable Final Terms;

Automatic Early Redemption Range Valuation Date means each date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 15.11, which apply *mutatis mutandis* as if such Automatic Early Redemption Range Valuation Date were an Automatic Early Redemption Valuation Date;

Autocall Barrier High Range Value means, in respect of an Automatic Early Redemption Range Valuation Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage);

Autocall Barrier Low Range Value means, in respect of an Automatic Early Redemption Range Valuation Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage);

Initial Reference Value, if applicable, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Autocall Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Autocall Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value as determined by the Determination Agent in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

7. Barrier Automatic Early Redemption – Barrier or Surperformance

If "Barrier Automatic Early Redemption – Barrier or Surperformance" is applicable as specified in the applicable Final Terms, the Notes will be redeemed early by the Issuer at a fixed Automatic Early Redemption Amount equal to Par on the relevant Automatic Early Redemption Date if the Relevant Underlying Performance as of any Restructuring Automatic Early Redemption Valuation Date is (a) (i) greater than or, (ii) greater than or equal to, as specified in the applicable Final Terms, the relevant value specified as the Autocall Barrier Value or (b) less than the relevant value specified as the Autocall Barrier Value but (i) greater than or, (ii) greater than or equal to, as specified in the applicable Final Terms, the Relevant Compared Underlying Performance.

If "Barrier Automatic Early Redemption – Barrier or Surperformance" is applicable as specified in the applicable Final Terms, (unless the Notes have been previously redeemed or purchased and cancelled in accordance with the Conditions) an Automatic Early Redemption Event shall be deemed to have occurred and the Issuer shall redeem the Notes on the immediately following Automatic Early Redemption Date at the Automatic Early Redemption Amount being an amount per Calculation Amount equal to the Calculation Amount, if either the Relevant Underlying Performance, as of any Restructuring Automatic Early Redemption Valuation Date is:

- (a) (i) greater than or, (ii) greater than or equal to, as specified in the applicable Final Terms, the relevant value specified as the Autocall Barrier Value; or
- (b) less than the relevant value specified as the Autocall Barrier Value but (i) greater than or, (ii) greater than or equal to, as specified in the applicable Final Terms, the Relevant Compared Underlying Performance.

No early redemption will otherwise occur.

where:

Automatic Early Redemption Date means each date specified as such in the applicable Final Terms;

Automatic Early Redemption Valuation Date means each date specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 15.11;

Initial Reference Value of the Underlying, if applicable, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms;

Initial Reference Value of the Compared Underlying, if applicable, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Compared Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with such provisions of Section 2 (*Value Determination Terms*) as are specified as being applicable in the applicable Final Terms; it being specified that for the purposes of determining the Initial Reference Value of the Compared Underlying all references in Section 2 (*Value Determination Terms*) to "Relevant Underlying" shall be deemed to be replaced by references to "Compared Underlying";

Autocall Barrier Value means, in respect of an Automatic Early Redemption Valuation Date, the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage);

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Autocall Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Autocall Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Relevant Compared Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Relevant Compared Underlying Performance, determine the Relevant Compared Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value of the Compared Underlying; it being specified that for the purposes of determining the Initial Reference Value of the Compared Underlying all references in Section 3 (*Performance Determination Terms*) to "Relevant Underlying" shall be deemed to be replaced by references to "Compared Underlying";

Compared Underlying means the share(s), index(es), exchange traded fund(s), a currency pair, inflation index(es) and/or the fund(s) specified in the applicable Final Terms as the Underlying Share, the Basket of Shares (for Equity-Linked Notes), the Index, the Basket of Indices (for Equity-Linked Notes), the ETF Interest, the Basket of ETF Interests (for Equity-Linked Notes), the Basket of Currency Pair (for Currency-Linked Notes), the Inflation Index, the Basket of Inflation Indices (for Inflation-Linked Notes), the Fund Interest, the Basket of Fund Interests (for Fund-Linked Notes) and/or the Futures Contract, the Basket of Futures Contracts (for Futures Contract-Linked Notes) and, where the context so permits, each such share, index, exchange traded fund, currency pair, inflation index, fund, fund interest or futures contract;

Relevant Underlying Value means the value as determined by the Determination Agent in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms; and

Relevant Compared Underlying Value means the value as determined by the Determination Agent in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

8. **Budget Barrier Automatic Early Redemption (Principal at Risk)**

If "Budget Barrier Automatic Early Redemption (Principal at Risk)" is applicable as specified in the applicable Final Terms, (a) the Relevant Underlying Performance as of the first Automatic Early Redemption Valuation Date being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified Autocall Barrier Value, or (b) the Sum of Performance as of any of the subsequent Automatic Early Redemption Valuation Date being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified Autocall Barrier Value, the Notes will be redeemed early by the Issuer at a fixed Automatic Early Redemption Amount on the relevant Automatic Early Redemption Date.

If "Budget Barrier Automatic Early Redemption (Principal at Risk)" is applicable as specified in the applicable Final Terms, and the Determination Agent determines that (a) the Relevant Underlying Performance (such Relevant Underlying Performance being floored at zero) as of the first Automatic Early Redemption Valuation Date being (i) greater than, (ii) greater than or

equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified Autocall Barrier Value, or (b) the Sum of Performance as of any of the subsequent Automatic Early Redemption Valuation Date being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, a specified Autocall Barrier Value, then (unless the Notes have been previously redeemed or purchased and cancelled in accordance with the Conditions) an Automatic Early Redemption Event shall be deemed to have occurred and the Issuer shall redeem the Notes on the immediately following Automatic Early Redemption Date at the Automatic Early Redemption Amount for such Automatic Early Redemption Valuation Date being an amount per Calculation Amount determined by the Determination Agent in accordance with the following formula:

$$\text{Automatic Early Redemption Amount} = \text{Autocall Early Redemption Rate} \times \text{Calculation Amount}$$

where

Automatic Early Redemption Date means each date specified as such in the applicable Final Terms;

Autocall Early Redemption Rate means the percentage rate specified as such in the applicable Final Terms (and if different rates are so specified for different Automatic Early Redemption Valuation Dates, the percentage rate so specified for the relevant Automatic Early Redemption Valuation Date);

Automatic Early Redemption Valuation Date means each date specified as such in the applicable Final Terms, subject to adjustment in accordance with Condition 15.11;

Autocall Barrier Value means, in respect of an Automatic Early Redemption Valuation Date, the value specified as such in the applicable Final Terms expressed as a percentage;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms; and

Sum of Performance means the sum of the Relevant Underlying Performance determined for the preceding Automatic Early Redemption Valuation Date and the Relevant Underlying Performance of the relevant Automatic Early Redemption Valuation Date, such Relevant Underlying Performance being floored at zero.

Section 6

Final Redemption Terms

Where Equity-Linked Redemption, Currency-Linked Redemption, Inflation-Linked Redemption, Fund-Linked Redemption or Futures Contract-Linked Redemption is applicable as specified in the applicable Final Terms, the Final Redemption Amount for the Linked Notes of the relevant Series shall be determined applying the provisions of one of the paragraphs set out below in this Section 6 (each **Final Redemption Terms**) as specified in the applicable Final Terms.

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1. **Barrier Redemption (Principal at Risk)**

If "Barrier Redemption" is applicable as specified in the applicable Final Terms, the Notes, if not previously redeemed or cancelled, will be redeemed by the Issuer on the Maturity Date at either: (a) Par, if the Relevant Underlying Performance as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the value specified as the Final Redemption Barrier Value in the applicable Final Terms, OR (b) in any other case, at an amount linked to the performance of the Relevant Underlying, which may be less than Par.

If "Barrier Redemption" is applicable as specified in the applicable Final Terms, the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Calculation Amount equal to:

- (a) the Calculation Amount, if the Determination Agent determines that the Relevant Underlying Performance as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Barrier Value; or

- (b) in any other case, the amount determined by the Determination Agent in accordance with the following formula:

$$\text{Final Redemption Amount} = \text{Calculation Amount} \times (100\% + \text{Relevant Underlying Performance})$$

where:

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 15.11, which apply *mutatis mutandis* as if such Determination Date were an Interest Determination Date;

Final Redemption Barrier Value means the value specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Final Redemption Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Final Redemption Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value determined by the Determination Agent in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

2. Lock in Redemption (Principal at Risk)

If "Lock in Redemption" is applicable as specified in the applicable Final Terms, the Notes, if not previously redeemed or cancelled, will be redeemed by the Issuer on the Maturity Date at either: (a) Par, if the Relevant Underlying Performance determined as of any specified Barrier Observation Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the value specified as the Lock in Barrier Value in the applicable Final Terms, OR (b) in any other case, at an amount linked to the performance of the Relevant Underlying determined as of the Determination Date, which may be less than Par.

If "Lock in Redemption" is specified in relation to the Final Redemption Amount in the applicable Final Terms, the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Calculation Amount equal to:

- (a) the Calculation Amount, if the Determination Agent determines that the Relevant Underlying Performance as of any Barrier Observation Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Lock in Barrier Value; or
- (b) in any other case, the amount determined by the Determination Agent in accordance with the following formula:

$$\text{Final Redemption Amount} = \text{Calculation Amount} \times (100\% + \text{Relevant Underlying Performance})$$

where:

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or

Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Determination Date were an Interest Determination Date;

Lock in Barrier Value means, in respect of each Barrier Observation Date, the value specified as such in the applicable Final Terms, which may be expressed as a single value or as a percentage;

Barrier Observation Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*), Condition 12.1 (*Market Disruption, Reference Dates and Averaging Dates*), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Barrier Observation Date were an Interest Determination Date;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Final Redemption Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Final Redemption Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value determined in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

3. **Barrier & Lock in Redemption (Principal at Risk)**

If "Barrier & Lock in Redemption" is applicable as specified in the applicable Final Terms, the Notes, if not previously redeemed or cancelled, will be redeemed by the Issuer on the Maturity Date either: (a) at Par, if either (1) the Relevant Underlying Performance as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Barrier Value or (2) the Relevant Underlying Value determined as of any Barrier Observation Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the value specified as the Lock in Barrier Value, OR (b) if neither (1) nor (2) above applies, at an amount linked to the performance of the Relevant Underlying, which may be less than Par.

If "Barrier & Lock in Redemption" is applicable as specified in the applicable Final Terms, the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Calculation Amount equal to:

- (a) the Calculation Amount, if the Determination Agent determines that either (1) the Relevant Underlying Performance as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Barrier Value; OR (2) the Relevant Underlying Value as of any Barrier Observation Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Lock in Barrier Value; or
- (b) in any other case, the amount determined by the Determination Agent in accordance with the following formula:

$$\text{Final Redemption Amount} = \text{Calculation Amount} \times (100\% + \text{Relevant Underlying Performance})$$

where:

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Barrier Observation Date were an Interest Determination Date;

Final Redemption Barrier Value means the value specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage;

Lock in Barrier Value means, in respect of each Barrier Observation Date, the value specified as such in the applicable Final Terms, which may be expressed as a single value or as a percentage;

Barrier Observation Date(s) means, subject to the Conditions, the date(s) specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Barrier Observation Date were an Interest Determination Date;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Final Redemption Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Final Redemption Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value determined in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

4. **Airbag Barrier Redemption (Principal at Risk)**

If "Airbag Barrier Redemption" is applicable as specified in the applicable Final Terms, the Notes, if not previously redeemed or cancelled, will be redeemed by the Issuer on the Maturity Date at either: (a) Par, if the Relevant Underlying Performance as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Barrier Value in the applicable Final Terms, OR (b) in any other case, at an amount linked to a percentage of the performance of the Relevant Underlying, which may be less than Par.

If "Airbag Barrier Redemption" is specified in relation to the Final Redemption Amount in the applicable Final Terms, the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Calculation Amount equal to:

- (a) the Calculation Amount, if the Determination Agent determines that the Relevant Underlying Performance as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Barrier Value; or
- (b) in any other case, the amount determined by the Determination Agent in accordance with the following formula:

$$\text{Final Redemption Amount} = \text{Calculation Amount} \times (\text{Airbag rate} \times (100\% + \text{Relevant Underlying Performance}))$$

where:

Airbag Rate means the percentage rate specified as such in the applicable Final Terms;

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Determination Date were an Interest Determination Date;

Final Redemption Barrier Value means the value specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Final Redemption Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Final Redemption Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value determined in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

5. **Airbag Lock in Redemption (Principal at Risk)**

If "Airbag Lock in Redemption" is applicable as specified in the applicable Final Terms, the Notes, if not previously redeemed or cancelled, will be redeemed by the Issuer on the Maturity Date at either: (a) Par, if the Relevant Underlying Performance determined as of any specified Barrier Observation Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the value specified as the Lock in Barrier Value in the applicable Final Terms, OR (b) in any other case, at an amount calculated by reference to a percentage of the performance of the Relevant Underlying determined as of the Determination Date, which may be less than Par.

If "Airbag Lock in Redemption" is applicable as specified in the applicable Final Terms, the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Calculation Amount equal to:

- (a) the Calculation Amount, if the Determination Agent determines that the Relevant Underlying Performance as of any Barrier Observation Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Lock in Barrier Value; or
- (b) in any other case, the amount determined by the Determination Agent in accordance with the following formula:

$$\text{Final Redemption Amount} = \text{Calculation Amount} \times (\text{Airbag rate} \times (100\% + \text{Relevant Underlying Performance}))$$

where:

Airbag Rate means the percentage rate specified as such in the applicable Final Terms;

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption,

Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Determination Date were an Interest Determination Date;

Lock in Barrier Value means, in respect of each Barrier Observation Date, the value specified as such in the applicable Final Terms, which may be expressed as a single value or as a percentage;

Barrier Observation Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Barrier Observation Date were an Interest Determination Date;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Final Redemption Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Final Redemption Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value determined in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

6. **Airbag Barrier & Lock in Redemption (Principal at Risk)**

If "Airbag Barrier & Lock in Redemption" is applicable as specified in the applicable Final Terms, the Notes, if not previously redeemed or cancelled, will be redeemed by the Issuer on the Maturity Date, either: (a) at Par, if either (1) the Relevant Underlying Performance as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Barrier Value or (2) the Relevant Underlying Performance determined as of any Barrier Observation Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the value specified as the Lock in Barrier Value, OR (b) if neither (1) nor (2) above applies, at an amount calculated by reference to a percentage of the performance of the Relevant Underlying, which may be less than Par.

If "Airbag Barrier & Lock in Redemption" is applicable as specified in the applicable Final Terms, the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Calculation Amount equal to:

- (a) the Calculation Amount, if the Determination Agent determines that either (1) the Relevant Underlying Performance as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Barrier Value; OR (2) the Relevant Underlying Performance as of any Barrier Observation Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Lock in Barrier Value; or
- (b) in any other case, the amount determined by the Determination Agent in accordance with the following formula:

$$\text{Final Redemption Amount} = \text{Calculation Amount} \times (\text{Airbag rate} \times (100\% + \text{Relevant Underlying Performance}))$$

where:

Airbag Rate means the percentage rate specified as such in the applicable Final Terms;

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Determination Date were an Interest Determination Date;

Final Redemption Barrier Value means the value specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage;

Lock in Barrier Value means, in respect of each Barrier Observation Date, the value specified as such in the applicable Final Terms, which may be expressed as a single value or as a percentage;

Barrier Observation Date(s) means, subject to the Conditions, the date(s) specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Barrier Observation Date were an Interest Determination Date;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Final Redemption Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Final Redemption Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value determined in according with the applicable Value Determination Terms as specified in the applicable Final Terms.

7. **Participation (Floored) Redemption (Principal at Risk)**

If "Participation (Floored) Redemption" is applicable as specified in the applicable Final Terms the Notes, if not previously redeemed or cancelled, will be redeemed by the Issuer on the Maturity Date at an amount calculated by reference to a percentage of the performance of the Relevant Underlying, such percentage being subject to a specified minimum percentage (Floor), which may be less than Par (and which will never be more than par).

If "Participation (Floored) Redemption" is applicable as specified in the applicable Final Terms, the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Calculation Amount determined by the Determination Agent in accordance with the following formula:

$$\begin{aligned} \text{Final Redemption Amount} \\ = \text{Calculation Amount} \times \text{Min} [100\%; \text{Max} (\text{Floor}; \text{Participation Rate} \times (100\% \\ + \text{Relevant Underlying Performance}))] \end{aligned}$$

where:

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Determination Date were an Interest Determination Date;

Floor means the percentage rate specified as such in the applicable Final Terms;

Participation Rate means the percentage rate specified as such in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Final Redemption Barrier Value is expressed in the Final Terms as a percentage, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Final Redemption Barrier Value, determine Relevant Underlying Performance by multiplying the value determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value determined in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

8. **Participation (Conditional Floored) Redemption (Principal at Risk)**

If "Participation (Conditional Floored) Redemption" is applicable as specified in the applicable Final Terms, the Notes, if not previously redeemed or cancelled, will be redeemed by the Issuer on the Maturity Date at either: (a) an amount calculated by reference to a percentage of the performance of the Relevant Underlying, such percentage being subject to a specified minimum percentage (Floor), which may be less than Par and which will never be more than Par, if the Relevant Underlying Performance determined as of any Barrier Observation Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the value specified as the Final Redemption Barrier Value, or, (b) in any other case, at Par.

If "Participation (Conditional Floored) Redemption" is specified in relation to the Final Redemption Amount in the applicable Final Terms, the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Calculation Amount which is either:

- (a) if the Determination Agent determines that the Relevant Underlying Performance as of any Barrier Observation Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Barrier Value, an amount determined by the Determination Agent in accordance with the following formula:

Final Redemption Amount =

Calculation Amount × Min (100%; Max [Floor; Participation Rate × (100% + Relevant Underlying Performance)])

or

- (b) in any other case, the Calculation Amount

where:

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and

Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Determination Date were an Interest Determination Date;

Floor means the value specified as such in the applicable Final Terms;

Barrier Observation Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Barrier Observation Date were an Interest Determination Date;

Final Redemption Barrier Value means, for each Barrier Observation Date, the value specified as such in the applicable Final Terms;

Participation Rate means the percentage rate specified as such in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Final Redemption Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Final Redemption Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value determined in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

9. **Participation (Low Barrier) Redemption (Principal at Risk)**

If "Participation (Low Barrier) Redemption" is applicable as specified in the applicable Final Terms, the Notes, if not previously redeemed or cancelled, will be redeemed by the Issuer on the Maturity Date either: (a) at Par, if the Relevant Underlying Performance as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the value specified as the Final Redemption Barrier Value OR (b) in any other case, at an amount calculated by reference to the performance of the Relevant Underlying plus a percentage equal to 100% minus the percentage specified as the Barrier Percentage, which may be less than Par.

If "Participation (Low Barrier) Redemption" is specified in relation to the Final Redemption Amount in the applicable Final Terms, the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Calculation Amount equal to:

- (a) the Calculation Amount, if the Determination Agent determines that (i) the Relevant Underlying Performance as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Barrier Value; and
- (b) in any other case, the amount determined by the Determination Agent in accordance with the following formula:

Final Redemption Amount

$$= \text{Calculation Amount} \times [(100\% + \text{Relevant Underlying Performance}) + (100\% - \text{Barrier Percentage})]$$

where:

Final Redemption Barrier Value means the value specified as such in the applicable Final Terms (which may be expressed as a single value or as a percentage);

Barrier Percentage means the percentage equal to the Final Redemption Barrier Value (if such Final Redemption Barrier Value is expressed as a percentage) and otherwise equal to the Final Redemption Barrier Value divided by the Initial Reference Value;

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Determination Date were an Interest Determination Date;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Final Redemption Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Final Redemption Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value determined in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

10. Redemption linked with the Partial Automatic Early Redemption (Principal at Risk)

If "Partial Automatic Early Redemption" is specified as applicable in the applicable Final Terms, then "Redemption Linked with Partial Automatic Early Redemption" will also apply to the Notes, if not previously redeemed or cancelled, which will be redeemed by the Issuer on the Maturity Date at either: (a) above Par, if the Relevant Underlying Performance as of the Determination Date is greater than the value specified as the Upper Final Redemption Barrier Value in the applicable Final Terms, (b) Par, if the Relevant Underlying Performance as of the Determination Date is greater than the value specified as the Final Redemption Barrier Value in the applicable Final Terms or (c) less than Par, if the Relevant Underlying Performance as of the Determination Date is equal or is less than the value specified as the Final Redemption Barrier Value in the applicable Final Terms.

If "Partial Automatic Early Redemption" is specified as applicable in the applicable Final Terms, then "Redemption Linked with Partial Automatic Early Redemption" will also be applicable as specified in the applicable Final Terms, the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Reduced Calculation Amount equal to:

- (a) if the Determination Agent determines that the Relevant Underlying Performance as of the Determination Date is greater than the value specified as the Upper Final Redemption Barrier Value, the amount determined by the Determination Agent in accordance with the following formula:

$$\text{Final Redemption Amount} = \text{Reduced Calculation Amount} \times [100\% + \text{percentage rate}]$$

- (b) if the Determination Agent determines that the Relevant Underlying Performance as of the Determination Date is greater than the value specified as the Final Redemption Barrier Value, 100 per cent. of the Reduced Calculation Amount, and
- (c) if the Determination Agent determines that the Relevant Underlying Performance as of the Determination Date is equal or is less than the value specified as the Final Redemption Barrier Value, the amount determined by the Determination Agent in accordance with the following formula:

$$\text{Final Redemption Amount} = \text{Reduced Calculation Amount} \times [100\% + \text{Relevant Underlying Performance}]$$

where:

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Determination Date were an Interest Determination Date;

Final Redemption Barrier Value means the value (being inferior to the Upper Final Redemption Barrier Value) specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage;

Initial Reference Value, if applicable, means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with the provisions of Section 2 (*Value Determination Terms*) specified as being applicable in the applicable Final Terms;

Percentage Rate means the percentage specified as such in the applicable Final Terms;

Reduced Calculation Amount means the Calculation Amount reduced after the automatic early redemption pursuant to "Partial Automatic Early Redemption";

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with the provisions of Section 3 (*Performance Determination Terms*) specified as being applicable in the applicable Final Terms, and where the Final Redemption Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Final Redemption Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Relevant Underlying Value means the value determined by the Determination Agent in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms; and

Upper Final Redemption Barrier Value means the value (being superior to the Final Redemption Barrier Value) specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage.

11. Synthetic Dividends Redemption (Principal not at Risk)

If "Synthetic Dividends Redemption" is specified as applicable in the applicable Final Terms, the Notes, if not previously redeemed or cancelled, will be redeemed by the Issuer on the Maturity Date at either: (a) Par, if the amount linked to Relevant Underlying Performance as of the Determination Date is equal or is less than zero or (b) above Par, if the amount linked to Relevant Underlying Performance as of the Determination Date is more than zero.

If "Synthetic Dividends Redemption" is specified as applicable in the applicable Final Terms, the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Calculation Amount equal to:

*Final Redemption Amount = Calculation Amount \times (100% + Max [0% ; Relevant Underlying Performance + 1 * (1 - Performance Rate)^{Y-1}])*

where:

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Determination Date were an Interest Determination Date;

Performance Rate means the percentage rate specified as such in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with the provisions of Section 3 (*Performance Determination Terms*) specified as being applicable in the applicable Final Terms; and

Y means the number of years from the Issue Date until the Maturity Date.

12. Redemption linked to Performance (Principal at Risk)

If "Redemption linked to Performance" is specified as applicable in the applicable Final Terms, then, if not previously redeemed or cancelled, the Notes will be redeemed by the Issuer on the Maturity Date at either: (a) a percentage of the Calculation Amount specified in the applicable Final Terms, if the Relevant Underlying Performance as of the Determination Date is greater than the value specified as the Final Redemption Barrier Value in the applicable Final Terms or (b) a percentage of the Calculation Amount specified in the applicable Final Terms being less than the percentage specified in (a) above, if the Relevant Underlying Performance as of the Determination Date is equal or is less than the value specified as the Final Redemption Barrier Value in the applicable Final Terms.

If "Redemption linked to Performance" is specified as applicable in the applicable Final Terms, then the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Calculation Amount equal to:

- (a) if the Determination Agent determines that the Relevant Underlying Performance as of the Determination Date is greater than the value specified as the Final Redemption Barrier Value, the amount determined by the Determination Agent in accordance with the following formula:

Final Redemption Amount = Calculation Amount \times [100% + First Redemption Rate]

- (b) if the Determination Agent determines that the Relevant Underlying Performance as of the Determination Date is equal or is less the value specified as the Final Redemption Barrier Value, the amount determined by the Determination Agent in accordance with the following formula:

$$\text{Final Redemption Amount} = \text{Calculation Amount} \times [100\% + \text{Second Redemption Rate}]$$

where:

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Determination Date were an Interest Determination Date;

Final Redemption Barrier Value means the value specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage;

First Redemption Rate means the percentage rate (being superior to the Second Redemption Rate) specified as such in the applicable Final Terms;

Initial Reference Value means, as specified in the applicable Final Terms, either the value specified as such in the applicable Final Terms or the Relevant Underlying Value as of the Strike Date as determined by the Determination Agent in accordance with the provisions of Section 2 (*Value Determination Terms*) specified as being applicable in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with the provisions of Section 3 (*Performance Determination Terms*) specified as being applicable in the applicable Final Terms, and where the Final Redemption Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Final Redemption Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value;

Relevant Underlying Value means the value determined by the Determination Agent in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms; and

Second Redemption Rate means the percentage rate (being inferior to the Second Redemption Rate) specified as such in the applicable Final Terms.

13. Knock-Out Event Redemption

If the “Knock-Out Redemption” is applicable as specified in the applicable Final Terms, the Notes will be redeemed by the Issuer on the Maturity Date, unless the Notes have been previously redeemed or cancelled, either (a) if no Knock-Out Event has occurred, at Par, or (b) if the Knock-Out Event has occurred, in an amount linked to the performance of the Relevant Underlying, which may be less than Par if Method 1 is applicable OR equal to a percentage of the Calculation Amount as specified in the applicable Final Terms if Method 2 is applicable.

If the Knock-Out Redemption is applicable as specified in the applicable Final Terms, the Final Redemption Amount of the Notes as specified in Condition 15.1 (*Scheduled Redemption*) will be an amount per Calculation Amount equal to:

- (a) the Calculation Amount, if no Knock-Out Event has occurred ; or
- (b) if the Knock-Out Event has occurred, to the amount determined by the Calculation Agent in accordance with the following formula:

Method 1

Final Redemption Amount = Calculation Amount \times (100% + Relevant Underlying Performance)

OR

Method 2

Final Redemption Amount = Calculation Amount \times Redemption Rate

The applicable Final Terms shall specify if Method 1 or Method 2 is applicable to the relevant issue of Notes.

where:

Knock-Out Event means, in respect of each, or any, as the case may be, Knock-Out Event Observation Date, the Relevant Underlying Performance as of the relevant Knock-Out Event Observation Date is less than the Knock-Out Event Barrier Value on the relevant Knock-Out Event Observation Date;

Knock-Out Event Barrier Value means, for each Knock-Out Event Observation Date, the value specified as such in the applicable Final Terms, (expressed as a single value, as a mathematical formula or as a percentage);

Knock-Out Event Observation Date(s) means the date(s) specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Knock-Out Event Observation Date were an Interest Determination Date;

Redemption Rate means the percentage rate specified as such in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Knock-Out Event Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Knock-Out Event Barrier Value, as applicable, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value determined by the Determination Agent in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

14. **Modified Airbag Barrier Redemption (Principal at Risk)**

If " Modified Airbag Barrier Redemption" is applicable as specified in the applicable Final Terms, the Notes, if not previously redeemed or cancelled, will be redeemed by the Issuer on the Maturity Date at either: (a) Par, if the Relevant Underlying Performance as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Barrier

Value in the applicable Final Terms, OR (b) in any other case, at an amount linked to a percentage of the performance of the Relevant Underlying, which may be less than Par.

If "Modified Airbag Barrier Redemption" is specified in relation to the Final Redemption Amount in the applicable Final Terms, the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Calculation Amount equal to:

- (a) the Calculation Amount, if the Determination Agent determines that the Relevant Underlying Performance as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Barrier Value; or
- (b) in any other case, the amount determined by the Determination Agent in accordance with the following formula:

"Final Redemption Amount =

Calculation Amount × Max [Floor ; (100% + (Airbag Rate × (Final Reference Value / Initial Reference Value – Percentage Rate)))]"

where:

Airbag Rate means the percentage rate specified as such in the applicable Final Terms;

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Determination Date were an Interest Determination Date;

Final Redemption Barrier Value means the value specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage;

Floor means the percentage rate specified as such in the applicable Final Terms;

Percentage Rate means the percentage specified as such in the applicable Final Terms;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Final Redemption Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Final Redemption Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value determined in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

15. Capital Protection Redemption

If "Capital Protection Redemption" is specified as applicable in the applicable Final Terms, the Notes, if not previously redeemed or cancelled, will be redeemed by the Issuer on the Maturity Date at an amount equal to the Calculation Amount multiplied by 100% minus a

percentage equal to the higher of (i) Capital Protection minus 100% and (ii) the lower of (a) the Floor and (b) the Relevant Underlying Performance.

If "Capital Protection Redemption" is specified as applicable in the applicable Final Terms, the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Calculation Amount equal to:

$$\text{Calculation Amount} \times (100\% + \text{Max} (\text{Capital Protection} - 100\% ; \text{Min} (\text{Cap} ; \text{Relevant Underlying Performance})))$$

where:

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (Valuation, Market Disruption, Reference Dates and Averaging Dates), Condition 12.1 (Market Disruption, Reference Dates and Averaging Dates), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Determination Date were an Interest Determination Date;

Floor means the percentage rate specified as such in the applicable Final Terms;

Capital Protection means the percentage rate specified as such in the applicable Final Terms; and

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with the provisions of Section 3 (*Performance Determination Terms*) specified as being applicable in the applicable Final Terms.

16. Modified Barrier & Lock in Redemption (Principal at Risk)

If "Modified Barrier & Lock in Redemption" is applicable as specified in the applicable Final Terms, the Notes, if not previously redeemed or cancelled, will be redeemed by the Issuer on the Maturity Date either: (a) at Par, if either (1) the Relevant Underlying Performance as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Barrier Value or (2) Perf IRR determined as of any Barrier Observation Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the value specified as the Lock in Barrier Value, OR (b) if neither (1) nor (2) above applies, at an amount linked to the performance of the Relevant Underlying, which may be less than Par.

If "Modified Barrier & Lock in Redemption" is applicable as specified in the applicable Final Terms, the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Calculation Amount equal to:

- (a) the Calculation Amount, if the Determination Agent determines that either (1) the Relevant Underlying Performance as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Barrier Value; OR (2) the Perf IRR as of any Barrier Observation Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Lock in Barrier Value; or

- (b) in any other case, the amount determined by the Determination Agent in accordance with the following formula:

$$\text{Final Redemption Amount} = \text{Calculation Amount} \times (100\% + \text{Relevant Underlying Performance})$$

where:

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*), Condition 12.1 (*Market Disruption, Reference Dates and Averaging Dates*), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Barrier Observation Date were an Interest Determination Date;

Final Redemption Barrier Value means the value specified as such in the applicable Final Terms which may be expressed as a single value or as a percentage;

I means, for a given Barrier Observation Date (included), the number of Barrier Observation Date(s) which occurred since the Issue Date;

Lock in Barrier Value means, in respect of each Barrier Observation Date, the value specified as such in the applicable Final Terms, which may be expressed as a single value or as a percentage;

Perf IRR means the performance of the Relevant Underlying determined in accordance with the following formula: $[\text{Relevant Underlying Performance} + 1]^{1/I} - 1$;

Barrier Observation Date(s) means, subject to the Conditions, the date(s) specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*), Condition 12.1 (*Market Disruption, Reference Dates and Averaging Dates*), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Barrier Observation Date were an Interest Determination Date;

Relevant Underlying Performance means the percentage determined by the Determination Agent in accordance with such provisions of Section 3 (*Performance Determination Terms*) as are specified as being applicable in the applicable Final Terms, and where the Final Redemption Barrier Value is expressed in the Final Terms as a level of the Relevant Underlying, the Determination Agent shall, for the purposes of comparing the Relevant Underlying Performance and the Final Redemption Barrier Value, determine Relevant Underlying Performance by multiplying the percentage determined in accordance with such provisions of Section 3 (*Performance Determination Terms*) and the Initial Reference Value; and

Relevant Underlying Value means the value determined in accordance with the applicable Value Determination Terms as specified in the applicable Final Terms.

17. Geared Barrier Redemption (Principal at Risk)

If "Geared Barrier Redemption" is applicable as specified in the applicable Final Terms, the Notes, if not previously redeemed or cancelled, will be redeemed by the Issuer on the Maturity Date at either: (a) Par, if the Final Reference Value as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the value specified as the Final Redemption Barrier Geared Value in

the applicable Final Terms, OR (b) in any other case, at an amount linked to the performance of the Relevant Underlying, which may be less than Par.

If "Geared Barrier Redemption" is applicable as specified in the applicable Final Terms, the Final Redemption Amount at which the Notes will be redeemed in accordance with Condition 15.1 (*Scheduled Redemption*) shall be an amount per Calculation Amount equal to:

- (a) the Calculation Amount, if the Determination Agent determines that the Relevant Underlying Performance as of the Determination Date is (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Barrier Value; or
- (b) in any other case, the amount determined by the Determination Agent in accordance with the following formula:

$$\begin{aligned} \text{Final Redemption Amount} \\ &= \text{Calculation Amount} \\ &\times \text{Final Reference Value (Final Redemption Barrier Geared Value)} \end{aligned}$$

where:

Determination Date means, subject to the Conditions, the date specified as such in the applicable Final Terms, subject to adjustments in accordance with Condition 9.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*), Condition 12.1 (*Market Disruption, Reference Dates and Averaging Dates*), Condition 13.1 (*Market Disruption, Reference Dates and Averaging Dates*) or Condition 14.1 (*Valuation, Market Disruption, Reference Dates and Averaging Dates*) (as the case may be), which apply *mutatis mutandis* as if such Barrier Observation Date were an Interest Determination Date;

Final Redemption Barrier Geared Value means the product of the Geared Percentage by the Initial Reference Value; and

Geared Percentage means the percentage specified as such in the applicable Final Terms.

PRO FORMA FINAL TERMS

[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS:

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND, WITH EFFECT FROM SUCH DATE, SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (THE **EEA**) OR IN THE UNITED KINGDOM (THE **UK**). FOR THESE PURPOSES, A **RETAIL INVESTOR** MEANS A PERSON WHO IS ONE (OR MORE) OF:

- (A) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (**MIFID II**);
- (B) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2016/97/EU, AS AMENDED (THE **INSURANCE MEDIATION DIRECTIVE**) WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR
- (C) NOT A QUALIFIED INVESTOR AS DEFINED IN PROSPECTUS REGULATION.

CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE **PRIIPs REGULATION**) FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA OR IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA OR IN THE UK MAY BE UNLAWFUL UNDER THE PRIIPs REGULATION.]¹

[**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET:**²

SOLELY FOR THE PURPOSES OF THE MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES, TAKING INTO ACCOUNT THE FIVE (5) CATEGORIES REFERRED TO IN ITEM 18 OF THE GUIDELINES PUBLISHED BY EUROPEAN SECURITIES AND MARKETS AUTHORITY (**ESMA**) ON 5 FEBRUARY 2018, HAS LED TO THE CONCLUSION THAT:

- (A) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND
- (B) ALL STRATEGIES FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE.

ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A **DISTRIBUTOR**) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER'S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER'S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION STRATEGIES.]

[**MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS/ PROFESSIONAL INVESTORS AND ECPS TARGET MARKET:**

SOLELY FOR THE PURPOSES OF THE MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES, TAKING INTO ACCOUNT THE FIVE (5) CATEGORIES REFERRED TO IN ITEM 18 OF THE GUIDELINES PUBLISHED BY EUROPEAN SECURITIES AND MARKETS AUTHORITY (**ESMA**) ON 5 FEBRUARY 2018, HAS LED TO THE CONCLUSION THAT:

¹ Legend to be included if the Notes may constitute "packaged" products, except if a PRIIPs KID is prepared. This legend is required if "Prohibition of Sales to EEA Retail Investors" is specified as being "Applicable" (See Part B, Para 13).

² To be included following completion of the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018.

- (A) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS AND RETAIL CLIENTS, EACH AS DEFINED IN MIFID II; AND

EITHER

- (B) [ALL STRATEGIES FOR DISTRIBUTION OF THE NOTES ARE APPROPRIATE, INCLUDING INVESTMENT ADVICE, PORTFOLIO MANAGEMENT, NON-ADVISED SALES AND PURE EXECUTION SERVICES.]

OR

- [(B) [ALL STRATEGIES FOR DISTRIBUTION TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE; AND

- (C) THE FOLLOWING STRATEGIES FOR DISTRIBUTION OF THE NOTES TO RETAIL CLIENTS ARE APPROPRIATE - INVESTMENT ADVICE[./ AND] PORTFOLIO MANAGEMENT[./ AND][NON-ADVISED SALES][AND PURE EXECUTION SERVICES][, SUBJECT TO THE DISTRIBUTOR'S SUITABILITY AND APPROPRIATENESS OBLIGATIONS UNDER MIFID II, AS APPLICABLE]] [*CONSIDER ANY NEGATIVE TARGET MARKET*].]

ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A **DISTRIBUTOR**) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER'S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER'S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION STRATEGIES.]

*[The Base Prospectus dated 17 July 2020 expires on 17 July 2021. The updated Base Prospectus shall be available on the website of (a) the AMF (www.amf-france.org) and (b) the Issuers (<http://sp.morganstanley.com/EU/Documents>) and copies may be obtained at the registered offices of the Issuers and at the specified offices of the Paying Agents.]*³

[Morgan Stanley/Morgan Stanley & Co. International plc/Morgan Stanley B.V./Morgan Stanley Finance LLC]

Legal Entity Identifier (LEI) :

[IGJSJL3JD5P30I6NJZ34]⁴/[4PQUHN3JPFGFNF3BB653]⁵/[KG1FTTDCK4KNVM3OHB52]⁶/[5493003FCPSE9RKT4B56]⁷

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

[Guaranteed by Morgan Stanley]⁸

under the Programme for the Issuance of Notes

[The Base Prospectus 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 or in the United Kingdom (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Regulation, 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:

³ To be included in the case of a public offer which offer period expires after the expiry date of this Base Prospectus.

⁴ Insert if Morgan Stanley is the Issuer.

⁵ Insert if Morgan Stanley & Co. International plc is the Issuer.

⁶ Insert if Morgan Stanley B.V. is the Issuer.

⁷ Insert if Morgan Stanley Finance LLC is the Issuer.

⁸ To be included if the Notes are issued by MSBV or MSFL.

- (i) in circumstances in which no obligation arises for the Issuer or any Distribution Agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer; or
- (ii) in those Non-Exempt Offer Jurisdictions mentioned in Paragraph 31 of Part A below, provided such person is one of the persons mentioned in Paragraph 31 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

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

The expression **Prospectus Regulation** means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.⁹

[The Base Prospectus 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 or in the United Kingdom (each, a **Relevant State**), will be made pursuant to an exemption under the Prospectus Regulation, 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 State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Distribution Agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Distribution Agent has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression **Prospectus Regulation** means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.¹⁰

THE NOTES ARE NOT DEPOSITS OR SAVINGS ACCOUNTS AND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR DEPOSIT PROTECTION SCHEME ANYWHERE, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.

PART A – CONTRACTUAL TERMS

THE NOTES [AND / ,] ANY INTEREST THEREIN [AND THE GUARANTEE IN RESPECT THEREOF]¹¹ HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OF AMERICA, ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS AND MAY NOT BE OFFERED, SOLD, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES (WHICH TERM INCLUDES THE TERRITORIES, THE POSSESSIONS AND ALL OTHER AREAS SUBJECT TO THE JURISDICTION OF THE UNITED STATES) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT). SEE "SUBSCRIPTION AND SALE". IN PURCHASING THE NOTES, PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED

⁹ To be included where sub-paragraph (ii) is applicable to the offer.

¹⁰ To be included where an offer is made where an exemption from the requirement to publish a prospectus under the Prospectus Regulation.

¹¹ To be included if the Notes are issued by MSBV or MSFL.

IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING FOR, OR FOR THE ACCOUNT OR BENEFIT OF, ANY SUCH PERSON.

[These Notes constitute *obligations* within the meaning of Article L.213-5 of the French *Code monétaire et financier*.]

This document constitutes Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes set forth in the Base Prospectus dated 17 July 2020 [and the supplement[s] to it dated [●]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the **Prospectus Regulation**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented] in order to obtain all the relevant information. Copies of the Base Prospectus [and any supplements thereto] are available on the website of (a) the AMF (www.amf-france.org) and (b) the Issuers (<http://sp.morganstanley.com/EU/Documents>). [A summary of the issue is annexed to the Final Terms and includes information contained in the summary of the Base Prospectus as well as pertinent information from the Final Terms.]¹²

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date.

This document constitutes Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the [2015/2016/2017/December 2017/2018/2019] Terms and Conditions of the Notes. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the **Prospectus Regulation**) and, in order to obtain all the relevant information, must be read in conjunction with the Base Prospectus dated 17 July 2020 [and the supplement[s] to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). Copies of the Base Prospectus [and any supplements thereto] are available on the website of (a) the AMF (www.amf-france.org) and (b) the Issuers (<http://sp.morganstanley.com/EU/Documents>). [A summary of the issue is annexed to the Final Terms and includes information contained in the summary of the Base Prospectus as well as pertinent information from the Final Terms.]¹³

[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 guidance for completing the Final Terms.]

1. [(i)] Issuer:

[Morgan Stanley (**Morgan Stanley**) / Morgan Stanley & Co. International plc (**MSIP**) / Morgan Stanley B.V. (**MSBV**) / Morgan Stanley Finance LLC (**MSFL**)]

[(ii)] [Guarantor:]

Morgan Stanley]¹⁴

¹² To be included if the Notes are issued with a denomination of less than €100,000.

¹³ To be included if the Notes are issued with a denomination of less than €100,000.

¹⁴ To be included if the Notes are issued by MSBV or MSFL.

2. [(i)] Series Number: [•]
- [(ii)] [Tranche Number:] [•]
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]
3. Specified Currency or Currencies: [•]¹⁵
4. Aggregate Nominal Amount: [•]¹⁶
- [(i)] Series: [•]
- [(ii)] Tranche: [•]
5. Issue Price [•] per cent. of Par per Note/[•] per Note
6. (i) Specified Denominations (Par): [•]
- (ii) Calculation Amount: [•]
- (iii) Reduced Calculation Amount [•], provided that any reference to Calculation Amount in this Final Terms will be deemed to be equal to the Reduced Calculation Amount as of the Partial Automatic Early Redemption Date.]
7. (i) Issue Date: [•]
- (ii) Trade Date: [•]
- (iii) Interest Commencement Date [Specify] / [Issue Date] / [Not Applicable]
- [OR]
- [In relation to interest payable under Condition 5 (*Fixed Rate Note Provisions*), [date]. See Paragraph 15 below for further details]
- [In relation to interest payable under Condition 6 (*Floating Rate Note, Equity-Linked, Currency-Linked, Inflation-Linked Interest, Fund-Linked and Futures Contract-Linked Note Provisions*), [date]. See Paragraph 15 below for further details]

¹⁵ For domestic issues whose settlement is made from an issuer account located in France, payments with respect to the Notes shall be made in euros (pursuant to Article 1343-3 of the French *Code civil*).

¹⁶ Where the amount is not known at the beginning of the offer period (e.g. an "up to" amount), notices of final offer amount will need to be submitted where the Notes are listed or admitted to trading.

[In relation to interest payable under Condition 6.5 (*Equity-Linked, Currency-Linked, Inflation-Linked Interest, Fund-Linked and Futures Contract-Linked Note Provisions*) and 0 of the Terms and Conditions, [date]. See Paragraph 15 below for further details]

(Include if Notes are subject to different Interest Basis during their lifetime, and delete as appropriate)

(iv) Strike Date:

[•]

8. Maturity Date:

[specify date or (for Floating Rate Notes) Interest Payment Date falling in, or nearest to, the relevant month and year]

9. Interest Basis:

[[•] per cent. Fixed Rate]

[[specify reference rate] +/- [•] per cent. Floating Rate]

[Zero Coupon]

[Single Share-Linked Interest]/[Share Basket-Linked Interest]

[Single Index-Linked Interest]/[Index Basket-Linked Interest]

[Single ETF-Linked Interest]/[ETF Basket-Linked Interest]

[Single Currency-Linked Interest]/[Currency Basket-Linked Interest]

[Inflation-Linked Interest]

[Single Fund-Linked Interest]/[Fund Basket-Linked Interest]

[Single Futures Contract-Linked Interest]/[Futures Contract Basket-Linked Interest]

[Combination Basket Notes]

[Hybrid Notes: [●]]

(If Hybrid Notes is specified as applicable specify the Interest Basis (amongst those specified above in this item 9) applicable to

relevant Underlyings for each Applicable Period)

10. Redemption/Payment Basis: (further particulars specified below)
- [Redemption at par]
- [Single Share-Linked Redemption]/[Share Basket-Linked Redemption]
- [Single Index-Linked Redemption]/[Index Basket-Linked Redemption]
- [Single ETF-Linked Redemption]/[ETF Basket-Linked Redemption]
- [Single Currency-Linked Redemption]/[Currency Basket-Linked Redemption]
- [Inflation-Linked Redemption]
- [Single Fund-Linked Redemption]/[Fund Basket-Linked Redemption]
- [Single Futures Contract-Linked Interest]/[Futures Contract Basket-Linked Interest]
- [Combination Basket Notes]
- [Hybrid Notes: [●]]
- (If Hybrid Notes is specified as applicable specify the Redemption/Payment Basis (amongst those specified above in this item 10) applicable to each relevant Underlyings and for each Applicable Period)*

11. Hybrid Notes (further particulars specified below)
- [Applicable/Not Applicable]

[●]

(Specify the relevant Underlyings and the Applicable Period for which each such underlying applies)

12. Put/Call Options:
- (i) Redemption at the option of the Issuer: [Applicable/Not Applicable]
- (Condition 15.4)
- (ii) Redemption at the option of the Noteholders: [Applicable/Not Applicable]
- (Condition 15.6)
13. Dates of the corporate authorisations for issuance of the Notes: [•]
14. Method of distribution: [Syndicated/Non-syndicated]
15. **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**
(Items below to be reproduced for the Compared Underlying if applicable)
1. **RELEVANT UNDERLYING**
- (A) **Single Share-Linked Interest Notes, Share Basket-Linked Interest Notes:** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Whether the Notes relate to a single share or a basket of shares (each an **Underlying Share**): [Single Share-Linked Interest Notes] / [Share Basket-Linked Interest Notes]
- (if Single Share-Linked Interest Notes, delete (a) below)*
- (a) Scheduled Trading Days and Disrupted Days: [Common Scheduled Trading Days and Common Disrupted Days: Applicable]
- [Individual Scheduled Trading Days and Individual Disrupted Days: Applicable]
- [Common Scheduled Trading Days and Individual Disrupted Days: Applicable]
- (select one as appropriate and delete other two)*
- (ii) The identity of the relevant issuer(s) (each an **Underlying Issuer**), class of the Underlying Share and ISINs or other security identification code for the Underlying Share: *(Specify (i) names of each Underlying Issuer (ii) class of each Underlying Share and (iii) ISIN or other security identification code for each Underlying Share)*
- (iii) Exchange[s]: [•] / [All Exchanges]
- (iv) Related Exchange[s]: [•] / [None specified]
- (v) Determination Agent responsible for calculating Interest Amount: [•]
- (vi) Determination Time: [•] / As per Condition 9.7

(vii) Additional Disruption Events:

[Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging] shall apply

(viii) Correction Cut Off Time:

(delete any which are not applicable)

(Condition 9.3(b))

[•] / within one Settlement Cycle after the original publication and prior to the relevant Interest Payment Date

(ix) Weighting for each Underlying Share comprising the basket:

[Not Applicable]

[OR]

Underlying Share	Weighting
[•]	[•]
[...]	[...]
[•]	[•]

(B) Single Index-Linked Interest Notes / Index Basket-Linked Interest Notes:

[Applicable/Not Applicable]

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

(i) Types of Notes:

[Single Index-Linked Interest Notes]

[Index Basket-Linked Interest Notes]

(if Single Index-Linked Interest Notes, delete (a) below)

(a) Scheduled Trading Days and Disrupted Days:

[Common Scheduled Trading Days and Common Disrupted Days: Applicable]

[Individual Scheduled Trading Days and Individual Disrupted Days: Applicable]

[Common Scheduled Trading Days and Individual Disrupted Days: Applicable]

(select one as appropriate and delete other two)

(ii) Index / Indices:

(Specify Index for Single Index-Linked Interest Notes, and specify each of Indices for Index Basket-Linked Interest Notes)

(iii) Exchange[s]:

[Specify Exchange][, which is a Multi Index Exchange].

[OR]

Index	Exchange
[•]	[Specify Exchange][, which is a Multi Index Exchange]
[...]	[...]
[•]	[Specify Exchange][, which is a Multi Index Exchange]

- (iv) Related Exchange[s]:
- (v) Determination Agent responsible for calculating Interest Amount;
- (vi) Determination Time;
- (vii) Additional Disruption Events:

[•] / [None specified]

[•]

[•] / As per Condition 9.7

[Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging] shall apply

(delete any which are not applicable)

- (viii) Correction Cut Off Time;
(Condition 9.2(e))

[•] / within one Settlement Cycle after the original publication and prior to the relevant Interest Payment Date

- (ix) Weighting for each Index:

[Not Applicable]

[OR]

Index	Weighting
[•]	[•]
[...]	[...]
[•]	[•]

(C) Single ETF-Linked Notes, ETF Basket Linked Interest Notes:

[Applicable/Not Applicable]

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

- (i) Whether the Notes relate to a single ETF Interest or a basket of ETF Interests (each, an ETF Interest):

[Single ETF-Linked Interest Notes]

[ETF Basket-Linked Interest Notes]

(if Single ETF-linked Interest Notes, delete (a) below)

(a) Scheduled Trading Days and Disrupted Days:

[Common Scheduled Trading Days and Common Disrupted Days: Applicable]

[Individual Scheduled Trading Days and Individual Disrupted Days: Applicable]

[Common Scheduled Trading Days and Individual Disrupted Days: Applicable]

(select one as appropriate and delete other two)

(ii) Names of each ETF Interest and the related ETF (each, an ETF):

(specify ETF Interest(s) and ETF(s))

(iii) Exchange[s]:

[•] / [All Exchanges]

(iv) Related Exchange[s]:

[•] / [None specified]

(v) Determination Agent responsible for calculating Interest Amount:

[•]

(vi) Determination Time:

[•] As per Condition 9.7

(vii) Additional Disruption Events:

[Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging] shall apply

(delete any which are not applicable)

(viii) Correction Cut Off Time:

(Condition 9.3(b))

[•] / within one Settlement Cycle after the original publication and prior to the relevant Interest Payment Date

(ix) Eligible ETF Interest:

[specify or delete if not applicable or fallback provisions in Condition 9.5 apply.]

(x) Weighting for each ETF Interest comprising the basket:

[Not Applicable]

[OR]

ETF Interest	Weighting
[•]	[•]
[...]	[...]
[•]	[•]

(D) Currency Linked Interest Notes

[Applicable/ Not Applicable]

(Condition 10)

(if Not Applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Settlement Currency for Single Currency-Linked Notes: [●] / [Not Applicable]
- (ii) Reference Currency for Single Currency-Linked Notes: [●] / [Not Applicable]
- (iii) Specified Amount for Single Currency-Linked Notes: [●] / [Not Applicable]
- (iv) Reference Currency Jurisdiction for Single Currency-Linked Notes: [●] / [Not Applicable]
- (v) Settlement Currencies, Reference Currencies, Specified Amounts and Reference Currency Jurisdiction for Currency Basket-Linked Notes [Not Applicable] /
- | Settlement Currency | Reference Currency | Specified Amount | Reference Currency Jurisdiction |
|-----------------------------|-----------------------------|-----------------------------|---------------------------------|
| [●]
(repeat as required) | [●]
(repeat as required) | [●]
(repeat as required) | [●]
(repeat as required) |
- (vi) Specified Rate: Specify one of:
- Reference Currency bid exchange rate;
- Reference Currency offer exchange rate;
- Average of Reference Currency bid and offer exchange rates;
- Settlement Currency bid exchange rate;
- Settlement Currency offer exchange rate;
- Average of Settlement Currency bid and offer exchange rates;
- Official fixing rate;
- (vii) Determination Agent responsible for calculating the Interest Amount: [●] / [Morgan Stanley & Co. International plc]
- (viii) Settlement Rate Option: [Currency Reference Dealers] / [Not Applicable]
- (ix) Currency Disruption Events: (Condition 10.3) [[Price Source Disruption[is]/[is not] Applicable] [and] [Additional Price Source Disruption][,/and] [Price Materiality Event] [is]/[are] [applicable] / [Not Applicable] [in respect of all dates] / [in respect of [insert dates, for example, Observation Date]]]
- (x) Currency Disruption Fallbacks: Currency Disruption Fallback(s) shall apply in the following order:

(Condition 10.4)

Currency Disruption Event	Currency Disruption Fallback
Price Source Disruption	<p>[Not Applicable] / OR</p> <p><i>[insert the following if only one Currency Disruption Fallback applies:</i></p> <p>[Determination Agent Determination of Settlement Rate] [OR] [Fallback Reference Price]]</p> <p><i>[insert the following if only multiple Currency Disruption Fallbacks apply:</i></p> <p>[Currency Disruption Fallback(s) shall apply in the following order:</p> <p>[(i) Determination Agent Determination of Settlement Rate;</p> <p>(ii) Fallback Reference Price.]</p> <p>[OR]</p> <p>[(i) Fallback Reference Price;</p> <p>(ii) Determination Agent Determination of Settlement Rate.]]</p>
Additional Price Source Disruption	<p>[Not Applicable] / OR</p> <p><i>[insert the following if only one Currency Disruption Fallback applies:</i></p> <p>[Determination Agent Determination of Settlement Rate] [OR] [Fallback Reference Price]]</p> <p><i>[insert the following if only multiple Currency Disruption Fallbacks apply:</i></p> <p>[Currency Disruption Fallback(s) shall apply in the following order:</p> <p>[(i) Determination Agent Determination of Settlement Rate;</p>

	(ii) Fallback Reference Price.] [OR] (i) Fallback Reference Price; (ii) Determination Agent Determination of Settlement Rate.]]
Price Materiality Event	[Not Applicable] / OR <i>[insert the following if only one Currency Disruption Fallback applies:</i> [Determination Agent Determination of Settlement Rate] [OR] [Fallback Reference Price]] <i>[insert the following if only multiple Currency Disruption Fallbacks apply:</i> [Currency Disruption Fallback(s) shall apply in the following order: (i) Determination Agent Determination of Settlement Rate; (ii) Fallback Reference Price.] [OR] (i) Fallback Reference Price; (ii) Determination Agent Determination of Settlement Rate.]]

- (xi) Price Materiality Percentage: [●] per cent. / [Not Applicable]
- (xii) Reference Source: [●] / [Not Applicable]
- (xiii) Additional Disruption Event(s):
(Condition 10.6) Change in Law – [Applicable] / [Not Applicable]
Hedging Disruption - [Applicable] / [Not Applicable]
Increased Cost of Hedging - [Applicable] / [Not Applicable]
- (E) Inflation-Linked Interest Notes** [Applicable/Not Applicable]

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

(i) Inflation Index / Inflation Indices:

(Specify Index or Indices)

(ii) Inflation Index Sponsor(s):

[•]

(iii) Additional Disruption Events:

[Change in Law, Hedging Disruption, and Increased Cost of Hedging] shall apply

(delete any which are not applicable)

(iv) Index Level Adjustment
Correction:

(Condition 11.6)

The first publication or announcement of the level of the Inflation Index (disregarding estimates) by the relevant Inflation Index Sponsor for any Reference Month shall be final and conclusive and, subject to this Condition 11, later revisions to the level of the Inflation Index for such Reference Month will not be used in any calculations / The first publication or announcement of a level of the Inflation Index (disregarding estimates) published by the relevant Index Sponsor or, if revised, any subsequent revision of such level for a Reference Month shall be final and conclusive for such Reference Month, provided that such revisions are published or announced up to and including the day that is two Business Days prior to the relevant Interest Payment Date].

(delete as appropriate)

(v) Related Bond:

[specify] / [Fallback Bond] / [Fallback Bond: Not Applicable]

(vi) Weighting for each Inflation Index comprising the basket:

[Not Applicable]

[OR]

Inflation Index	Weighting
[•]	[•]
[...]	[...]
[•]	[•]

(F) Single Fund-Linked Interest Notes, Fund Basket-Linked Interest Notes

(Condition 12)

[Applicable/Not Applicable]

(if Applicable, insert information below. if Not Applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Fund: [specify / As defined in Condition 12.7]
- (ii) Fund Interest: [specify]
- (iii) Fund Interest Unit: [specify]
- (iv) Basket of Funds: [Not Applicable]

(if Basket of Funds is Not Applicable, delete (a) below)

(a) Fund Business Days and Disrupted Days:

[Common Fund Business Days and Common Disrupted Days: Applicable]

[Individual Fund Business Days and Individual Disrupted Days: Applicable]

[Common Fund Business Days and Individual Disrupted Days: Applicable]

(select one as appropriate and delete other two)

[OR]

Fund	Weighting
[•]	[•]
[...]	[...]
[•]	[•]

- (v) Company: [specify / Not Applicable]
- (vi) Fund Business Day: [specify / As defined in Condition 12.7]
- (vii) Fund Administrator: [specify / As defined in Condition 12.7]
- (viii) Fund Adviser: [specify / As defined in Condition 12.7]
- (ix) Fund Custodian: [specify / As defined in Condition 12.7]
- (x) Additional Fund Service Provider: [specify / Not Applicable]
- (xi) Cut-off Period: [specify / As defined in Condition 12.7]

- (xii) Final Cut-off Date: [specify / Not Applicable]

- (xiii) Valuation Time: [specify / As defined in Condition 12.7]

- (xiv) Settlement Determination Period: [As defined in Condition 12.2.1 / [●] Business Days (specify if another period is applicable)]

- (xv) Scheduled Fund Valuation Date(s): [specify]

- (xvi) Extraordinary Dividend: [Determination Agent Characterisation applies]/[As defined in Condition 12.7]

(xvii) Ordinary Dividend
Calendar:

Paying dates	Dividend Amount
[•]	[•]
[...]	[...]
[•]	[•]

[If Fund-Linked Basket is applicable, add a Table by each Fund of the Basket]

(xviii) Adjustment Determination Period: (Condition 12.4) [As defined in Condition 12.4 / [●] (*specify if another period is applicable*)]

(xix) Fund Subscription Date: [*specify* / As defined in Condition 12.7]

(xx) Hypothetical Investor Jurisdiction: [*specify* / As defined in Condition 12.7]

(xxi) Subscription Notice Date: [*specify* / As defined in Condition 12.7]

(xxii) Reference Price: [Determined in accordance with the applicable Value Determination Terms specified below] / [As defined in Condition 12.7]

(xxiii) Eligible Fund Interest: (Condition 12.5) [*specify* / As defined in Condition 12.7]

(xxiv) Fund Event(s): (Condition 12.5) The following are the applicable Fund Events in relation to the Notes:

(specify all of the following which apply)

[Nationalisation;] / [Insolvency Event;] / [NAV Trigger / Restriction Event;] / [Aggregate NAV Trigger Event;] / [Changes to Fund or Fund Services Providers;] / [Fund Modification;] / [Strategy Breach;] / [Breach by Fund Service Provider;] / [General Regulatory Event;] / [Reporting Disruption;] / [Compulsory Redemption or Assignment;] / [Closure to Subscriptions; Dealing Restrictions;] / [Disposals: Material Change: Merger;] / [Hedging Disruption;] / [Fraud;] / [Special Regulatory Event;] / [Force Majeure Event;] / [Value Limitation;]

(a) NAV Trigger Percentage: [[●] per cent.] / [Not Applicable]
(specify relevant percentage if “NAV Trigger / Restriction Event” is an applicable Fund Event)

(b) NAV Trigger Period: [*specify*] / [Not Applicable]

- (specify relevant period if “NAV Trigger / Restriction Event” is an applicable Fund Event)
- (c) Aggregate NAV Trigger Value: [specify] / [Not Applicable]
(specify relevant percentage if “Aggregate NAV Trigger Event” is an applicable Fund Event)
- (d) Aggregate NAV Trigger Period: [specify] / [Not Applicable]
(specify relevant period if “Aggregate NAV Trigger Event” is an applicable Fund Event)
- (e) NAV Source: [•]
(specify where the NAV of any Fund will be published)
- (G) Single Futures Contract-Linked Interest Notes, Futures Contract Basket Linked Interest Notes** [Applicable / Not Applicable]
- (i) Whether the Notes relate to a single futures contract or a basket of futures contracts (each, a **Futures Contract**): [Single Futures Contract-Linked Interest Notes] / [Futures Contract Basket-Linked Interest Notes]
(If Single Futures Contract-Linked Interest Notes, delete (ii) below)
- (ii) Scheduled Trading Days and Disrupted Days: [Common Scheduled Trading Days and Common Disrupted Days: Applicable]
[Individual Scheduled Trading Days and Individual Disrupted Days: Applicable]
[Common Scheduled Trading Days and Individual Disrupted Days: Applicable]
(select one as appropriate and delete other two)
- (iii) Futures Contract(s): (Specify name and if applicable expiry date for each futures contract)
- (iv) Futures Contract Underlier: [•] [None specified]
- (v) Exchange: [•]
- (vi) Settlement Price: [daily settlement price] [final settlement price]
- (vii) Determination Agent responsible for calculating the Interest Amount:
- (viii) Specified Number of Scheduled Trading Days: [•] [As per Condition 13.7]
- (ix) Specified Number of Common Scheduled Trading Days: [•] [As per Condition 13.7]

- (x) Futures Contract Adjustment Events: [Price Source Disruption] [Trading Restriction] [Disappearance or Non-commencement of Futures Contract or Settlement Price] [Material Change in Formula] [Material Change in Content] [Tax Disruption] [Change of Exchange] [Illiquidity Event]
- (xi) Adjustments for Futures Contract Adjustment Events: *(Specify criteria for replacement of futures contract contemplated by Condition 13.4(a)(ii), if any)*
- (xii) Additional Disruption Events: [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
- (xiii) Correction Cut-Off Time: [●]
- (xiv) Weighting for each Futures Contract comprising the Basket of Futures Contracts:

Futures Contract	Weighting

(H) Combination Basket Notes

[Applicable/ Not Applicable]

- (i) Combination Basket Components: *(Insert details on Combination Basket Components from Sections 1(A), (B), (C) and (G) above)*
- (ii) Weighting of each Combination Basket Component:

Combination Basket Component	Weighting

2. PERFORMANCE OF THE RELEVANT UNDERLYING

(Items below to be reproduced for the Compared Underlying if applicable)

(A) Performance Determination Terms for Notes linked to a single Share, Index, ETF Interest, Fund Interest, Currency, Inflation Index or Futures Contract:

(for determining "Relevant Underlying Performance" for Interest Terms)

[Not Applicable] / [Basic Performance] / [Capped Performance] / [Floored Performance] / [Capped & Floored Performance] / [Absolute Basic Performance] / [Absolute Capped Performance] / [Absolute Floored Performance] / [Absolute Capped & Floored Performance] / [Basic performance with synthetic dividends]

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

- (i) Applicable Period:

[From the Issue Date to the Maturity Date] / [From [date] to [date]]

- (ii) Strike: [1/[●]]
- (iii) Put Performance: [Applicable][Applicable for the determination of the Final Upside Amount (*only applicable with respect to the Booster Participation Coupon*)]/[Not Applicable]
- (iv) Performance Rate: [•] per cent.

[OR]

Interest Determination Date	Performance Rate
In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

- (v) Synthetic dividends level: [•]
(specify if Selection of – Basic performance with synthetic dividends is selected, otherwise delete this provision)
- (vi) Initial Reference Value: [•] / [Determined in accordance with the Value Determination Terms specified below]
- (vii) **Value Determination Terms** for Initial Reference Value:
(Section 2 of 0 of the Additional Terms and Conditions)
[Not Applicable] / [Closing Value] / [Intraday Value] / [Average Value] / [Min Value] / [Max Value] / [Floored Min Value] / [Capped Max Value] / [Individually Floored Average Value] / [Individually Capped Average Value] / [Globally Floored Average Value] / [Globally Capped Average Value] / [Reset Value]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- Reference Month: [•]

(specify if Notes are Inflation-Linked Notes otherwise delete this provision)

- Averaging Dates in relation to the Strike Date: [date][, [date].... and [date]]

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

- Averaging Date Disruption: [Omission] / [Postponement] / [Modified Postponement]

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

- Observation Dates in relation to the Strike Date: [date][, [date].... and [date]]

(specify if Min Value / Max Value / Floored Min Value or Capped Max Value is selected, otherwise delete this provision)

- Floor Value: [•]

(specify if Floored Min Value / Individually Floored Average Value is selected, otherwise delete this provision)

- Global Floor Value: [•]

(specify if Globally Floored Average Value is selected, otherwise delete this provision)

- Cap Value: [•]

(specify if Capped Max Value / Individually Capped Average Value is selected, otherwise delete this provision)

- Global Cap Value: [•]

(specify if Globally Capped Average Value is selected, otherwise delete this provision)

- Reset Observation Dates: [date][, [date].... and [date]]

(specify if Restrike Value is selected, otherwise delete this provision)

- Reset Barrier Value: [[●]/[●] per cent.]

(specify if Restrike Value is selected, otherwise delete this provision)

- Reset Rate: [●]%

(specify if Restrike Value is selected, otherwise delete this provision)

(viii) **Value Determination Terms for**

Final Reference Value as of each Interest Determination Date:

(Section 2 of 0 of the Additional Terms and Conditions)

[Closing Value] / [Intraday Value] / [Average Value] / [Min Value] / [Max Value] / [Floored Min Value] / [Capped Max Value] / [Individually Floored Average Value] / [Individually Capped Average Value] / [Globally Floored Average Value] / [Globally Capped Average Value]

- Reference Month:

(specify if Notes are Inflation-Linked Notes otherwise delete this provision)

Interest Determination Date	Reference Month
[•]	[•]
[...]	[...]
[•]	[•]

- Averaging Dates in relation to each Interest Determination Date:

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

Interest Determination Date	Averaging Dates
[date]	[date][, [date].... and [date]]
[date]	[date][, [date].... and [date]]
[date]	[date][, [date].... and [date]]

- Averaging Date [Omission] / [Postponement] / [Modified Postponement]
Disruption:

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

- Observation Dates in relation to each Interest Determination Date:

(specify if Min Value / Max Value / Floored Min Value or Capped Max Value is selected, otherwise delete this provision)

Interest Determination Date	Observation Dates
[date]	[date][, [date].... and [date]]
[date]	[date][, [date].... and [date]]
[date]	[date][, [date].... and [date]]

- Floor Value: [•]

(specify if Floored Min Value / Individually Floored Average Value is selected, otherwise delete this provision)

- Global Floor Value: [•]

(specify if Globally Floored Average Value is selected, otherwise delete this provision)

- Cap Value: [•]

(specify if Capped Max Value / Individually Capped Average Value is selected, otherwise delete this provision)

- Global Cap Value: [•]

(specify if Globally Capped Average Value is selected, otherwise delete this provision)

- (ix) Cap: [•] per cent.

(specify if Capped Performance / Capped & Floored Performance /

*Absolute Capped Performance /
Absolute Capped & Floored
Performance is selected, otherwise
delete this provision)*

(x) Floor:

[•] per cent.

*(specify if Floored Performance /
Capped & Floored Performance /
Absolute Floored Performance /
Absolute Capped & Floored
Performance is selected, otherwise
delete this provision)*

**(B) Selected Average Performance
Determination Terms for Notes
linked to a Basket:**

**(for determining "Relevant Underlying
Performance" for Interest Terms)**

[Not Applicable] / [Selected Average Basic
Performance] / [Selected Average
Individually Capped Performance] / [Selected
Average Individually Floored Performance] /
[Selected Average Individually Capped &
Floored Performance] / [Selected Average
Global Capped Performance] / [Selected
Average Global Floored Performance] /
[Selected Average Global Capped & Floored
Performance] / [Selected Absolute Average
Basic Performance] / [Selected Absolute
Average Individually Capped Performance] /
[Selected Absolute Average Individually
Floored Performance] / [Selected Absolute
Average Individually Capped & Floored
Performance] / [Selected Absolute Average
Global Capped Performance] / [Selected
Absolute Average Global Floored
Performance] / [Selected Absolute Average
Global Capped & Floored Performance] /
[Best of – Non Equally Weighted Average
Performance] / [Worst of – Non Equally
Weighted Average Performance] / [Selection
of – Non Equally Weighted Average
Performance] / [Selection of – Non Equally
Weighted Average Performance with
synthetic dividends]

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

(i) Applicable Period:

[From the Issue Date to the Maturity Date.] /
[From [date] to [date].]

(ii) Strike

[1/[●]]

(iii) Performance Rate:

[•]

[OR]

Interest Determination Date	Performance Rate
In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

(iv) Initial Reference Value:

Basket Component	Initial Reference Value
[•]	[•] / [Determined in accordance with the Value Determination Terms specified below]
[...]	[...]
[•]	[•] / [Determined in accordance with the Value Determination Terms specified below]

(v) Synthetic dividends level:

[•]

(specify if Selection of – Non Equally Weighted Average Performance with synthetic dividends is selected, otherwise delete this provision)

(vi) Value Determination Terms for Initial Reference Value:
(Section 2 of 0 of the Additional Terms and Conditions)

[specify the relevant Basket Component(s)]:
[Not Applicable] / [Closing Value] / [Intraday Value] / [Average Value] / [Min Value] / [Max Value] / [Floored Min Value] / [Capped

Max Value] / [Individually Floored Average Value] / [Individually Capped Average Value] / [Globally Floored Average Value] / [Globally Capped Average Value] / [Reset Value]

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

- Reference Month:

[•]

(specify if Notes are Inflation-Linked Notes otherwise delete this provision)

- Averaging Dates in relation to Strike Date:

[date][, [date].... and [date]]

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

- Averaging Date Disruption:

[Omission] / [Postponement] / [Modified Postponement]

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

- Observation Dates in relation to the Strike Date:

[[date][, [date].... and [date]] / [Each [Common] Scheduled Trading Day commencing on [date] (inclusive) and ending on [date] (excluded)]

(specify if Min Value / Max Value / Floored Min Value or Capped Max Value is selected, otherwise delete this provision)

- Floor Value:

[•]

(specify if Floored Min Value / Individually Floored Average Value is selected, otherwise delete this provision)

- Global Floor Value:

[•]

(specify if Globally Floored Average Value is selected, otherwise delete this provision)

- Cap Value: [•]

(specify if Capped Max Value / Individually Capped Average Value is selected, otherwise delete this provision)

- Global Cap Value: [•]

(specify if Globally Capped Average Value is selected, otherwise delete this provision)

- Reset Observation Dates: [date][, [date].... and [date]]

(specify if Restrike Value is selected, otherwise delete this provision)

- Reset Barrier Value: [[•]/[•] per cent.]

(specify if Restrike Value is selected, otherwise delete this provision)

- Reset Rate: [•]%

(specify if Restrike Value is selected, otherwise delete this provision)

(vii) **Value Determination Terms** for Final Reference Value as of each Interest Determination Date:

(Section 2 of 0 of the Additional Terms and Conditions)

[specify the relevant Basket Component(s)]:
[Closing Value] / [Intraday Value] / [Average Value] / [Min Value] / [Max Value] / [Floored Min Value] / [Capped Max Value] / [Individually Floored Average Value] / [Individually Capped Average Value] / [Globally Floored Average Value] / [Globally Capped Average Value]

- Reference Month:

(specify if Notes are Inflation-Linked Notes otherwise delete this provision)

Interest Determination Date	Reference Month
[•]	[•]
[...]	[...]
[•]	[•]

- Averaging Dates in relation to each Interest Determination Date:

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

Interest Determination Date	Averaging Dates
[date]	[date][, [date].... and [date]]
[...]	[...]
[date]	[date][, [date].... and [date]]

- Averaging Date Disruption:

[Omission] / [Postponement] / [Modified Postponement]

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

- Observation Dates in relation to each Interest Determination Date:

(specify if Min Value / Max Value / Floored Min Value or Capped Max Value is selected, otherwise delete this provision)

Interest Determination Date	Observation Dates
[date]	[[date][, [date].... and [date]] / [Each [Common] Scheduled Trading Day commencing on [date] (inclusive) and ending on [date] (excluded)]]
[date]	[[date][, [date].... and [date]] / [Each [Common] Scheduled Trading Day commencing on [date] (inclusive) and ending on [date] (excluded)]]
[date]	[[date][, [date].... and [date]] / [Each [Common] Scheduled Trading

	Day commencing on [date] (inclusive) and ending on [date] (excluded)]
--	---

- Floor Value: [•]

(specify if Floored Min Value / Individually Floored Average Value is selected, otherwise delete this provision)

- Global Floor Value: [•]

(specify if Globally Floored Average Value is selected, otherwise delete this provision)

- Cap Value: [•]

(specify if Capped Max Value / Individually Capped Average Value is selected, otherwise delete this provision)

- Global Cap Value: [•]

(specify if Globally Capped Average Value is selected, otherwise delete this provision)

- (viii) Cap: [Not Applicable]

[OR]

[•] per cent.

[OR]

(specify if Selected Average Individually Capped Performance / Selected Average Individually Capped & Floored Performance / Selected Average Global Capped Performance / Selected Average Global Capped & Floored Performance / Selected Absolute Average Individually Capped Performance / Selected Absolute Average Individually Capped & Floored Performance / Selected

Basket Component	Cap
[•]	[•]
[...]	[...]
[•]	[•]

Absolute Average Global Capped Performance / Selected Absolute Average Global Capped & Floored Performance is selected, otherwise specify "Not Applicable")

(ix) Floor:

[Not Applicable]

[OR]

[•] per cent.

[OR]

(specify if Selected Average Individually Floored Performance / Selected Average Individually Capped & Floored Performance / Selected Average Global Floored Performance / Selected Average Global Capped & Floored Performance / Selected Absolute Average Individually Floored Performance / Selected Absolute Average Individually Capped & Floored Performance / Selected Absolute Average Global Floored Performance / Selected Absolute Average Global Capped & Floored Performance is selected, otherwise specify "Not Applicable")

Basket Component	Floor
[•]	[•]
[...]	[...]
[•]	[•]

(x) Selected Basket Components:

For the purposes of determining the Selected Basket Component, "J" = [number], [number]... and [number]

[insert number assigned to "J", where "J" is a number from 1 to N denoting one of the Basket Components numbered in order according to the respective values for each Basket Component determined by dividing the Closing Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the highest such value (Basket Component 1) and ending with the Basket Component with the lowest such value (Basket Component N), "N" being the total number of Basket Components]

(xi) Relevant Weighting or " W_i "

[Not Applicable]

[OR]

(specify if Best of – Non Equally Weighted Average Performance / Worst of – Non Equally Weighted Average Performance / Selection of – Non Equally Weighted Average Performance / Selection of – Non Equally Weighted Average Performance with synthetic dividends is selected, otherwise specify "Not Applicable")

W_i	Basket Component
[•]	[•]
[...]	[...]
[•]	[•]

3. INTEREST PROVISIONS

(A) Fixed Rate Note Provisions

[Applicable/Not Applicable]

(Condition 5)

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

(i) Rate[(s)] of Interest:

[•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ other (specify)] in arrear]

(ii) Interest Period:

[As set out in Condition 2] / [Insert "Unadjusted" if the application of the relevant Business Day Convention is not intended to affect the Interest Period]

(iii) Interest Payment Date(s):

[•] in each year [adjusted in accordance the Business Day Convention specified below]/not adjusted]

(iv) Business Day Convention

[Following Business Day Convention] / [Modified Following Business Day Convention / Modified Business Day Convention] / [Preceding Business Day Convention] / [No Adjustment / Unadjusted]

(Delete as appropriate)

(v) Fixed Coupon Amount[(s)]:

[•] per Calculation Amount

(vi) Broken Amount(s):

[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]

(vii) Day Count Fraction:

[Actual/Actual; Actual/365(Fixed); Actual/360; 30/360; 30E/360, Eurobond Basis]

(B) Floating Rate Note Provisions

[Applicable/Not Applicable]

(Condition 6)

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

- (i) Interest Payment Dates: [date][, [date].... and [date]]
- (ii) First Interest Payment Date: [delete if not applicable]
- (iii) Interest Period: [As set out in Condition 2] / [Insert "Unadjusted" if the application of the relevant Business Day Convention is not intended to affect the Interest Period]
- (iv) Business Day Convention: [Following Business Day Convention] / [Modified Following Business Day Convention] / [Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]
- (v) Specified Period
 (Delete as appropriate)
 [Not Applicable]
 [OR]
 [Each of the following shall be a Specified Period:
 From (and including) [date] to (but excluding) [date];
 [...] and
 From (and including) [date] to (but excluding) [date];]
 (Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")
- (vi) Additional Business Centre(s): [•]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [•]
- (ix) Structured Spread Rate Coupon: [Applicable/Not Applicable]
- (as per paragraph 29 of Section 4 of Part 2 of the Additional Terms and Conditions) (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Default Number 1: [●]
- (b) Default Number 2: [●]
- (c) Y1: [●]
- (d) Y2: [●]
- (e) Z1: [●]
- (x) Spread Floating Rate: [Applicable/Not Applicable]
(Condition 6.12)
- (xi) Last Coupon: [Applicable/Not Applicable]
(Condition 6.13)
(only applicable if Spread Floating Rate is applicable)
(if Last Coupon is Not Applicable deleted the related sub-paragraphs below)
- Last Coupon Barrier Value: [•]
 - Last Coupon Observation Date(s): [date][, [date].... and [date]]
 - Last Coupon Payment Date(s): [date][, [date].... and [date]]
- (xii) Screen Rate Determination:
- Reference Rate: [•]

if Spread Floating Rate or Structured Spread Rate Coupon is applicable insert the following table:

Reference Rate 1	Reference Rate 2
[•]	[•]

- [Other Relevant Rates Benchmark: [•] (*specify any applicable Relevant Rates Benchmark Rate which is not a Reference Rate. Otherwise delete line*)]

if Spread Floating Rate or Structured Spread Rate Coupon is applicable insert the following table:

Reference Rate 1	Reference Rate 2
[•]	[•]

- Interest Determination Date(s): [date][, [date].... and [date]]
- Relevant Screen Page: [•]

if Spread Floating Rate or Structured Spread Rate Coupon is applicable insert the following table:

Reference Rate 1	Reference Rate 2
[•]	[•]

- Relevant Time [•]

if Spread Floating Rate or Structured Spread Rate Coupon is applicable insert the following table:

Reference Rate 1	Reference Rate 2
[•]	[•]

(xiii) ISDA Determination

- Floating Rate Option: [•]

if Spread Floating Rate or Structured Spread Rate Coupon is applicable insert the following table:

Reference Rate 1	Reference Rate 2
[•]	[•]

- Designated Maturity: [•]

if Spread Floating Rate or Structured Spread Rate Coupon is applicable insert the following table:

Reference Rate 1	Reference Rate 2
[•]	[•]

- Reset Date: [•]

(xiv) Margin(s): [+/-][•] per cent. per annum

(xv) Margin 1: [[+/-][•] per cent. per annum] / [Not Applicable]

(xvi) Margin 2: [[+/-][•] per cent. per annum] / [Not Applicable]

(xvii) Minimum Rate of Interest: [[specify a positive interest rate] per cent. per annum / [•] per cent. per annum as per Condition 6.6]¹⁷

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

(xix) Rate Multiplier: [Not Applicable] [The Rate Multiplier is [•]]

(xx) Rate Multiplier 1: [Not Applicable] [The Rate Multiplier 1 is [•]]

(xxi) Rate Multiplier 2: [Not Applicable] [The Rate Multiplier 2 is [•]]

(xxii) Day Count Fraction: [•]

¹⁷ In no event shall the amount of interest payable be less than zero.

	(xxiii) Alternative Reference Rate:	Pre-nominated	[specify][Not Applicable]
	(C) Zero Coupon Note Provisions		
			[Applicable/Not Applicable]
	(Condition 7)		
			<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Accrual Yield:		
			[•] per cent. per annum
	(ii) Reference Price:		
			[•]
	(D) Equity-Linked, Currency-Linked, Inflation-Linked, Fund-Linked and Futures Contract Interest Note Provisions		
			[Applicable/Not Applicable]
	(Condition 8 and Condition 6.5)		
			<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Minimum Rate of Interest:		
			[[•] per cent.] / Not Applicable]
	(ii) Maximum Rate of Interest:		
			[[•] per cent.] / Not Applicable]
	I Fixed Coupon:		
			[Applicable/Not Applicable]
			<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Coupon Rate:		
			[•] per cent.
			<i>[OR]</i>

Rate Convention / Eurodollar Convention] /
[No Adjustment / Unadjusted]

(Delete as appropriate)

(vi) Specified Period:

[Not Applicable]

[OR]

[Each of the following shall be a Specified Period:

From (and including) [date] to (but excluding) [date];

[...] and

From (and including) [date] to (but excluding) [date];]

(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")

(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)

II Non Memory Barrier Conditional Coupon:

[Applicable/Not Applicable]

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

(i) Coupon Amount is payable if Relevant Underlying Performance as of [the] / [one of the] relevant Interest Determination Dates[s] is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Coupon Barrier Value

(Delete as appropriate)

(ii) Coupon Rate:

[•] per cent. or Max [Minimum Rate; Participation Rate * Relevant Underlying Performance] or [(number of [calendar days/Business Days] from the Strike Date) / Y] * [•] per cent

[OR]

Interest Determination Date	Coupon Rate
In respect of the Interest Determination	[•] per cent. or Max [Minimum Rate; Participation

Date falling on [<i>date</i>]	Rate * Relevant Underlying Performance]
[...]	[...]
In respect of the Interest Determination Date falling on [<i>date</i>]	[•] per cent. or Max [Minimum Rate; Participation Rate * Relevant Underlying Performance

- (iii) Intermediary Reference Value [Applicable/Not Applicable]
Observation Dates:

Interest Determination Date	Intermediary Reference Value Observation Dates
In respect of the Interest Determination Date falling on [<i>date</i>]	Insert relevant dates
[...]	[...]
In respect of the Interest Determination Date falling on [<i>date</i>]	Insert relevant dates

- (iv) Minimum Rate: $[[\bullet] \text{ per cent. } / [[\bullet] \text{ per cent. in respect of the Interest Determination Date falling on } [date]]$
[and] $[[\bullet] \text{ per cent. in respect of the Interest Determination Date falling on } [date]]$
- (v) Participation Rate: $[\bullet] \text{ per cent.}$
- (vi) Y: $[\bullet]$
- (vii) Coupon Amount: $\text{Coupon Rate} \times \text{Calculation Amount}$
- (viii) Coupon Barrier Value: $[[\bullet] / [\bullet] \text{ per cent. }]$

[OR]

Interest Determination Date	Coupon Barrier Value
--	---------------------------------

In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

(ix) Interest Determination Date [date][, [date], and [date]]

Date(s):

(x) Additional Non Memory Barrier Conditional Coupon [Applicable] / [Not Applicable]

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

- Additional Coupon Amount is payable if Relevant Underlying Performance as of [the] / [one of the] relevant Additional Interest Determination Date(s) is: [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Additional Coupon Barrier Value

(Delete as appropriate)

- Additional Coupon Rate: [•] per cent.

[OR]

Additional Interest Determination Date	Additional Coupon Rate
In respect of the Additional Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Additional Interest Determination Date falling on [date]	[•] per cent.

- Additional Coupon Amount Additional Coupon Rate x Calculation
- Additional Coupon Barrier Value $[[\bullet] / [\bullet]]$ per cent.]

[OR]

Additional Interest Determination Date	Additional Coupon Barrier Value
In respect of the Additional Interest Determination Date falling on [date]	$[[\bullet] / [\bullet]]\%$
[...]	[...]
In respect of the Additional Interest Determination Date falling on [date]	$[[\bullet] / [\bullet]]\%$

- Additional Interest Determination Date(s) [date][, [date],...and [date]]

(xi) Bonus Coupon:

[Applicable] / [Not Applicable]

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

- Bonus Coupon Amount is payable if Relevant Underlying Performance as of the relevant Bonus Coupon Interest Determination Date is: [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Bonus Coupon Barrier Value.
- Bonus Coupon Barrier Value: $[[\bullet] / [\bullet]]$ per cent.]

[OR]

Bonus Coupon Interest Determination Date	Bonus Coupon Barrier Value
In respect of the Bonus Coupon Interest	$[[\bullet] / [\bullet]]$ per cent.]

Determination Date falling on [date]	
[...]	[...]
In respect of the Bonus Coupon Interest Determination Date falling on [date]	[[•] / [•] per cent.]

- Bonus Coupon Interest Determination Date(s): [date][, [date],....and [date]]
- Specified Rate: [•] per cent.

[OR]

Bonus Coupon Interest Determination Date	Specified Rate
In respect of the Bonus Coupon Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Bonus Coupon Interest Determination Date falling on [date]	[•] per cent.

- Prior Coupon Amount: the sum of [all Coupon Amounts determined for preceding Interest Determination Dates (if any)] [./and] [all Additional Coupon Amounts, if any, determined for preceding Interest Determination Dates (if any)] [and] [all Fixed Coupon Amounts (if any) which may have been determined in respect of preceding Interest Determination Dates (if any)].

(xii) Interest Payment Date(s):

[date][, [date], and [date]]

(xiii) Business Day Convention:

[Following Business Day Convention] /
[Modified Following Business Day

Convention / Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]

(Delete as appropriate)

(xiv) Specified Period:

[Not Applicable]

[OR]

[Each of the following shall be a Specified Period:

From (and including) [date] to (but excluding) [date];

[...] and

From (and including) [date] to (but excluding) [date];]

(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")

(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)

III Memory Barrier Conditional Coupon:

[Applicable/Not Applicable]

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

(i) Coupon Amount is payable if Relevant Underlying Performance as of the relevant Interest Determination Date is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Coupon Barrier Value

(Delete as appropriate)

(ii) Coupon Rate:

[•] per cent.

[OR]

Interest Determination Date	Coupon Rate
In relation to the Interest Determination	[•] per cent

Date falling on [<i>date</i>]	
[...]	[...]
In relation to the Interest Determination Date falling on [<i>date</i>]	[•] per cent

(iii) Coupon Amount: Calculation Amount x (Coupon Rate x NPED)
- Prior Coupon Amount

(iv) Coupon Barrier Value: $[[\bullet] / [\bullet] \text{ per cent. }]$

[OR]

Interest Determination Date	Coupon Barrier Value
In relation to the Interest Determination Date falling on [<i>date</i>]	$[[\bullet] / [\bullet] \text{ per cent. }]$
[...]	[...]
In relation to the Interest Determination Date falling on [<i>date</i>]	$[[\bullet] / [\bullet] \text{ per cent. }]$

(v) Cumulative Prior Coupon: [Not Applicable] / [Applicable. The Prior Coupon Amount determined in respect of any Interest Determination Date will also include any [Fixed Coupon Amounts] [and] [Non Memory Barrier Conditional Coupon Amounts] determined in respect of preceding Interest Determination Dates.]

(Delete as appropriate)

(vi) Interest Determination Date(s): [*date*][, [*date*], and [*date*]]

(vii) Additional Period End Date(s)(if any): [*date*][, [*date*], and [*date*]]

(viii) Interest Payment Date(s): [*date*][, [*date*], and [*date*]]

(ix) Business Day Convention: [Following Business Day Convention] /
[Modified Following Business Day
Convention / Modified Business Day

Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]

(Delete as appropriate)

(x) Specified Period:

[Not Applicable]

[OR]

[Each of the following shall be a Specified Period:

From (and including) [date] to (but excluding) [date];

[...] and

From (and including) [date] to (but excluding) [date];]

(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")

(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)

IV Participation & Barrier(s) Conditional Coupon:

[Applicable/Not Applicable]

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

(i) Coupon Amount is payable if Relevant Underlying Performance as of the relevant Interest Determination Date is:

(a) [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the First Coupon Barrier Value; or

(b) [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant First Coupon Barrier Value; AND [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Second Coupon Barrier Value.

(Delete as appropriate – N.B. (b) is only applicable if (vi) "Second Coupon Barrier Value" is applicable)

(ii) Coupon Rate:

[•] per cent.

[OR]

Interest Determination Date	Coupon Rate
In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

(iii) Coupon Amount:

(a) in respect of conditions set out in paragraph (i)(a) above:

Min (Cap; Max (Coupon Rate; Participation Rate × Relevant Underlying Performance)) × Calculation Amount

(b) in respect of conditions set out in paragraph (i)(b) above:

Min (Cap; Max (Coupon Rate; Participation Rate × Relevant Underlying Performance)) × Calculation Amount

[“Min (Cap;” to be included if “Cap” is applicable]

(iv) [Cap:

[●]] [to be included if “Cap” is applicable]

(v) First Coupon Barrier Value:

[[•] / [•] per cent.]

[OR]

Interest Determination Date	First Coupon Barrier Value
In respect of the Interest	[[•] / [•] per cent.]

Determination Date falling on [<i>date</i>]	
[...]	[...]
In respect of the Interest Determination Date falling on [<i>date</i>]	[[•] / [•] per cent.]

(vi) Second Coupon Barrier Value:

[Applicable/Not Applicable]

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

[[•] / [•] per cent.]

[OR]

Interest Determination Date	Second Coupon Barrier Value
In respect of the Interest Determination Date falling on [<i>date</i>]	[[•] / [•] per cent.]
[...]	[...]
In respect of the Interest Determination Date falling on [<i>date</i>]	[[•] / [•] per cent.]

(vii) Participation Rate:

[•] per cent.

[OR]

Interest Determination Date	Participation Rate
--	-------------------------------

In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

(viii) Absolute Performance Value:

[Applicable/Not Applicable]

(ix) Interest Determination Date(s):

[date][, [date], and [date]]

(x) Interest Payment Date(s):

[date][, [date], and [date]]

(xi) Business Day Convention:

[Following Business Day Convention] /
[Modified Following Business Day
Convention / Modified Business Day
Convention] / [Preceding Business Day
Convention] / [FRN Convention / Floating
Rate Convention / Eurodollar Convention] /
[No Adjustment / Unadjusted]

(Delete as appropriate)

(xii) Specified Period:

[Not Applicable]

[Each of the following shall be a Specified
Period:

From (and including) [date] to (but excluding)
[date];

[...] and

From (and including) [date] to (but excluding)
[date];]

*(Note: "Specified Period" should only be
specified if FRN Convention is chosen.
Otherwise specify "Not Applicable")*

*(Note: where the Notes are not Floating Rate
or Inflation Linked Notes, consider if FRN
Convention is appropriate)*

**V Lock in Non Memory Barrier
Conditional Coupon:**

[Applicable/Not Applicable]

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

- (i) Coupon Amount is payable on a relevant Interest Payment Date if either:

- (a) Relevant Underlying Performance as of the immediately preceding Interest Determination Date is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Coupon Barrier Value for such Interest Determination Date.

(Delete as appropriate)

OR

- (b) Relevant Underlying Performance as of any Interest Determination Date (if any) preceding the Interest Determination Date referred to in (a) above is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Lock in Barrier Value for such Interest Determination Date.

(Delete as appropriate)

- (ii) Coupon Rate:

[•] per cent.

[OR]

Interest Determination Date	Coupon Rate
In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

- (iii) Coupon Amount:

Coupon Rate × Calculation Amount

- (iv) Coupon Barrier Value:

[[•] / [•] per cent.]

[OR]

Interest Determination Date	Coupon Barrier Value
In respect of the Interest Determination Date falling on <i>[date]</i>	[[•] / [•] per cent.]
[...]	[...]
In respect of the Interest Determination Date falling on <i>[date]</i>	[[•] / [•] per cent.]

(v) Lock in Barrier Value: [[•] / [•] per cent.]

[OR]

Interest Determination Date	Lock in Barrier Value
In respect of the Interest Determination Date falling on <i>[date]</i>	[[•] / [•] per cent.]
[...]	[...]
In respect of the Interest Determination Date falling on <i>[date]</i>	[[•] / [•] per cent.]

(vi) Interest Determination Date(s): *[date]*[, *[date]*, and *[date]*]

(vii) Interest Payment Date(s): *[date]*[, *[date]*, and *[date]*]

(viii) Business Day Convention:
 [Following Business Day Convention] /
 [Modified Following Business Day Convention] / Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]

(Delete as appropriate)

(ix) Specified Period:

[Not Applicable]

[OR]

[Each of the following shall be a Specified Period:

From (and including) [date] to (but excluding) [date];

[...] and

From (and including) [date] to (but excluding) [date];]

(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")

(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)

VI Lock in Memory Barrier Conditional Coupon:

[Applicable/Not Applicable]

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

(i) Coupon Amount is payable on a relevant Interest Payment Date if either:

(a) Relevant Underlying Performance as of the immediately preceding Interest Determination Date is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Coupon Barrier Value for such Interest Determination Date.

(Delete as appropriate)

OR

(b) Relevant Underlying Performance as of any Interest Determination Date (if any) immediately preceding the Interest Determination Date referred to in (a) above is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Lock in Barrier Value for such Interest Determination Date.

(Delete as appropriate)

(ii) Coupon Rate:

[•] per cent.

[OR]

Interest Determination Date	Coupon Rate
In respect of the Interest Determination Date falling on <i>[date]</i>	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on <i>[date]</i>	[•] per cent.

(iii) Coupon Amount:

Calculation Amount x (Coupon Rate x NPED)
- Prior Coupon Amount

(iv) Coupon Barrier Value:

[[•] / [•] per cent.]

[OR]

Interest Determination Date	Coupon Barrier Value
In respect of the Interest Determination Date falling on <i>[date]</i>	[[•] / [•] per cent.]
[...]	[...]
In respect of the Interest Determination Date falling on <i>[date]</i>	[[•] / [•] per cent.]

(v) Lock in Barrier Value:

[[•] / [•] per cent.]

[OR]

Interest Determination Date	Lock in Barrier Value
In respect of the Interest Determination	[[•] / [•] per cent.]

Date falling on [<i>date</i>]	
[...]	[...]
In respect of the Interest Determination Date falling on [<i>date</i>]	[[•] / [•] per cent.]

- (vi) Interest Determination Date(s): [*date*][, [*date*], and [*date*]]
- (vii) Additional Period End Date(s)(if any): [*date*][, [*date*], and [*date*]]
- (viii) Interest Payment Date(s): [*date*][, [*date*], and [*date*]]
- (ix) Business Day Convention:
 [Following Business Day Convention] /
 [Modified Following Business Day
 Convention / Modified Business Day
 Convention] / [Preceding Business Day
 Convention] / [FRN Convention / Floating
 Rate Convention] / [No Adjustment /
 Unadjusted]
- (x) Specified Period:
(Delete as appropriate)
 [Not Applicable]
 [OR]
 [Each of the following shall be a Specified
 Period:
 From (and including) [*date*] to (but excluding)
 [*date*];
 [...] and
 From (and including) [*date*] to (but excluding)
 [*date*];]
*(Note: "Specified Period" should only be
 specified if FRN Convention is chosen.
 Otherwise specify "Not Applicable")*
*(Note: where the Notes are not Floating Rate
 or Inflation Linked Notes, consider if FRN
 Convention is appropriate)*
- (xi) Cumulative Prior Coupon:
 [Not Applicable] / [Applicable. The Prior
 Coupon Amount determined in respect of any
 Interest Determination Date will also include
 any [Fixed Coupon Amounts] [and] [Non
 Memory Barrier Conditional Coupon

Amounts] determined in respect of preceding Interest Determination Dates.]

(Delete as appropriate)

VII Capitalised Non Memory Barrier Conditional Coupon:

[Applicable/Not Applicable]

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

(i) Total Coupon Amount:

As per paragraph 7 of Section 4 of the Additional Terms and Conditions

(ii) Coupon Amount for an Interest Determination Date will be calculated in accordance with the formula in (iv) below if Relevant Underlying Performance as of the relevant Interest Determination Date is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Coupon Barrier Value.

(Delete as appropriate)

(iii) Coupon Rate:

[•] per cent.

[OR]

Interest Determination Date	Coupon Rate
In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

(iv) Coupon Amount:

Coupon Rate x Calculation Amount

(v) Coupon Barrier Value:

[[•] / [•] per cent.]

[OR]

Interest Determination Date	Coupon Barrier Value
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In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.

(vi) Interest Determination Date(s):

[date][, [date], and [date]]

(vii) Interest Payment Date:

Redemption Date, being the Maturity Date [and [(i)] [if an Automatic Early Redemption Event occurs, the relevant Automatic Early Redemption Date][,/ or] [(i)/(ii)] [if the Call Option is exercised, the Optional Redemption Date (Call)] [,/ or] [(i)/(ii)/(iii)] [if the Put Option is exercised, the Optional Redemption Date (Put)] [or] [(ii)/(iii)/(iv)] [the date on which the Notes are redeemed early pursuant to Condition 15.2 (*Tax Redemption*)].

(viii) Business Day Convention:

[Following Business Day Convention] / [Modified Following Business Day Convention / Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]

(ix) Specified Period:

(Delete as appropriate)

[Not Applicable]

[OR]

[Each of the following shall be a Specified Period:

From (and including) [date] to (but excluding) [date];

[...] and

From (and including) [date] to (but excluding) [date];]

(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")

(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)

VIII Capitalised Memory Barrier Conditional Coupon:

[Applicable/Not Applicable]

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

(i) Total Coupon Amount:

As per paragraph 8 of Section 4 of 0 of the Additional Terms and Conditions

(ii) Coupon Amount for an Interest Determination Date will be calculated in accordance with the formula in (iv) below if Relevant Underlying Performance as of the relevant Interest Determination Date is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Coupon Barrier Value.

(Delete as appropriate)

(iii) Coupon Rate:

[•] per cent.

[OR]

Interest Determination Date	Coupon Rate
In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

(iv) Coupon Amount:

Calculation Amount x (Coupon Rate x NPED)
– Prior Coupon Amount

(v) Coupon Barrier Value:

[[•] / [•] per cent.]

[OR]

Interest Determination Date	Coupon Barrier Value
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]

(vi) Interest Determination Date(s):

[date][, [date], and [date]]

(vii) Additional Period End Date(s)(if any):

[date][, [date], and [date]]

(viii) Interest Payment Date(s):

Redemption Date, being the Maturity Date [and [(i)] [if an Automatic Early Redemption Event occurs, the relevant Automatic Early Redemption Date][,/ or] [(i)/(ii)] [if the Call Option is exercised, the Optional Redemption Date (Call)] [,/ or] [(i)/(ii)/(iii)] [if the Put Option is exercised, the Optional Redemption Date (Put)] [or] [(ii)/(iii)/(iv)] [the date on which the Notes are redeemed early pursuant to Condition 15.2 (*Tax Redemption*)].

(ix) Business Day Convention:

[Following Business Day Convention] / [Modified Following Business Day Convention] / [Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]

(x) Specified Period:

(Delete as appropriate)

[Not Applicable]

[OR]

[Each of the following shall be a Specified Period:

From (and including) [date] to (but excluding) [date];

[...] and

From (and including) [date] to (but excluding) [date];]

(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")

(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)

(xi) Cumulative Prior Coupon:

[Not Applicable] / [Applicable. The Prior Coupon Amount determined in respect of any Interest Determination Date will also include any [Fixed Coupon Amounts] [and] [Non Memory Barrier Conditional Coupon Amounts] determined in respect of preceding Interest Determination Dates.]

(Delete as appropriate)

IX Capitalised Participation & Barrier Conditional Coupon:

[Applicable/Not Applicable]

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

(i) Total Coupon Amount:

As per paragraph 9 of Section 4 of 0 of the Additional Terms and Conditions

(ii) Coupon Amount for an Interest Determination Date will be calculated in accordance with the formula (iv) below if Relevant Underlying Performance as of the relevant Interest Determination Date is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Coupon Barrier Value,

(Delete as appropriate)

(iii) Coupon Rate:

[•] per cent.

[OR]

Interest Determination Date	Coupon Rate
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In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

(iv) Coupon Amount:

Coupon Amount will be calculated in accordance with the following formula: [Max (Coupon Rate; Relevant Underlying Performance) x Calculation Amount]

(v) Coupon Barrier Value:

[[•] / [•] per cent.]

[OR]

Interest Determination Date	Coupon Barrier Value
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]

(vi) Interest Determination Date(s):

[date][, [date], and [date]]

(vii) Interest Payment Date(s):

Redemption Date, being the Maturity Date [and [(i)] [if an Automatic Early Redemption Event occurs, the relevant Automatic Early Redemption Date][, / or] [(i)/(ii)] [if the Call Option is exercised, the Optional Redemption Date (Call)] [, / or] [(i)/(ii)/(iii)] [if the Put Option is exercised, the Optional Redemption Date (Put)] [or] [(ii)/(iii)/(iv)] [the date on which the Notes are redeemed early pursuant to Condition 15.2 (Tax Redemption)].

(viii) Business Day Convention:

[Following Business Day Convention] /
[Modified Following Business Day
Convention / Modified Business Day
Convention] / [Preceding Business Day
Convention] / [FRN Convention / Floating
Rate Convention / Eurodollar Convention] /
[No Adjustment / Unadjusted]

(Delete as appropriate)

(ix) Specified Period:

[Not Applicable]

[OR]

[Each of the following shall be a Specified
Period:

From (and including) [date] to (but excluding)
[date];

[...] and

From (and including) [date] to (but excluding)
[date];]

*(Note: "Specified Period" should only be
specified if FRN Convention is chosen.
Otherwise specify "Not Applicable")*

*(Note: where the Notes are not Floating Rate
or Inflation Linked Notes, consider if FRN
Convention is appropriate)*

**X Capitalised Lock in Non Memory
Barrier Conditional Coupon:**

[Applicable/Not Applicable]

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

(i) Total Coupon Amount:

As per paragraph 10 of Section 4 of 0 of the
Additional Terms and Conditions

(ii) Coupon Amount condition:

Coupon Amount for an Interest
Determination will be calculated in
accordance with the formula in (iv) below
if either:

(a) Relevant Underlying
Performance as of the
immediately preceding
Interest Determination
Date is:

[greater than] / [greater than or equal to] / [less
than] / [less than or equal to] the relevant
Coupon Barrier Value for such Interest
Determination Date.

(Delete as appropriate)

OR

- (b) Relevant Underlying Performance as of any Interest Determination Date (if any) immediately preceding the Interest Determination Date referred to in (a) above is: [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Lock in Barrier Value for such Interest Determination Date.

(Delete as appropriate)

- (iii) Coupon Rate:

[•] per cent.

[OR]

Interest Determination Date	Coupon Rate
In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

- (iv) Coupon Amount:

Coupon Rate x Calculation Amount

- (v) Coupon Barrier Value:

[[•] / [•] per cent.]

[OR]

Interest Determination Date	Coupon Barrier Value
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]
[...]	[...]
In respect of the Interest	[[•] / [•] per cent.]

Determination Date falling on [<i>date</i>]	
---	--

(vi) Lock in Barrier Value: $[[\bullet] / [\bullet]]$ per cent.

[OR]

Interest Determination Date	Lock in Barrier Value
In respect of the Interest Determination Date falling on [<i>date</i>]	$[[\bullet] / [\bullet]]$ per cent.]
[...]	[...]
In respect of the Interest Determination Date falling on [<i>date</i>]	$[[\bullet] / [\bullet]]$ per cent.]

(vii) Interest Determination Date(s): [*date*][, [*date*], and [*date*]]

(viii) Interest Payment Date(s):

Redemption Date, being the Maturity Date [and (i)] [if an Automatic Early Redemption Event occurs, the relevant Automatic Early Redemption Date][, / or] [(i)/(ii)] [if the Call Option is exercised, the Optional Redemption Date (Call)] [, / or] [(i)/(ii)/(iii)] [if the Put Option is exercised, the Optional Redemption Date (Put)] [or] [(ii)/(iii)/(iv)] [the date on which the Notes are redeemed early pursuant to Condition 15.2 (*Tax Redemption*)].

(ix) Business Day Convention:

[Following Business Day Convention] / [Modified Following Business Day Convention / Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]

(Delete as appropriate)

(x) Specified Period:

[Not Applicable]

[OR]

[Each of the following shall be a Specified Period:

From (and including) [date] to (but excluding) [date];

[...] and

From (and including) [date] to (but excluding) [date];]

(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")

(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)

XI Capitalised Lock in Memory Barrier Conditional Coupon:

[Applicable/Not Applicable]

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

(i) Total Coupon Amount:

As per paragraph 11 of Section 4 of 0 of the Additional Terms and Conditions

(ii) Coupon Amount condition

Coupon Amount for an Interest Determination Date will be calculated in accordance with the formula in (iv) below if either:

(a) Relevant Underlying Performance as of the immediately preceding Interest Determination Date is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Coupon Barrier Value for such Interest Determination Date.

(Delete as appropriate)

OR

(b) Relevant Underlying Performance as of any Interest Determination Date (if any) immediately preceding the Interest Determination Date referred to in (a) above is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Lock in Barrier Value for such Interest Determination Date.

(Delete as appropriate)

(iii) Coupon Rate:

[•] per cent.

[OR]

Interest Determination Date	Coupon Rate
In respect of the Interest Determination Date falling on <i>[date]</i>	[•] per cent.]
[...]	[...]
In respect of the Interest Determination Date falling on <i>[date]</i>	[•] per cent.

(iv) Coupon Amount:

Calculation Amount x (Coupon Rate x NPED)
– Prior Coupon Amount

(v) Coupon Barrier Value:

[[•] / [•] per cent.]

[OR]

Interest Determination Date	Coupon Barrier Value
In respect of the Interest Determination Date falling on <i>[date]</i>	[[•] / [•] per cent.]
[...]	[...]
In respect of the Interest Determination Date falling on <i>[date]</i>	[[•] / [•] per cent.]

(vi) Lock in Barrier Value:

[[•] / [•] per cent.]

[OR]

Interest Determination Date	Lock in Barrier Value
In respect of the Interest Determination	[[•] / [•] per cent.]

Date falling on [<i>date</i>]	
[...]	[...]
In respect of the Interest Determination Date falling on [<i>date</i>]	[[•] / [•] per cent.]

- (vii) Interest Determination Date(s): [*date*][, [*date*], and [*date*]]
- (viii) Additional Period End Date(s)(if any): [*date*][, [*date*], and [*date*]]
- (ix) Interest Payment Date(s):
Redemption Date, being the Maturity Date [and [(i)] [if an Automatic Early Redemption Event occurs, the relevant Automatic Early Redemption Date][,/ or] [(i)/(ii)] [if the Call Option is exercised, the Optional Redemption Date (Call)] [,/ or] [(i)/(ii)/(iii)] [if the Put Option is exercised, the Optional Redemption Date (Put)] [or] [(ii)/(iii)/(iv)] [the date on which the Notes are redeemed early pursuant to Condition 15.2 (*Tax Redemption*)].
- (x) Business Day Convention:
[Following Business Day Convention] / [Modified Following Business Day Convention / Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]
- (xi) Specified Period:
(*Delete as appropriate*)
[Not Applicable]
[OR]
[Each of the following shall be a Specified Period:
From (and including) [*date*] to (but excluding) [*date*];
[...] and
From (and including) [*date*] to (but excluding) [*date*];]
(*Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable"*)

(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)

(xii) Cumulative Prior Coupon:

[Not Applicable] / [Applicable. The Prior Coupon Amount determined in respect of any Interest Determination Date will also include any [Fixed Coupon Amounts] [and] [Non Memory Barrier Conditional Coupon Amounts] determined in respect of preceding Interest Determination Dates.]

(Delete as appropriate)

XII Basic Participation Coupon:

[Applicable/Not Applicable]

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

(i) Participation Rate:

[•] per cent.

[OR]

Interest Determination Date	Participation Rate
In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

(ii) Coupon Amount:

Min (Cap; Max [0; Participation Rate \times Relevant Underlying Performance]) \times Calculation Amount

[“Min (Cap;” to be included if “Cap” is applicable]

- (iii) [Cap: [●]] *[to be included if “Cap” is applicable]*
- (iv) Interest Determination Date(s): *[date][, [date], and [date]]*
- (v) Interest Payment Date(s): *[date][, [date], and [date]]*
- (vi) Business Day Convention: *[Following Business Day Convention] / [Modified Following Business Day Convention] / Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]*
- (vii) Specified Period: *(Delete as appropriate)*
- [Not Applicable]
- [OR]*
- Each of the following shall be a Specified Period:
- From (and including) *[date]* to (but excluding) *[date]*;
- [...]* and
- From (and including) *[date]* to (but excluding) *[date]*;
- (Note: “Specified Period” should only be specified if FRN Convention is chosen. Otherwise specify “Not Applicable”)*
- (Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)*

XIII Locked Participation Coupon:

- [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Participation Rate: [•] per cent.
- [OR]*

Interest Determination Date	Participation Rate
In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

- (ii) Coupon Amount: $\text{Min (Cap; Max [0; Participation Rate} \times \text{Relevant Underlying Performance])} \times \text{Calculation Amount} - \text{Prior Coupon Amount}$
["Min (Cap;" to be included if "Cap" is applicable]
- (iii) [Cap: $[\bullet]$ *[to be included if "Cap" is applicable]*
- (iv) Interest Determination Date(s): $[\text{date}][, [\text{date}], \dots \text{ and } [\text{date}]]$
- (v) Interest Payment Date(s): $[\text{date}][, [\text{date}], \dots \text{ and } [\text{date}]]$
- (vi) Business Day Convention:
 [Following Business Day Convention] /
 [Modified Following Business Day Convention / Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / [No Adjustment / Unadjusted]
- (vii) Specified Period: *(Delete as appropriate)*
 [Not Applicable]
[OR]
 [Each of the following shall be a Specified Period:

From (and including) [date] to (but excluding) [date];

[...] and

From (and including) [date] to (but excluding) [date];]

(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")

(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)

XIV Capitalised Basic Participation Coupon:

[Applicable/Not Applicable]

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

(i) Total Coupon Amount:

As per paragraph 14 of Section 4 of 0 of the Terms and Conditions

(ii) Participation Rate:

[•] per cent.

[OR]

Interest Determination Date	Participation Rate
In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

(iii) Coupon Amount:

Min (Cap; Max [0; Participation Rate x Relevant Underlying Performance]) x Calculation Amount

[“Min (Cap;” to be included if “Cap” is applicable]

- (iv) [Cap: [●]] [*to be included if "Cap" is applicable*]
- (v) Interest Determination Date
Date(s): [date][, [date], and [date]]
- (vi) Interest Payment Date(s):
Redemption Date, being the Maturity Date [and [(i)] [if an Automatic Early Redemption Event occurs, the relevant Automatic Early Redemption Date][, / or] [(i)/(ii)] [if the Call Option is exercised, the Optional Redemption Date (Call)] [, / or] [(i)/(ii)/(iii)] [if the Put Option is exercised, the Optional Redemption Date (Put)] [or] [(ii)/(iii)/(iv)] [the date on which the Notes are redeemed early pursuant to Condition 15.2 (*Tax Redemption*)].
- (vii) Business Day Convention:
[Following Business Day Convention] / [Modified Following Business Day Convention / Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]
- (viii) Specified Period:
(*Delete as appropriate*)
[Not Applicable]

[OR]

[Each of the following shall be a Specified Period:

From (and including) [date] to (but excluding) [date];

[...] and

From (and including) [date] to (but excluding) [date];]

(*Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable"*)

(*Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate*)
- XV Capitalised Locked Participation Coupon:** [Applicable/Not Applicable]

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

(i) Total Coupon Amount:

As per paragraph 15 of Section 4 of 0 of the Additional Terms and Conditions

(ii) Participation Rate:

[•] per cent.

[OR]

Interest Determination Date	Participation Rate
In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

(iii) Coupon Amount:

Min (Cap; Max [0; Participation Rate x Relevant Underlying Performance]) x Calculation Amount – Prior Coupon Amount]

[“Min (Cap;” to be included if “Cap” is applicable]

(iv) [Cap:

[●]] [to be included if “Cap” is applicable]

(v) Interest Determination Date(s):

[date][, [date], and [date]]

(vi) Interest Payment Date(s):

Redemption Date, being the Maturity Date [and (i)] [if an Automatic Early Redemption Event occurs, the relevant Automatic Early Redemption Date][, / or] [(i)/(ii)] [if the Call Option is exercised, the Optional Redemption Date (Call)] [, / or] [(i)/(ii)/(iii)] [if the Put Option is exercised, the Optional Redemption Date (Put)] [or] [(ii)/(iii)/(iv)] [the date on which the Notes are redeemed early pursuant to Condition 15.2 (Tax Redemption)].

(vii) Business Day Convention:

[Following Business Day Convention] /
[Modified Following Business Day
Convention / Modified Business Day
Convention] / [Preceding Business Day
Convention] / [FRN Convention / Floating
Rate Convention / Eurodollar Convention] /
[No Adjustment / Unadjusted]

(viii) Specified Period:

(Delete as appropriate)

[Not Applicable]

[OR]

[Each of the following shall be a Specified
Period:

From (and including) [date] to (but excluding)
[date];

[...] and

From (and including) [date] to (but excluding)
[date];]

*(Note: "Specified Period" should only be
specified if FRN Convention is chosen.
Otherwise specify "Not Applicable")*

*(Note: where the Notes are not Floating Rate
or Inflation Linked Notes, consider if FRN
Convention is appropriate)*

**XVI Cumulative Participation Inflation
Coupon:**

[Applicable/Not Applicable]

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

*(Only specify as applicable for Notes are
Inflation-Linked Interest Notes.)*

(i) Coupon Amount:

Calculation Amount x Participation Rate x
Min (Cap; Max [0; Multiplier x Relevant
Underlying Performance]) – Adjustment

*["Min (Cap;" to be included if "Cap" is
applicable]*

(ii) [Cap:

[●]] [to be included if "Cap" is applicable]

(iii) Participation Rate:

[•] per cent.

- (iv) Multiplier: [•] per cent.
- (v) Adjustment: [•] per cent.
- (vi) Interest Determination Date Date
Date(s): [date][, [date], and [date]]
- (vii) Interest Payment Date(s):
Redemption Date, being the Maturity Date [and [(i)] [if an Automatic Early Redemption Event occurs, the relevant Automatic Early Redemption Date][,/ or] [(i)/(ii)] [if the Call Option is exercised, the Optional Redemption Date (Call)] [,/ or] [(i)/(ii)/(iii)] [if the Put Option is exercised, the Optional Redemption Date (Put)] [or] [(ii)/(iii)/(iv)] [the date on which the Notes are redeemed early pursuant to Condition 15.2 (*Tax Redemption*)].
- (viii) Business Day Convention:
[Following Business Day Convention] / [Modified Following Business Day Convention / Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]
- (ix) Specified Period:
(Delete as appropriate)
[Not Applicable]
[OR]
[Each of the following shall be a Specified Period:
From (and including) [date] to (but excluding) [date];
[...] and
From (and including) [date] to (but excluding) [date];]
(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")
(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)
- XVII Range Accrual Coupon Categories:**
[Applicable/Not Applicable]

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

(i) Coupon Amount:

Coupon Rate \times Calculation Amount \times
[Number of Relevant Days (Barrier Condition Satisfied) / Total Number of Relevant Days]

(ii) Coupon Rate:

[•] per cent.

[OR]

Barrier Observation Period	Coupon Rate
From [and including] / [but excluding] [•] to [and including] / [but excluding] [•]	[•] per cent.
[...]	[...]
From [and including] / [but excluding] [•] to [and including] / [but excluding] [•]	[•] per cent.

(iii) Interest Determination Date(s):

[date][, [date], and [date]]

(iv) Interest Payment Date(s):

[date][, [date], and [date]]

(v) Business Day Convention:

[Following Business Day Convention] /
[Modified Following Business Day Convention / Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] /
[No Adjustment / Unadjusted]

(Delete as appropriate)

(vi) Specified Period:

[Not Applicable]

[OR]

[Each of the following shall be a Specified Period:

From (and including) [date] to (but excluding) [date];

[...] and

From (and including) [*date*] to (but excluding) [*date*];]

(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")

(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)

- (vii) Number of Relevant Days (Barrier Condition Satisfied) means the number of Relevant Days in each Barrier Observation Period on which, as determined by the Determination Agent, the Relevant Underlying Performance is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Coupon Barrier Value

(Delete as appropriate)

- (viii) Relevant Day:

[Calendar day] / [Business Day] / [Scheduled Trading Day]

- (ix) Barrier Observation Period:

From [and including] / [but excluding] [•] to [and including] / [but excluding] [•].

[OR]

1	From [and including] / [but excluding] [•] to [and including] / [but excluding] [•]
2	From [and including] / [but excluding] [•] to [and including] / [but excluding] [•]
[...]	[...]

- (x) Coupon Barrier Value:

[[•] / [•] per cent.]

[OR]

Barrier Observation Period	Coupon Barrier Value
From [and including] / [but excluding] [•] to [and including] / [but excluding] [•]	[[•] / [•] per cent.]
[...]	[...]

From [and including] / [but excluding] [•] to [and including] / [but excluding] [•]	[[•] / [•] per cent.]
---	------------------------

XVIII IRR Coupon

[Applicable/Not Applicable]

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

- (i) Coupon Amount: Min (Cap; Max [Floor; Max [0; [Relevant Underlying Performance + 1]^{1/I-1}]]) × Calculation Amount
["Min (Cap;" to be included if "Cap" is applicable]
- (ii) [Cap: [●]] *[to be included if "Cap" is applicable]*
- (iii) Floor: [●]
- (iv) I: [●]
- (v) Interest Determination Date Date(s): [date][, [date], and [date]]
- (vi) Interest Payment Date(s): [date][, [date], and [date]]
- (vii) Business Day Convention: [Following Business Day Convention] / [Modified Following Business Day Convention] / [Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]
(Delete as appropriate)
- (viii) Specified Period: [Not Applicable]
[OR]
 [Each of the following shall be a Specified Period:
 From (and including) [date] to (but excluding) [date];
 [...] and
 From (and including) [date] to (but excluding) [date];]
(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")

(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)

XIX Locked IRR Coupon

[Applicable/Not Applicable]

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

(i) Coupon Amount:

Min (Cap; Max [Floor; Max [0; [Relevant Underlying Performance + 1)^{1/I-1}]]]) × Calculation Amount]

["Min (Cap;" to be included if "Cap" is applicable]

[OR]

If, on any Interest Determination Date, all interest to be paid as from such Interest Determination Date is greater than or equal to the Cap:

Calculation Amount * Cap]

(ii) [Cap:

[●]] *[to be included if "Cap" is applicable]*

(iii) Floor:

[●]

(iv) I:

[●]

(v) Interest Determination Date(s):

[date][, [date], and [date]]

(vi) Interest Payment Date(s):

[date][, [date], and [date]]

(vii) Business Day Convention:

[Following Business Day Convention] / [Modified Following Business Day Convention / Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]
(Delete as appropriate)

(viii) Specified Period:

[Not Applicable]

[OR]

[Each of the following shall be a Specified Period:

From (and including) [date] to (but excluding) [date];

[...] and

From (and including) [date] to (but excluding) [date];]

(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")

(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)

XX Level Conditional Coupon

[Applicable/Not Applicable]

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

- (i) Coupon Amount is payable on a relevant Interest Payment Date if the Relevant Underlying Performance as of the immediately preceding Interest Determination Date is:

greater than the Level as of the relevant Interest Determination Date.

- (ii) Coupon Amount:

(Relevant Underlying Performance - Level)
× Calculation Amount

- (iii) Level:

[●]

OR

Interest Determination Date	Level
In respect of the Interest Determination Date falling on [date]	[●]
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[●]

- (iv) Interest Determination Date(s):

[date][, [date], and [date]]

- (v) Interest Payment Date(s):

[date][, [date], and [date]]

- (vi) Business Day Convention:

[Following Business Day Convention] /
[Modified Following Business Day Convention] / [Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]
(Delete as appropriate)

(vii) Specified Period:	[Not Applicable]
	<i>[OR]</i>
	[Each of the following shall be a Specified Period:
	From (and including) <i>[date]</i> to (but excluding) <i>[date]</i> ;
	<i>[...]</i> and
	From (and including) <i>[date]</i> to (but excluding) <i>[date]</i> ;]
	<i>(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")</i>
	<i>(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)</i>
XXI Memory or Non Memory Double Barrier Conditional Coupon – Option 1:	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
(i) Non Memory effect:	[Applicable/Not Applicable]
(ii) Memory effect:	[Applicable/Not Applicable]
(iii) Second Barrier:	[Applicable/Not Applicable]
(iv) Restructuring Barrier:	[Applicable/Not Applicable]
(v) Coupon Amount is payable if the Relevant Underlying Performance is:	(a) with respect to the First Interest Payment Date, as of the First Interest Determination Date, equal or greater than the First Coupon Barrier Value and, if “Second Barrier” is “Applicable”, also less than the Second Coupon Barrier Value;
	or
	(b) with respect to each Interest Payment Date (excluding the First Interest Payment Date), (i) only if “Restructuring Barrier” is “Applicable”, as of each Restructuring Observation Date preceding the relevant Interest Determination Date, equal or greater than the Restructuring Barrier Value and/or (ii) as of the relevant Interest Determination Date, greater than or equal to the First Coupon Barrier Value and, if “Second Barrier” is “Applicable”, also less than the Second Coupon Barrier Value;
	or
	(c) with respect to each Interest Payment Date (i) only if “Restructuring Barrier” is

“Applicable” (excluding the First Interest Payment Date), as of any Restructuring Observation Date preceding the relevant Interest Determination Date less than the Restructuring Barrier Value and/or (ii) as of the relevant Interest Determination Date, greater than or equal to the Second Coupon Barrier Value.

(vi) Coupon Amount:

- in respect of conditions set out in paragraphs (v) (a) and (b) above:

$[First\ Coupon\ Rate \times Calculation\ Amount]$ (to be included if “Non Memory effect” is “Applicable”)

$[Calculation\ Amount \times (First\ Coupon\ Rate \times NPED) - Prior\ Coupon\ Amount]$ (to be included if “Memory effect” is “Applicable”)

- in respect of conditions set out in paragraph (v) (c) above:

Second Coupon Rate \times Calculation Amount

(vii) Capitalised:

[Applicable]/[Not Applicable]

(viii) Interest Determination Date(s):

[date][, [date]...and [date]]

(ix) First Interest Determination Date:

[date]

(x) Additional Period End Date(s) (if any):

[date][, [date]...and [date]]/[Not Applicable]

(xi) Cumulative Prior Coupon:

[Not Applicable]/[Applicable. The Prior Coupon Amount determined in respect of any Interest Determination Date will also include any [Fixed Coupon Amounts] [and] [Non Memory Barrier Conditional Coupon Amounts] determined in respect of preceding Interest Determination Dates.]

(xii) Interest Payment Date(s):

(Delete as appropriate)

[date][, [date], and [date]]

[OR]

[Redemption Date, being the Maturity Date [and [(i)] [if an Automatic Early Redemption Event occurs, the relevant Automatic Early Redemption Date][, / or] [(i)/(ii)] [if the Call Option is exercised, the Optional Redemption Date (Call)] [, / or] [(i)/(ii)/(iii)] [if the Put Option is exercised, the Optional Redemption Date (Put)] [or] [(ii)/(iii)/(iv)] [the date on which the Notes are redeemed early pursuant

to Condition 15.2 (*Tax Redemption*)).](if Capitalised is specified as Applicable)

- (xiii) First Interest Payment Date: [date]
 (xiv) Restructuring Observation Date(s): [date][, [date]...and [date]]
 (xv) First Coupon Barrier Value: [[•] / [•] per cent.]

[OR]

Interest Determination Date(s)	First Coupon Barrier Value
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]

- (xvi) Second Coupon Barrier Value: [[•] / [•] per cent.]

[OR]

Interest Determination Date(s)	Second Coupon Barrier Value
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]

- (xvii) Restructuring Barrier Value: [[•] / [•] per cent.]

[OR]

Restructuring Observation Date(s)	Restructuring Barrier Value
-----------------------------------	-----------------------------

In respect of the Restructuring Observation Date falling on <i>[date]</i>	[[•] / [•] per cent.]
[...]	[...]
In respect of the Restructuring Observation Date falling on <i>[date]</i>	[[•] / [•] per cent.]

(xviii) First Coupon Rate:

[[●]%]

[OR]

Interest Determination Date(s)	First Coupon Rate
In respect of the Interest Determination Date falling on <i>[date]</i>	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on <i>[date]</i>	[•] per cent.

(xix) Second Coupon Rate:

[[●]%]

[OR]

Interest Determination Date(s)	Second Coupon Rate
In respect of the Interest Determination Date falling on <i>[date]</i>	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on <i>[date]</i>	[•] per cent.

**XXII Non Memory Double Barrier
Conditional Coupon – Option 2:**

[Applicable/Not Applicable]

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

- (i) Coupon Amount is payable if the Relevant Underlying Performance is:

(a) with respect to the First Interest Payment Date, as of the First Interest Determination Date, greater than or equal to the First Coupon Barrier Value;

or

(b) with respect to each Interest Payment Date thereafter, as of each Restructuring Observation Date until the relevant Interest Determination Date (included), equal or greater than the Restructuring Barrier Value and, as of the relevant Interest Determination Date, greater than or equal to the First Coupon Barrier Value;

or

(c) with respect to the First Interest Payment Date, the performance of the Relevant Underlying as of the First Interest Determination Date (such date also being a Restructuring Observation Date for the purposes of the Restructuring Barrier Value), less than the Restructuring Barrier Value and greater than or equal to the Second Coupon Barrier Value;

or

(d) with respect to each Interest Payment Date thereafter, the performance of the Relevant Underlying, as of any Restructuring Observation Date until the relevant Interest Determination Date (included), less than the Restructuring Barrier Value and, as of the relevant Interest Determination Date, greater than or equal to the Second Coupon Barrier Value.

- (ii) Coupon Amount:

- in respect of conditions set out in paragraphs (i) (a) and (b) above:

First Coupon Rate \times Calculation Amount

- in respect of conditions set out in paragraphs (i) (c) and (d) above:

Second Coupon Rate \times Calculation Amount

- (iii) Capitalised:

[Applicable]/[Not Applicable]

- (iv) Interest Determination Date(s):

[date][, [date]...and [date]]

- (v) First Interest Determination Date:

[date]

- (vi) Interest Payment Date(s):

[date][, [date], and [date]]

[OR]

[Redemption Date, being the Maturity Date [and [(i)] [if an Automatic Early Redemption Event occurs, the relevant Automatic Early Redemption Date][, / or] [(i)/(ii)] [if the Call Option is exercised, the Optional Redemption Date (Call)] [, / or] [(i)/(ii)/(iii)] [if the Put Option is exercised, the Optional Redemption Date (Put)] [or] [(ii)/(iii)/(iv)] [the date on which the Notes are redeemed early pursuant to Condition 15.2 (*Tax Redemption*)].](if *Capitalised is specified as Applicable*)

(vii) First Interest Payment Date:

[date]

(viii) Restructuring Observation Date(s):

[date][, [date]...and [date]]

(ix) First Coupon Barrier Value:

[[•] / [•] per cent.]

[OR]

Interest Determination Date(s)	First Coupon Barrier Value
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]

(x) Second Coupon Barrier Value:

[[•] / [•] per cent.]

[OR]

Interest Determination Date(s)	Second Coupon Barrier Value
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]
[...]	[...]
In respect of the Interest	[[•] / [•] per cent.]

Determination Date falling on <i>[date]</i>	
--	--

(xi) Restructuring Barrier Value:

[[•] / [•] per cent.]

[OR]

Restructuring Observation Date(s)	Restructuring Barrier Value
In respect of the Restructuring Observation Date falling on <i>[date]</i>	[[•] / [•] per cent.]
[...]	[...]
In respect of the Restructuring Observation Date falling on <i>[date]</i>	[[•] / [•] per cent.]

(xii) First Coupon Rate:

[[●] %]

[OR]

Interest Determination Date(s)	First Coupon Rate
In respect of the Interest Determination Date falling on <i>[date]</i>	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on <i>[date]</i>	[•] per cent.

(xiii) Second Coupon Rate:

[[●] %]

[OR]

Interest Determination Date(s)	Second Coupon Rate
In respect of the Interest	[•] per cent.

Determination Date falling on <i>[date]</i>	
<i>[...]</i>	<i>[...]</i>
In respect of the Interest Determination Date falling on <i>[date]</i>	<i>[•]</i> per cent.

XXIII Non Memory Double Barrier Conditional Coupon – Option 3:

[Applicable/Not Applicable]

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

- (i) Coupon Amount is payable on the relevant Interest Payment Date, if the Relevant Underlying Performance is:

(a) as of the relevant Interest Determination Date, greater than or equal to the First Coupon Barrier Value;

or

(b) during the Basis Period from, and including, (x) the Strike Date until to, but excluding, the First Interest Determination Date (with respect to the First Interest Determination Date) or (y) the Interest Determination Date immediately preceding the relevant Interest Determination Date until to, but excluding, the relevant Interest Determination Date (with respect to any Interest Determination Date other than the First Interest Determination Date), equal or greater than to the relevant value specified as the Second Coupon Barrier Value.

- (ii) Coupon Amount:

Coupon Rate \times Calculation Amount

- (iii) Capitalised:

[Applicable]/[Not Applicable]

- (iv) Interest Determination Date(s):

[date][, *[date]*...and *[date]*]

- (v) First Interest Determination Date:

[date]

- (vi) Interest Payment Date(s):

[date][, *[date]*, and *[date]*]

[OR]

[Redemption Date, being the Maturity Date [and [(i)] [if an Automatic Early Redemption Event occurs, the relevant Automatic Early Redemption Date][,/ or] [(i)/(ii)] [if the Call Option is exercised, the Optional Redemption Date (Call)] [,/ or] [(i)/(ii)/(iii)] [if the Put Option is exercised, the Optional Redemption

Date (Put)] [or] [(ii)/(iii)/(iv)] [the date on which the Notes are redeemed early pursuant to Condition 15.2 (*Tax Redemption*)).](if Capitalised is specified as Applicable)

(vii) Basis Period:

[daily]/[weekly]/[monthly]/[quarterly]

(viii) First Coupon Barrier Value:

[[•] / [•] per cent.]

[OR]

Interest Determination Date(s)	First Coupon Barrier Value
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]

(ix) Second Coupon Barrier Value:

[[•] / [•] per cent.]

[OR]

Interest Determination Date(s)	Second Coupon Barrier Value
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[[•] / [•] per cent.]

(x) Coupon Rate:

[[●] %]

[OR]

Interest Determination Date(s)	First Coupon Rate
In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

XXIV Conditional Coupon – Barrier or Surperformance:

[Applicable/Not Applicable]

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

- (i) Coupon Amount is payable on the relevant Interest Payment Date, if the Relevant Underlying Performance is:

(a) [greater than] / [greater than or equal to] *(delete as applicable)* the Coupon Barrier Value; or

(b) less than the Coupon Barrier Value but [greater than] / [greater than or equal to] *(delete as applicable)* the Relevant Compared Underlying Performance.

- (ii) Coupon Amount:

- in respect of condition set out in paragraph (a) above:

First Coupon Rate × Calculation Amount

- in respect of conditions set out in paragraph (b) above:

Second Coupon Rate × Calculation Amount

- (iii) Capitalised:

[Applicable]/[Not Applicable]

- (iv) Interest Determination Date(s):

[date][, [date]...and [date]]

- (v) Interest Payment Date(s):

[date][, [date], and [date]]

[OR]

[Redemption Date, being the Maturity Date [and [(i)] [if an Automatic Early Redemption Event occurs, the relevant Automatic Early Redemption Date][,/ or] [(i)/(ii)] [if the Call

Option is exercised, the Optional Redemption Date (Call) [./ or] [(i)/(ii)/(iii)] [if the Put Option is exercised, the Optional Redemption Date (Put)] [or] [(ii)/(iii)/(iv)] [the date on which the Notes are redeemed early pursuant to Condition 15.2 (*Tax Redemption*)].](if Capitalised is specified as Applicable)

(vi) Coupon Barrier Value:

[[•] / [•] per cent.]

[OR]

Interest Determination Date(s)	Coupon Barrier Value
In respect of the Interest Determination Date falling on <i>[date]</i>	[[•] / [•] per cent.]
[...]	[...]
In respect of the Interest Determination Date falling on <i>[date]</i>	[[•] / [•] per cent.]

(vii) First Coupon Rate:

[[●] %]

[OR]

Interest Determination Date(s)	First Coupon Rate
In respect of the Interest Determination Date falling on <i>[date]</i>	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on <i>[date]</i>	[•] per cent.

(viii) Second Coupon Rate:

[[●] %]

[OR]

Interest Determination Date(s)	Second Coupon Rate
--------------------------------	--------------------

In respect of the Interest Determination Date falling on <i>[date]</i>	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on <i>[date]</i>	[•] per cent.

XXV Knock-Out Event Coupon:

[Applicable/ Not Applicable]

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

- (i) Coupon Amount is payable on a relevant Interests Payment Date, if the relevant Underlying Performance is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Coupon Barrier Value

(delete as applicable)

AND

no Knock-Out Event has Occurred.

- (ii) Coupon Rate: [•] %

[OR]

Interest Determination Date	Coupon Rate
In respect of the Interest Determination Date falling on <i>[date]</i>	[•] per cent.
[...]	[...]

In respect of the Interest Determination Date falling on <i>[date]</i>	<i>[•]</i> per cent.
--	----------------------

(iii) Coupon Amount: Coupon Rate x Calculation Amount

(iv) Coupon Barrier Value: $[[•] / [•] \%$]
[OR]

Interest Determination Date	Coupon Value	Barrier
In respect of the Interest Determination Date falling on <i>[date]</i>	$[[•] / [•] \%$.	
<i>[...]</i>	<i>[...]</i>	
In respect of the Interest Determination Date falling on <i>[date]</i>	$[[•] / [•] \%$.	

(v) Knock-Out Event Barrier Value: $[[•] / [•] \%$]

[OR]

Interest Determination Date	Knock-Out Event Barrier Value
In respect of the Knock-Out Event Observation Date falling on <i>[date]</i>	$[[•] / [•] \%$.
<i>[...]</i>	<i>[...]</i>
In respect of the Knock-Out Event Observation Date falling on <i>[date]</i>	$[[•] / [•] \%$.

(vi) Interest Determination Date(s): *[date]*[, *[date]*.... and *[date]*]

- (vii) Knock-Out Event
Observation Date(s): [date][, [date].... and [date]]
- (viii) Interest Payment
Date(s): [date][, [date].... and [date]]
- (ix) Business Day
Convention: [Following Business Day Convention] /
[Modified Following Business Day Convention]
/ [Modified Business Day Convention] /
[Preceding Business Day Convention] / [FRN
Convention / Floating Rate Convention /
Eurodollar Convention] / [No Adjustment /
Unadjusted]
- (x) Specified Period: [Not Applicable]

(delete as appropriate)

[OR]

[Each of the following situations will be a
Specified Period:

From [date] (included) to [date] (excluded) ;

*(Note: a Specified Period shall only be specified
if the FRN Convention is applicable. If not,
specify Not Applicable)*

*(Note: if Notes are not Floating Rate Notes or
Inflation-Linked Notes, verify whether the FRN
shall apply).*

XXVI Coupon with Reserve:

[Applicable/Not Applicable]

*(If not applicable, delete sub-paragraphs below
from this paragraph)*

- (i) Coupon Rate: *Min (Cap; Relevant Underlying Performance +
Prior Reserve)*
- (ii) Coupon Amount: Coupon Rate x Calculation Amount
- (iii) Cap: [•] %
- (iv) Reserve Cap: [•] %
- (v) Initial Reserve: [•] %
- (vi) Interest Determination Date(s): [date][, [date].... and [date]]

- | | | | |
|--------|----------------------|---------|--|
| (vii) | Interest Date(s): | Payment | [<i>date</i>][, [<i>date</i>].... and [<i>date</i>]] |
| (viii) | Business Convention: | Day | [Following Business Day Convention] / [Modified Following Business Day Convention] / [Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention] / [Floating Rate Convention] / [Eurodollar Convention] / [No Adjustment / Unadjusted] |
| (ix) | Specified Period | | [Not Applicable] |

[OR]

[Each of the following shall be a Specified Period:

From (and including) [*date*] to (but excluding) [*date*];

[...] and

From (and including) [*date*] to (but excluding) [*date*];]

(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")

(Note: if Notes are not Floating Rate Notes or Inflation-Linked Notes, verify whether the FRN shall apply).

XXVII Budget Barrier Conditional Coupon:

[Applicable/Not Applicable]

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

- | | | |
|-----|---|---|
| (i) | Coupon Amount is payable if | |
| (a) | Relevant Underlying Performance as of the first Interest Determination Date is: | [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Coupon Barrier Value |
| | OR | <i>(Delete as appropriate)</i> |
| (b) | the Sum of Performance as of any of the subsequent Interest Determination Dates is: | [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the relevant Coupon Barrier Value |

(Delete as appropriate)

- | | | |
|------|--------------|---------------|
| (ii) | Coupon Rate: | [•] per cent. |
|------|--------------|---------------|

[OR]

Interest Determination Date	Coupon Rate
In relation to the Interest Determination Date falling on <i>[date]</i>	[•] per cent
[...]	[...]
In relation to the Interest Determination Date falling on <i>[date]</i>	[•] per cent

- (iii) Coupon Amount:
(iv) Coupon Barrier Value:

Calculation Amount x (Coupon Rate x NPED)

[•] per cent.

[OR]

Interest Determination Date	Coupon Barrier Value
In relation to the Interest Determination Date falling on <i>[date]</i>	[•] per cent.
[...]	[...]
In relation to the Interest Determination Date falling on <i>[date]</i>	[•] per cent.

- (v) Interest Determination Date(s): *[date]*[, *[date]*, and *[date]*]
(vi) Additional Period End Date(s)(if any): *[date]*[, *[date]*, and *[date]*]
(vii) Interest Payment Date(s): *[date]*[, *[date]*, and *[date]*]
(viii) Business Day Convention:

[Following Business Day Convention] / [Modified Following Business Day Convention / Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating

Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]

(Delete as appropriate)

(ix) Specified Period:

[Not Applicable]

[OR]

[Each of the following shall be a Specified Period:

From (and including) [date] to (but excluding) [date];

[...] and

From (and including) [date] to (but excluding) [date];]

(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")

(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)

**XXVIII Modified Locked IRR
Coupon**

[Applicable/Not Applicable]

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

- | | |
|---|---|
| (i) Coupon Amount is payable on the relevant Interest Payment Date, if: | (a) Perf IRR as of the Interest Determination Date immediately preceding the Interest Payment Date is [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Lock in Barrier Value |
|---|---|

OR

- | | |
|-----|--|
| (b) | Perf IRR as of any Interest Determination Date preceding the Interest Determination Date is [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Lock in Barrier Value. |
|-----|--|

(ii) Coupon Amount:

- | | |
|--|--|
| (A) in respect of condition set out in paragraph (i)(a) above: | Max [0; [Relevant Underlying Performance + 1) ^{1/I-1}]] × Calculation Amount |
|--|--|

(B) in respect of condition Coupon Rate \times Calculation Amount
 set out in paragraph
 (i)(b) above:

(iii) Coupon Rate: [●]%

[OR]

Interest Determination Date	Coupon Rate
In relation to the Interest Determination Date falling on [date]	[•] per cent
[...]	[...]
In relation to the Interest Determination Date falling on [date]	[•] per cent

(iv) Lock in Barrier Value: [●]%

[OR]

Interest Determination Date	Lock in Barrier Value
In relation to the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In relation to the Interest Determination Date falling on [date]	[•] per cent.

(v) Interest Determination Date(s): [date][, [date], and [date]]

- (vi) Interest Payment Date(s): [date][, [date], and [date]]
- (vii) Business Day Convention: [Following Business Day Convention] / [Modified Following Business Day Convention / Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]

(Delete as appropriate)

- (viii) Specified Period: [Not Applicable]

[OR]

[Each of the following shall be a Specified Period:

From (and including) [date] to (but excluding) [date];

[...] and

From (and including) [date] to (but excluding) [date];]

(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")

(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)

XXIX Booster Participation Coupon:

[Applicable/Not Applicable]

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

- (i) Participation Rate:

[•] per cent.

[OR]

Interest Determination Date	Participation Rate
In respect of the Interest Determination Date falling on [date]	[•] per cent.

[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

(i) Downside Gearing:

[•] per cent.

[OR]

Interest Determination Date	Downside Gearing
In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination Date falling on [date]	[•] per cent.

(ii) Coupon Amount:

Calculation Amount x (Final Upside Amount - the Final Downside Amount)

(iii) Interest Determination Date(s):

[date][, [date], and [date]]

(iv) Interest Payment Date(s):

[date][, [date], and [date]]

(v) Business Day Convention:

[Following Business Day Convention] / [Modified Following Business Day Convention] / Modified Business Day Convention] / [Preceding Business Day Convention] / [FRN Convention / Floating Rate Convention / Eurodollar Convention] / [No Adjustment / Unadjusted]

(Delete as appropriate)

(vi) Specified Period:

[Not Applicable]

[OR]

[Each of the following shall be a Specified Period:

From (and including) [date] to (but excluding) [date];

[...] and

From (and including) [date] to (but excluding) [date];]

(Note: "Specified Period" should only be specified if FRN Convention is chosen. Otherwise specify "Not Applicable")

(Note: where the Notes are not Floating Rate or Inflation Linked Notes, consider if FRN Convention is appropriate)

16. **PROVISIONS RELATING TO FINAL REDEMPTION**
1. **RELEVANT UNDERLYING**

(A) **Single Share-Linked Redemption Notes, Share Basket-Linked Redemption Notes:**

[Applicable/ In accordance with Item 1. (A) of the Interest Provisions] / Not Applicable]

(Condition 8)

(If in accordance with item 1. (A) of the Interest Provisions/not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Whether the Notes relate to a single share or a basket of shares (each an **Underlying Share**):

[Single Share-Linked Redemption Notes] / [Share Basket-Linked Redemption Notes]

(if Single Share-Linked Interest Notes, delete (a) below)

(a) Scheduled Trading Days and Disrupted Days:

[Common Scheduled Trading Days and Common Disrupted Days: Applicable]

[Individual Scheduled Trading Days and Individual Disrupted Days: Applicable]

[Common Scheduled Trading Days and Individual Disrupted Days: Applicable]

(select one as appropriate and delete other two)

(ii) The identity of the relevant issuer(s) (each, an **Underlying Issuer**), class of the Underlying Share and ISINs or other security identification code for the Underlying Share:

(Specify (i) names of each Underlying Issuer (ii) class of each Underlying Share and (iii) ISIN or other security identification code for each Underlying Share)

(iii) Exchange[s]:

[•] / [All Exchanges]

(iv) Related Exchange[s]:

[•] / [None specified]

- (v) Determination Agent responsible for calculating the Final Redemption Amount: [•]
- (vi) Determination Time: [•] / As per Condition 9.7
- (vii) Weighting for each Underlying Share comprising the basket: [Not Applicable]

[OR]

Underlying Share	Weighting
[•]	[•]
[...]	[...]
[•]	[•]

- (viii) Additional Disruption Events

[Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging] shall apply

(delete any which are not applicable)

- (ix) Correction Cut Off Time:
(Condition 9.3(b))

[•] / within one Settlement Cycle after the original publication and prior to the relevant Interest Payment Date.

(B) Single Index-Linked Redemption Notes/ Index Basket-Linked Redemption Notes:

[Applicable/ In accordance with Item 1. (B) of the Interest Provisions] / Not Applicable]

(Condition 8)

(If in accordance with item 1. (B) of the Interest Provisions/not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Types of Notes:

[Single Index-Linked Redemption Notes] / [Index Basket-Linked Redemption Notes]

(if Single Index-Linked Interest Notes, delete (a) below)

- (a) Scheduled Trading Days and Disrupted Days:

[Common Scheduled Trading Days and Common Disrupted Days: Applicable]

[Individual Scheduled Trading Days and Individual Disrupted Days: Applicable]

[Common Scheduled Trading Days and Individual Disrupted Days: Applicable]

(select one as appropriate and delete other two)

(ii) Index / Indices:

(Specify Index for Single Index-Linked Interest Notes, and specify each of Indices for Index Basket-Linked Interest Notes)

(iii) Exchange[s]:

[Specify Exchange][, which is a Multi Index Exchange].

[OR]

Index	Exchange
[•]	<i>[Specify Exchange][, which is a Multi Index Exchange]</i>
[...]	[...]
[•]	<i>[Specify Exchange][, which is a Multi Index Exchange]</i>

(iv) Related Exchange[s]:

[•] / [None specified]

(v) Determination Agent responsible for calculating the Final Redemption Amount:

[•]

(vi) Determination Time:

[•] / As per Condition 9.7

(vii) Weighting for each Index:

[Not Applicable]

[OR]

Index	Weighting
[•]	[•]
[...]	[...]
[•]	[•]

(viii) Additional Disruption Events:

[Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging] shall apply

(delete any which are not applicable)

(ix) Correction Cut Off Time:

(Condition 9.2(e))

[•] / within one Settlement Cycle after the original publication and prior to the relevant Maturity Date

(C) Single ETF-Linked Redemption Notes/ETF Basket-Linked Redemption Notes:

[Applicable/ In accordance with Item 1. (C) of the Interest Provisions] / Not Applicable]

(Condition 8)

(If in accordance with item 1. (C) of the Interest Provisions/not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Whether the Notes relate to a single ETF Interest or a basket of ETF Interests (each, an **ETF Interest**):

[Single ETF-Linked Redemption Notes]

[ETF Basket-Linked Redemption Notes]

(if Single ETF-linked Interest Notes, delete (a) below)

(a) Scheduled Trading Days and Disrupted Days:

[Common Scheduled Trading Days and Common Disrupted Days: Applicable]

[Individual Scheduled Trading Days and Individual Disrupted Days: Applicable]

[Common Scheduled Trading Days and Individual Disrupted Days: Applicable]

(select one as appropriate and delete other two)

(ii) Names of each ETF Interest and the related ETF (each, an **ETF**)

(specify ETF Interest(s) and ETF(s))

(iii) Exchange[s]:

[•] / [All Exchanges]

(iv) Related Exchange[s]:

[•] / [None specified]

(v) Determination Agent responsible for calculating the Final Redemption Amount:

[•]

(vi) Determination Time:

[•] / As per Condition 9.7

(vii) Weighting for each ETF comprising the basket:

[Not Applicable]

[OR]

ETF Interest	Weighting
[•]	[•]
[...]	[...]
[•]	[•]

(viii) Eligible ETF Interest:

[specify or delete if not applicable or fallback provisions in Condition 9.5 apply]

(ix) Additional Disruption Events

[Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging] shall apply

(x) Correction Cut Off Time

(delete any which are not applicable)

(Condition 9.3(b))

[•] / within one Settlement Cycle after the original publication and prior to the relevant Interest Payment Date

(D) Currency Linked Redemption Notes

[Applicable/ Not Applicable]

(Condition 10)

(if Not Applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Settlement Currency for Single Currency-Linked Notes:

[•] / [Not Applicable]

(ii) Reference Currency for Single Currency-Linked Notes:

[•] / [Not Applicable]

(iii) Specified Amount for Single Currency-Linked Notes:

[•] / [Not Applicable]

(iv) Reference Currency for Single Currency-Linked Notes:

[•] / [Not Applicable]

(v) Settlement Currencies, Reference Currencies, Specified Amounts and Reference Currency Jurisdiction for Currency Basket-Linked Notes

[Not Applicable] /

Settlement Currency	Reference Currency	Specified Amount	Reference Currency Jurisdiction
[•] <i>(repeat as required)</i>	[•] <i>(repeat as required)</i>	[•] <i>(repeat as required)</i>	[•] <i>(repeat as required)</i>

(vi) Specified Rate:

Specify one of:

Reference Currency bid exchange rate;

Reference Currency offer exchange rate;

Average of Reference Currency bid and offer exchange rates;

Settlement Currency bid exchange rate;

Settlement Currency offer exchange rate;

Average of Settlement Currency bid and offer exchange rates;

Official fixing rate;

- (vii) Determination Agent responsible for calculating the Interest Amount: [●] / [Morgan Stanley & Co. International plc]
- (viii) Settlement Rate Option: [Currency Reference Dealers] / [Not Applicable]
- (ix) Currency Disruption Events: (Condition 10.3) [[Price Source Disruption[is]/[is not] Applicable] [and] [Additional Price Source Disruption][,/and] [Price Materiality Event] [is]/[are] [applicable] / [Not Applicable] [in respect of all dates] / [in respect of *[insert dates, for example, Observation Date]*]
- (x) Currency Disruption Fallbacks: (Condition 10.4) Currency Disruption Fallback(s) shall apply in the following order:

Currency Disruption Event	Currency Disruption Fallback
Price Source Disruption	<p>[Not Applicable] / OR</p> <p><i>[insert the following if only one Currency Disruption Fallback applies:</i></p> <p>[Determination Agent Determination of Settlement Rate] [OR] [Fallback Reference Price]]</p> <p><i>[insert the following if only multiple Currency Disruption Fallbacks apply:</i></p> <p>[Currency Disruption Fallback(s) shall apply in the following order:</p> <p>[(i) Determination Agent Determination of Settlement Rate;</p> <p>(ii) Fallback Reference Price.]</p> <p>[OR]</p> <p>[(i) Fallback Reference Price;</p> <p>(ii) Determination Agent Determination of Settlement Rate.]]</p>
Additional Price Source Disruption	<p>[Not Applicable] / OR</p> <p><i>[insert the following if only one Currency Disruption Fallback applies:</i></p>

	<p>[Determination Agent Determination of Settlement Rate] [OR] [Fallback Reference Price]]</p> <p><i>[insert the following if only multiple Currency Disruption Fallbacks apply:</i></p> <p>[Currency Disruption Fallback(s) shall apply in the following order:</p> <p>[(i) Determination Agent Determination of Settlement Rate;</p> <p>(ii) Fallback Reference Price.]</p> <p>[OR]</p> <p>[(i) Fallback Reference Price;</p> <p>(ii) Determination Agent Determination of Settlement Rate.]]</p>
Price Materiality Event	<p>[Not Applicable] / OR</p> <p><i>[insert the following if only one Currency Disruption Fallback applies:</i></p> <p>[Determination Agent Determination of Settlement Rate] [OR] [Fallback Reference Price]]</p> <p><i>[insert the following if only multiple Currency Disruption Fallbacks apply:</i></p> <p>[Currency Disruption Fallback(s) shall apply in the following order:</p> <p>[(i) Determination Agent Determination of Settlement Rate;</p> <p>(ii) Fallback Reference Price.]</p> <p>[OR]</p> <p>[(i) Fallback Reference Price;</p> <p>(ii) Determination Agent Determination of Settlement Rate.]]</p>

(xi) Price Materiality Percentage: [●] per cent. / [Not Applicable]

- (xii) Reference Source: [●] / [Not Applicable]
- (xiii) Additional Disruption Change in Law – [Applicable] / [Not Applicable]
 Event(s): Hedging Disruption - [Applicable] / [Not Applicable]
 (Condition 10.6) Increased Cost of Hedging - [Applicable] / [Not Applicable]

(E) Inflation-Linked Redemption Notes

[Applicable/ In accordance with Item 1. (D) of the Interest Provisions] / Not Applicable]

(Condition 8)

(If in accordance with item 1. (D) of the Interest Provisions/not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Inflation Index / Inflation Indices: [●]
- (ii) Inflation Index Sponsor(s): [●]
- (iii) Weighting for each Inflation Index comprising the basket: [Not Applicable]

[OR]

Inflation Index	Weighting
[●]	[●]
[...]	[...]
[●]	[●]

- (iv) Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent): [●]
- (v) Additional Disruption Events:

[Change in Law, Hedging Disruption, and Increased Cost of Hedging] shall apply

(delete any which are not applicable)

- (vi) Related Bond:

[specify] / [Fallback Bond] / [Fallback Bond: Not Applicable][

- (vii) Index Level Adjustment Correction:

[The first publication or announcement of the level of the Inflation Index (disregarding estimates) by the relevant Inflation Index Sponsor for any Reference Month shall be final and conclusive and, subject to this Condition 11, later revisions to the level of the Inflation Index for such Reference Month will not be used in any calculations / The first publication or announcement of a level of the Inflation Index (disregarding estimates)

published by the relevant Index Sponsor or, if revised, any subsequent revision of such level for a Reference Month shall be final and conclusive for such Reference Month, provided that such revisions are published or announced up to and including the day that is two Business Days prior to the relevant Maturity Date, Early Redemption Date or Automatic Early Redemption Date].

(delete as appropriate)

(F) Single Fund-Linked Redemption Notes, Basket Fund-Linked Redemption Notes
(Condition 12)

[Applicable/Not Applicable]

(if Not Applicable, delete the remaining subparagraphs of this paragraph)

- (i) Fund: [specify / As defined in Condition 12.7]
- (ii) Fund Interest: [specify]
- (iii) Fund Interest Unit: [specify]
- (iv) Basket of Funds: [Not Applicable]

(if Basket of Funds is Not Applicable, delete (a) below)

(a) Fund Business Days and Disrupted Days:

[Common Fund Business Days and Common Disrupted Days: Applicable]

[Individual Fund Business Days and Individual Disrupted Days: Applicable]

[Common Fund Business Days and Individual Disrupted Days: Applicable]

(select one as appropriate and delete other two)

[OR]

Fund	Weighting
[•]	[•]
[...]	[...]
[•]	[•]

- (v) Company: [specify / Not Applicable]
- (vi) Fund Business Day: [specify / As defined in Condition 12.7]
- (vii) Fund Administrator: [specify / As defined in Condition 12.7]
- (viii) Fund Adviser: [specify / As defined in Condition 12.7]
- (ix) Fund Custodian: [specify / As defined in Condition 12.7]
- (x) Additional Fund Service Provider: [specify / Not Applicable]
- (xi) Cut-off Period: [specify / As defined in Condition 12.7]

- (xii) Final Cut-off Date: [specify / Not Applicable]
- (xiii) Valuation Time: [specify / As defined in Condition 12.7]
- (xiv) Settlement Determination Period: [As defined in Condition 12.2.1 / [●] Business Days (specify if another period is applicable)]
- (xv) Scheduled Fund Valuation Date(s): [specify]
- (xvi) Extraordinary Dividend: [Determination Agent Characterisation applies]/[In Accordance with Condition 12.7]

(xvii) Ordinary Dividend Calendar:

Paying dates	Dividend Amount
[•]	[•]
[...]	[...]
[•]	[•]

[If Fund-Linked Basket is applicable, add a Table by each Fund of the Basket]

- (xviii) Adjustment Determination Period: (Condition 12.4) [As defined in Condition 12.4/[●] (specify if another period is applicable)]
- (xx) Hypothetical Investor Jurisdiction: [specify / As defined in Condition 12.7]
- (xxi) Scheduled Redemption Payment Date: [specify / As defined in Condition 12.7]
- (xxii) Subscription Notice Date: [specify / As defined in Condition 12.7]
- (xxiii) Redemption Notice Date: [specify / As defined in Condition 12.7]
- (xxiv) Reference Price: [Determined in accordance with the applicable Value Determination Terms specified below] / [As defined in Condition 12.7]
- (xxv) Eligible Fund Interest: [specify / As defined in Condition 12.7]
(Condition 12.5)
- (xxvi) Fund Event(s):
(Condition 12.5) The following are the applicable Fund Events in relation to the Notes:
(specify all of the following which apply)
[Nationalisation;] / [Insolvency Event;] / [NAV Trigger / Restriction Event;] / [Aggregate NAV Trigger Event;] / [Changes

to Fund or Fund Services Providers;] / [Fund Modification;] / [Strategy Breach;] / [Breach by Fund Service Provider;] / [General Regulatory Event;] / [Reporting Disruption;] / [Compulsory Redemption or Assignment;] / [Closure to Subscriptions; Dealing Restrictions;] / [Disposals: Material Change: Merger;] / [Hedging Disruption;] / [Fraud;] / [Special Regulatory Event;] / [Force Majeure Event;] / [Value Limitation;]

- (a) NAV Trigger Percentage: [[●] per cent.] / [Not Applicable]
(specify relevant percentage if “NAV Trigger / Restriction Event” is an applicable Fund Event)
- (b) NAV Trigger Period: [specify] / [Not Applicable]
(specify relevant period if “NAV Trigger / Restriction Event” is an applicable Fund Event)
- (c) Aggregate NAV Trigger Value: [specify] / [Not Applicable]
(specify relevant percentage if “Aggregate NAV Trigger Event” is an applicable Fund Event)
- (d) Aggregate NAV Trigger Period: [specify] / [Not Applicable]
(specify relevant period if “Aggregate NAV Trigger Event” is an applicable Fund Event)
- (e) NAV Source: [●]
(specify where the NAV of any Fund will be published)

(G) Single Futures Contract-Linked Redemption Notes, Futures Contract Basket Linked Redemption Notes [Applicable/ Not Applicable]

- (i) Whether the Notes relate to a single futures contract or a basket of futures contracts (each, a **Futures Contract**): [Single Futures Contract-Linked Interest Notes]/ [Futures Contract Basket-Linked Interest Notes]
(If Single Futures Contract-Linked Interest Notes, delete (ii) below)
- (ii) Scheduled Trading Days and Disrupted Days: [Common Scheduled Trading Days and Common Disrupted Days: Applicable]
[Individual Scheduled Trading Days and Individual Disrupted Days: Applicable]
[Common Scheduled Trading Days and Individual Disrupted Days: Applicable]
(select one as appropriate and delete other two)

- (iii) Futures Contract(s): *(Specify name and if applicable expiry date for each futures contract)*
- (iv) Futures Contract Underlier: [●] [None specified]
- (v) Exchange: [●]
- (vi) Settlement Price: [daily settlement price] [final settlement price]
- (vii) Determination Agent responsible for calculating the Final Redemption Amount:
- (viii) Specified Number of Scheduled Trading Days: [●] [As per Condition 13.7]
- (ix) Specified Number of Common Scheduled Trading Days: [●] [As per Condition 13.7]
- (x) Futures Contract Adjustment Events: [Price Source Disruption] [Trading Restriction] [Disappearance or Non-commencement of Futures Contract or Settlement Price] [Material Change in Formula] [Material Change in Content] [Tax Disruption] [Change of Exchange] [Illiquidity Event]
- (xi) Adjustments for Futures Contract Adjustment Events: *(Specify criteria for replacement of futures contract contemplated by Condition 13.4(a)(ii), if any)*
- (xii) Additional Disruption Events: [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
- (xiii) Correction Cut-Off Time: [●]
- (xiv) Weighting for each Futures Contract comprising the Basket of Futures Contracts

Futures Contract	Weighting

(H) Combination Basket Notes

[Applicable/ Not Applicable]

- (i) Combination Basket Components (Insert details on Combination Basket Components from sections 1(A), (B), (C) and (G) above)
- (ii) Weighting of each Combination Basket Component:

Combination Basket Component	Weighting

2. PERFORMANCE OF THE RELEVANT UNDERLYING

(A) Performance Determination Terms for Notes linked to a single Share, Index, ETF Interest, Fund Interest, Inflation Index or Futures Contract:

(for determining "Relevant Underlying
Performance" for Interest Terms)

[Not Applicable] / [In accordance with Item 2.
(A) of the Interest Provisions] [Basic
Performance] / [Capped Performance] /
[Floored Performance] / [Capped & Floored
Performance] / [Absolute Basic Performance]
/ [Absolute Capped Performance] / [Absolute
Floored Performance] / [Absolute Capped &
Floored Performance] / [Basic performance
with synthetic dividends]

*(If not applicable, delete the remaining
sub-paragraphs of this paragraph / If in
accordance with Item 2. (A) of the Interest
Provisions, only maintain the following item :
the references to the interest determination
dates should be replaced by the Performance
Observation Date*

(i) Applicable Period:

[From the Issue Date to the Maturity Date.] /
[From [date] to [date].]

(ii) Strike:

[1/[●]]

(iii) Put Performance:

[Applicable]/[Not Applicable]

(iv) Performance Observation Date:

Each date on which a Performance must be
calculated in the Determination of Final
Redemption section

(v) Performance Rate:

[•] per cent.

[OR]

Interest Determination Date	Performance Rate
In respect of the Interest Determination Date falling on [date]	[•] per cent.
[...]	[...]
In respect of the Interest Determination	[•] per cent.

Date falling on [date]	
---------------------------	--

- (vi) Synthetic dividends level: [•]
(specify if Basic Performance with synthetic dividends is selected, otherwise delete this provision)
- (vii) Initial Reference Value: [•] / [Determined in accordance with the Value Determination Terms specified below]
- (viii) **Value Determination Terms** for Initial Reference Value: [Not Applicable] / [Closing Value] / [Intraday Value] / [Average Value] / [Min Value] / [Max Value] / [Floored Min Value] / [Capped Max Value] / [Individually Floored Average Value] / [Individually Capped Average Value] / [Globally Floored Average Value] / [Globally Capped Average Value] / [Reset Value]
(Section 2 of 0 of the Additional Terms and Conditions)
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- Reference Month: [•]
(specify if Notes are Inflation-Linked Notes otherwise delete this provision)
 - Averaging Dates in relation to the Strike Date: [date][, [date].... and [date]]
(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)
 - Averaging Date Disruption: [Omission] / [Postponement] / [Modified Postponement]
(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)
 - Observation Dates in relation to the Strike Date: [date][, [date].... and [date]]
(specify if Min Value / Max Value / Floored Min Value or Capped Max

Value is selected, otherwise delete this provision)

- Floor Value: [•]

(specify if Floored Min Value / Individually Floored Average Value is selected, otherwise delete this provision)

- Global Floor Value: [•]

(specify if Globally Floored Average Value is selected, otherwise delete this provision)

- Cap Value: [•]

(specify if Capped Max Value / Individually Capped Average Value is selected, otherwise delete this provision)

- Global Cap Value: [•]

(specify if Globally Capped Average Value is selected, otherwise delete this provision)

- Reset Observation Dates: [date][, [date].... and [date]]

(specify if Restrike Value is selected, otherwise delete this provision)

- Reset Barrier Value: [[•]/[•] per cent.]

(specify if Restrike Value is selected, otherwise delete this provision)

- Reset Rate: [•]%

(specify if Restrike Value is selected, otherwise delete this provision)

(ix) **Value Determination Terms** for

Final Reference Value as of each Interest Determination Date:

(Section 2 of 0 of the Additional Terms and Conditions)

[Closing Value] / [Intraday Value] / [Average Value] / [Min Value] / [Max Value] / [Floored Min Value] / [Capped Max Value] / [Individually Floored Average Value] / [Individually Capped Average Value] / [Globally Floored Average Value] / [Globally Capped Average Value]

- Reference Month:

(specify if Notes are Inflation-Linked Notes otherwise delete this provision)

Interest Determination Date	Reference Month
[•]	[•]
[...]	[...]
[•]	[•]

- Averaging Dates in relation to each Interest Determination Date:

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

Interest Determination Date	Averaging Dates
[date]	[date][, [date].... and [date]]
[date]	[date][, [date].... and [date]]
[date]	[date][, [date].... and [date]]

- Averaging Date Disruption:

[Omission] / [Postponement] / [Modified Postponement]

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

- Observation Dates in relation to each Interest Determination Date:

(specify if Min Value / Max Value / Floored Min Value or Capped Max Value is selected, otherwise delete this provision)

Interest Determination Date	Observation Dates
[date]	[date][, [date].... and [date]]
[date]	[date][, [date].... and [date]]

[date]	[date][, [date].... and [date]]
--------	------------------------------------

- Floor Value: [•]

(specify if Floored Min Value / Individually Floored Average Value is selected, otherwise delete this provision)

- Global Floor Value: [•]

(specify if Globally Floored Average Value is selected, otherwise delete this provision)

- Cap Value: [•]

(specify if Capped Max Value / Individually Capped Average Value is selected, otherwise delete this provision)

- Global Cap Value: [•]

(specify if Globally Capped Average Value is selected, otherwise delete this provision)

- (x) Cap: [•] per cent.

(specify if Capped Performance / Capped & Floored Performance / Absolute Capped Performance / Absolute Capped & Floored Performance is selected, otherwise delete this provision)

- (xi) Floor: [•] per cent.

(specify if Floored Performance / Capped & Floored Performance / Absolute Floored Performance / Absolute Capped & Floored Performance is selected, otherwise delete this provision)

(B) Selected Average Performance Determination Terms for Notes linked to a Basket:

[Not Applicable] / [In accordance with Item 2. (B) of the Interest Provisions] [Basic Performance] [Selected Average Basic Performance] / [Selected Average Individually Capped Performance] / [Selected

(for determining "Relevant Underlying Performance" for [Interest]/[Final Redemption] Terms)

Average Individually Floored Performance] / [Selected Average Individually Capped & Floored Performance] / [Selected Average Global Capped Performance] / [Selected Average Global Floored Performance] / [Selected Average Global Capped & Floored Performance] / [Selected Absolute Average Basic Performance] / [Selected Absolute Average Individually Capped Performance] / [Selected Absolute Average Individually Floored Performance] / [Selected Absolute Average Individually Capped & Floored Performance] / [Selected Absolute Average Global Capped Performance] / [Selected Absolute Average Global Floored Performance] / [Selected Absolute Average Global Capped & Floored Performance] / [Best of – Non Equally Weighted Average Performance] / [Worst of – Non Equally Weighted Average Performance] / [Selection of – Non Equally Weighted Average Performance] / [Selection of – Non Equally Weighted Average Performance with synthetic dividends]

(If not applicable, delete the remaining sub-paragraphs of this paragraph / If in accordance with Item 2. (B) of the Interest Provisions, only maintain the following item : the references to the interest determination dates should be replaced by the Performance Observation Date)

(i) Applicable Period:

[From the Issue Date to the Maturity Date.] / [From [date] to [date].]

(ii) Strike :

[1/[●]]

(iii) Performance Observation Date

Each date on which a Performance must be calculated in the Determination of Final Redemption section

(iv) Performance Rate:

[•]

[OR]

Performance Observation Date	Performance Rate
In respect of the Performance	[•] per cent.

Observation Date falling on <i>[date]</i>	
<i>[...]</i>	<i>[...]</i>
In respect of the Performance Observation Date falling on <i>[date]</i>	<i>[•]</i> per cent.

- (v) Synthetic dividends level:

(specify if Selection of – Non Equally Weighted Average Performance with synthetic dividends is selected, otherwise delete this provision)

[•]

- (vi) Initial Reference Value:

Basket Component	Initial Reference Value
<i>[•]</i>	<i>[•]</i> / [Determined in accordance with the Value Determination Terms specified below]
<i>[...]</i>	<i>[...]</i>
<i>[•]</i>	<i>[•]</i> / [Determined in accordance with the Value Determination Terms specified below]

- (vii) **Value Determination Terms** for Initial Reference Value:

(Section 2 of 0 of the Additional Terms and Conditions)

[specify the relevant Basket Component(s)]:
 [Not Applicable] / [Closing Value] / [Intraday Value] / [Average Value] / [Min Value] / [Max Value] / [Floored Min Value] / [Capped Max Value] / [Individually Floored Average Value] / [Individually Capped Average Value] / [Globally Floored Average Value] / [Globally Capped Average Value] / [Reset Value]

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

- Reference Month:

[•]

(specify if Notes are Inflation-Linked Notes otherwise delete this provision)

- Averaging Dates in relation to Strike Date: [date][, [date].... and [date]]

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

- Averaging Date Disruption: [Omission] / [Postponement] / [Modified Postponement]

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

- Value Observation Dates in relation to the Strike Date: [[date][, [date].... and [date]] / [Each [Common] Scheduled Trading Day commencing on [date] (inclusive) and ending on [date] (excluded)]

(specify if Min Value / Max Value / Floored Min Value or Capped Max Value is selected, otherwise delete this provision)

- Floor Value: [•]

(specify if Floored Min Value / Individually Floored Average Value is selected, otherwise delete this provision)

- Global Floor Value: [•]

(specify if Globally Floored Average Value is selected, otherwise delete this provision)

- Cap Value: [•]

(specify if Capped Max Value / Individually Capped Average

Value is selected, otherwise delete this provision)

- Global Cap Value: [•]

(specify if Globally Capped Average Value is selected, otherwise delete this provision)

- Reset Observation Dates: [date][, [date].... and [date]]

(specify if Restrike Value is selected, otherwise delete this provision)

- Reset Barrier Value: [[●]/[●] per cent.]

(specify if Restrike Value is selected, otherwise delete this provision)

- Reset Rate: [●]%

(specify if Restrike Value is selected, otherwise delete this provision)

- (viii) **Value Determination Terms** for Final Reference Value as of each Performance Observation Date:

(Section 2 of 0 of the Additional Terms and Conditions)

[specify the relevant Basket Component(s)]:
[Closing Value] / [Intraday Value] / [Average Value] / [Min Value] / [Max Value] / [Floored Min Value] / [Capped Max Value] / [Individually Floored Average Value] / [Individually Capped Average Value] / [Globally Floored Average Value] / [Globally Capped Average Value]

- Reference Month:

(specify if Notes are Inflation-Linked Notes otherwise delete this provision)

Performance Observation Date	Reference Month
[•]	[•]
[...]	[...]
[•]	[•]

- Averaging Dates in relation to each Performance Observation Date:

(specify if Average Value / Individually Capped Average Value / Individually Floored

Performance Observation Date	Averaging Dates
[date]	[date][, [date].... and [date]]
[...]	[...]

*Average Value / Globally Floored
Average Value / Globally Capped
Average Value is selected,
otherwise delete this provision)*

[date]	[date][, [date].... and [date]]
--------	------------------------------------

- Averaging Date
Disruption:

[Omission] / [Postponement] / [Modified
Postponement]

*(specify if Average Value /
Individually Capped Average
Value / Individually Floored
Average Value / Globally Floored
Average Value / Globally Capped
Average Value is selected,
otherwise delete this provision)*

- Observation Dates in
relation to each Interest
Determination Date:

*(specify if Min Value / Max Value /
Floored Min Value or Capped Max
Value is selected, otherwise delete
this provision)*

Performance Observation Date	Observation Dates
[date]	[[date][, [date].... and [date]] (inclusive) and ending on [date] (excluded)]
[...]	[...]
[date]	[[date][, [date].... and [date]] (inclusive) and ending on [date] (excluded)]

- Floor Value:

[•]

*(specify if Floored Min Value /
Individually Floored Average
Value is selected, otherwise delete
this provision)*

- Global Floor Value:

[•]

*(specify if Globally Floored
Average Value is selected,
otherwise delete this provision)*

- Cap Value:

[•]

*(specify if Capped Max Value /
Individually Capped Average*

Value is selected, otherwise delete this provision)

- Global Cap Value:

[•]

(specify if Globally Capped Average Value is selected, otherwise delete this provision)

(ix) Cap:

[Not Applicable]

[OR]

[•] per cent.

[OR]

(specify if Selected Average Individually Capped Performance / Selected Average Individually Capped & Floored Performance / Selected Average Global Capped Performance / Selected Average Global Capped & Floored Performance / Selected Absolute Average Individually Capped Performance / Selected Absolute Average Individually Capped & Floored Performance / Selected Absolute Average Global Capped Performance / Selected Absolute Average Global Capped & Floored Performance is selected, otherwise specify "Not Applicable")

Basket Component	Cap
[•]	[•]
[...]	[...]
[•]	[•]

(x) Floor:

[Not Applicable]

[OR]

[•] per cent.

[OR]

(specify if Selected Average Individually Floored Performance / Selected Average Individually Capped & Floored Performance / Selected Average Global Floored Performance / Selected Average Global Capped & Floored Performance / Selected Absolute Average Individually Floored Performance / Selected Absolute Average Individually Capped &

Basket Component	Floor
[•]	[•]
[...]	[...]
[•]	[•]

Floored Performance / Selected Absolute Average Global Floored Performance / Selected Absolute Average Global Capped & Floored Performance is selected, otherwise specify "Not Applicable")

(xi) Selected Basket Components:

For the purposes of determining the Selected Basket Component, "J" = [number], [number]... and [number]

[insert number assigned to "J", where "J" is a number from 1 to N denoting one of the Basket Components numbered in order according to the respective values for each Basket Component determined by dividing the Closing Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the highest such value (Basket Component 1) and ending with the Basket Component with the lowest such value (Basket Component N), "N" being the total number of Basket Components]

(xii) Relevant Weighting or W_i

[Not Applicable]

[OR]

(specify if Best of – Non Equally Weighted Average Performance / Worst of – Non Equally Weighted Average Performance / Selection of - Non Equally Weighted Average Performance / Selection of – Non Equally Weighted Average Performance with synthetic dividends is selected, otherwise specify "Not Applicable")

W_i	Basket Component
[•]	[•]
[...]	[...]
[•]	[•]

3. FINAL REDEMPTION PROVISIONS

(A) Final Redemption Amount of each Note

(Condition 15)

[[•] per Calculation Amount] [Determined in accordance with the applicable Final Redemption Terms. See Item 26 of Part A below for details.]

- (B) **Equity-Linked, Currency-Linked, Inflation-Linked, Fund and Futures Contract-Linked Redemption Notes redemption provisions: Final Redemption Terms** [Applicable / Not Applicable]
(if Not Applicable, delete the sub-paragraph below)

(Condition 15 of 0 of the Terms and Conditions and Section 6 of 0 of the Additional Terms and Conditions)

I Barrier Redemption (Principal at Risk):

[Applicable/Not Applicable]

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

- (i)(a) Final Redemption Amount will be 100 per cent. per Calculation Amount if Relevant Underlying Performance as of the Determination Date is: [greater than] / [greater than or equal to] / [less than] / [less than or equal to] Final Redemption Barrier Value
(delete as appropriate)

- (i)(b) In all other cases, Final Redemption Amount will be: Determined as set out in Paragraph 1(b) of Section 6 of 0 of the Additional Terms and Conditions.

- (ii) Determination Date:

[date]

- (iii) Final Redemption Barrier Value:

[[•] / [•] per cent.]

II Lock in Redemption (Principal at Risk)

[Applicable / Not Applicable]

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

- (i) Final Redemption Amount:

- (a) If Relevant Underlying Performance as of any of the Barrier Observation Dates is: [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Lock in Barrier Value,

100 per cent. per Calculation Amount.

- (b) In all other cases:

Calculated in accordance with Paragraph 2(b) of Section 6 of 0 of the Additional Terms and Conditions.

- (ii) Lock in Barrier Value:

[[•] / [•] per cent.]

[OR]

Barrier Observation Date	Lock in Barrier Value
---------------------------------	------------------------------

In respect of the Barrier Observation Date falling on <i>[date]</i>	[[•] / [•] per cent.]
[...]	[...]
In respect of the Barrier Observation Date falling on <i>[date]</i>	[[•] / [•] per cent.]

(iii) Barrier Observation Date(s):

[date][, *[date]*.... and *[date]*]

(iv) Determination Date:

[date]

III Barrier & Lock in Redemption (Principal at Risk)

[Applicable / Not Applicable]

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

(i) Final Redemption Amount:

(a) If the Relevant Underlying Performance as of the Determination Date is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Final Redemption Barrier Value,

100 per cent. per Calculation Amount

OR

(b) If the Relevant Underlying Performance as of any of the Barrier Observation Dates is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Lock in Barrier Value,

100 per cent. per Calculation Amount

OR

(c) In all other cases:

Calculated in accordance with Paragraph 3(b) of Section 6 of 0 of the Terms and Conditions.

(ii) Final Redemption Barrier Value:

[[•] / [•] per cent.]

(iii) Lock in Barrier Value:

[[•] / [•] per cent.]

[OR]

Barrier Observation Date	Lock in Barrier Value
---------------------------------	------------------------------

In respect of the Barrier Observation Date falling on <i>[date]</i>	[[•] / [•] per cent.]
[...]	[...]
In respect of the Barrier Observation Date falling on <i>[date]</i>	[[•] / [•] per cent.]

(iv) Barrier Observation Date(s):

[date][, *[date]*.... and *[date]*]

(v) Determination Date:

[date]

IV Airbag Barrier Redemption (Principal at Risk)

[Applicable / Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Final Redemption Amount:

(a) If the Relevant Underlying Performance as of the Determination Date is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Final Redemption Barrier Value,

100 per cent. per Calculation Amount

OR

(b) In all other cases:

Calculated in accordance with Paragraph 4(b) of Section 6 of 0 of the Additional Terms and Conditions

(ii) Determination Date:

[date]

(iii) Final Redemption Barrier Value:

[[•] / [•] per cent.]

(iv) Airbag Rate:

[•] per cent.

V Airbag Lock in Redemption (Principal at Risk)

[Applicable / Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Final Redemption Amount:

(a) If Relevant Underlying Performance as of any of the Barrier Observation Dates is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Lock in Barrier Value,

100 per cent. per Calculation Amount.

OR

(b) In all other cases:

Calculated in accordance with Paragraph 5(b) of Section 6 of 0 of the Terms and Conditions.

(ii) Barrier Observation Date(s):

[date][, [date].... and [date]]

(iii) Lock in Barrier Value:

[[•] / [•] per cent.]

[OR]

Barrier Observation Date	Lock in Barrier Value
In respect of the Barrier Observation Date falling on [date]	[[•] / [•] per cent.]
[...]	[...]
In respect of the Barrier Observation Date falling on [date]	[[•] / [•] per cent.]

(iv) Airbag Rate:

[•] per cent.

(v) Determination Date:

[date]

VI Airbag Barrier & Lock in Redemption (Principal at Risk)

[Applicable / Not Applicable]

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

(i) Final Redemption Amount:

(a) If Relevant Underlying Performance as of the Determination Date is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Final Redemption Barrier Value,

100 per cent. per Calculation Amount

OR

(b) If Relevant Underlying Performance as of any of the Barrier Observation Dates is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Lock in Barrier Value,

100 per cent. per Calculation Amount

OR

(c) In all other cases:

Calculated in accordance with Paragraph 6(b) of Section 6 of 0 of the Additional Terms and Conditions

(ii) Barrier Observation Date(s):

[*date*][, [*date*]. . . . and [*date*]]

(iii) Final Redemption Barrier Value:

[[•] / [•] per cent.]

(iv) Lock in Barrier Value:

[[•] / [•] per cent.]

[OR]

Barrier Observation Date	Lock in Barrier Value
In respect of the Barrier Observation Date falling on [<i>date</i>]	[[•] / [•] per cent.]
[...]	[...]
In respect of the Barrier Observation Date falling on [<i>date</i>]	[[•] / [•] per cent.]

(v) Airbag Rate:

[•] per cent.

(vi) Determination Date:

[*date*]

VII Participation (Floored) Redemption (Principal at Risk)

[Applicable / Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Final Redemption Amount:

Shall be determined in accordance with Paragraph 7 of Section 6 of 0 of the Additional Terms and Conditions

(ii) Floor:

[•] per cent.

(iii) Participation Rate:

[•] per cent.

(iv) Determination Date:

[*date*]

VIII Participation (Conditional Floored) Redemption (Principal at Risk)

[Applicable / Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Final Redemption Amount:
- (a) If Relevant Underlying Performance as of any of the Barrier Observation Dates is: [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Final Redemption Barrier Value,

An amount determined in accordance with Paragraph 8(a) of Section 6 of 0 of the Additional Terms and Conditions

OR

- (b) In all other cases: 100 per cent. per Calculation Amount.
- (ii) Final Redemption Barrier Value: [•]

[OR]

Barrier Observation Date	Final Redemption Barrier Value
In respect of the Barrier Observation Date falling on [date]	[[•] / [•] per cent.]
[...]	[...]
In respect of the Barrier Observation Date falling on [date]	[[•] / [•] per cent.]

- (iii) Barrier Observation Date(s): [date][, [date].... and [date]]
- (iv) Participation Rate: [•] per cent
- (v) Floor: [•]
- (vi) Determination Date: [date]

IX Participation (Low Barrier) Redemption (Principal at Risk)

[Applicable / Not Applicable]

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

- (i) Final Redemption Amount:
- (a) If Relevant Underlying Performance as of the Determination Date is: [greater than] / [greater than or equal to] the Final Redemption Barrier Value,
- 100 per cent. per Calculation Amount

OR

(b) In all other cases:

Calculated in accordance with Paragraph 9(b) of Section 6 of 0 of the Additional Terms and Conditions

(ii) Determination Date:

[date]

(iii) Final Redemption Barrier Value:

[[•] / [•] per cent.]

(Section 2 of 0 of the Additional Terms and Conditions)

(iv) Barrier Percentage:

[•] per cent.

(If Final Redemption Barrier Value is a percentage, specify the same percentage as Barrier Percentage. Otherwise specify the percentage calculated by dividing the Final Redemption Barrier Value by the Initial Reference Value)

X Redemption linked with the Partial Automatic Early Redemption (Principal at Risk)

[Applicable / Not Applicable]

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

(i) Final Redemption Amount:

(a) If Relevant Underlying Performance as of the Determination Date is:

greater than the Upper Final Redemption Barrier Value,

Calculated in accordance with Paragraph 10(a) of Section 6 of 0 of the Additional Terms and Conditions

OR

(b) If Relevant Underlying Performance as of the Determination Date is:

greater than the Final Redemption Barrier Value,

Calculated in accordance with Paragraph 10(b) of Section 6 of 0 of the Additional Terms and Conditions

OR

	(c)	If Relevant Underlying Performance as of the Determination Date is:	equal or less than the Final Redemption Barrier Value, Calculated in accordance with Paragraph 10(c) of Section 6 of 0 of the Additional Terms and Conditions
	(ii)	Determination Date:	[date]
	(iii)	Final Redemption Barrier Value:	[[•] / [•] per cent.]
	(iv)	Percentage Rate:	[•] per cent.
	(v)	Upper Final Redemption Barrier Value:	[[•] / [•] per cent.]
XI	Synthetic Dividends (Principal not at Risk)	Redemption	[Applicable / Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i)	Final Redemption Amount:	
	(a)	If Relevant Underlying Performance as of the Determination Date is:	equal or less than zero, 100 per cent. per Calculation Amount.
		OR	
	(b)	If Relevant Underlying Performance as of the Determination Date is:	more than zero, Calculated in accordance with Paragraph 11 of Section 6 of 0 of the Additional Terms and Conditions
	(ii)	Determination Date:	[date]
	(iii)	Performance Rate:	[•] per cent.
XII	Redemption linked to Performance (Principal at Risk)		[Applicable / Not Applicable]

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

(i) Final Redemption Amount:

(a) If Relevant Underlying Performance as of the Determination Date is:

greater than the Final Redemption Barrier Value,

Calculated in accordance with Paragraph 12(a) of Section 6 of Part 2 of the Additional Terms and Conditions

OR

(b) If Relevant Underlying Performance as of the Determination Date is:

equal or less than the Final Redemption Barrier Value,

Calculated in accordance with Paragraph 12(b) of Section 6 of 0 of the Additional Terms and Conditions

(ii) Determination Date: [date]

(iii) Final Redemption Barrier Value: [[•] / [•] per cent.]

(iv) First Redemption Rate: [•] per cent.

(v) Second Redemption Rate: [•] per cent.

XIII Knock-Out Event Redemption:

[Applicable / Not Applicable]

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

(i) Final Redemption Amount:

(a) If no Knock-Out Event has occurred:

OR if the Knock-Out Event has occurred:

(b) If Method 1 is applicable: Calculation Amount

OR

(c) If Method 2 is applicable:

Calculation Amount x (100% + Relevant Underlying Performance)

Calculation Amount x Redemption Rate

(ii) Knock-Out Event
Observation Date(s):

[*date*]/[*date*]/.../[*date*]

(iii) Knock-Out Event Barrier
Value:

[[•] / [•] %]

OR

Interest Determination Date	Knock-Out Event Barrier Value
In respect of the Knock-Out Event Observation Date falling on [<i>date</i>]	[[•] / [•] % .
[...]	[...]
In respect of the Knock-Out Event	[[•] / [•] % .

Observation Date falling on <i>[date]</i>	
--	--

(iv) Applicable Method:

Method [1/2]

(v) Redemption Rate:

[[•] %/ Not Applicable]

(if Method 1 is selected, specify Not Applicable)

**XIV Modified Airbag Barrier Redemption
(Principal at Risk)**

[Applicable / Not Applicable]

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

(i) Final Redemption
Amount:

(a) If the Relevant
Underlying
Performance as at the
Determination Date is:

[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Final Autocall Barrier Value

100 per cent. per Calculation Amount.

OR

(b) In any other case:

Calculated in accordance with Paragraph 14(b) of Section 6 of Part 2 of the Additional Terms and Conditions

(ii) Determination Date:

[date]

(iii) Autocall Barrier Value

[[•] / [•] %]

(iv) Airbag Rate:

[•] %

(v) Floor:

[•] %

(vi) Percentage Rate:

[•] %

XV Capital Protection Redemption

[Applicable / Not Applicable]

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

- | | | |
|-------|--------------------------|---|
| (i) | Final Redemption Amount: | Calculation Amount x (100% + Max (Capital Protection – 100% ; Min (Cap ; Relevant Underlying Performance))) |
| (ii) | Cap: | [•] % |
| (iii) | Capital Protection: | [•] % |
| (iv) | Determination Date: | [date] |

XVI. Modified Barrier & Lock in Redemption (Principal at Risk) [Applicable / Not Applicable]

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

- | | | |
|-------|---|---|
| (i) | Final Redemption Amount: | |
| (a) | If the Relevant Underlying Performance as of the Determination Date is: | [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Final Redemption Barrier Value, |
| | OR | 100 per cent. per Calculation Amount |
| (b) | If Perf IRR as of any of the Barrier Observation Dates is: | [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Lock in Barrier Value, |
| | OR | 100 per cent. per Calculation Amount |
| (c) | In all other cases: | Calculated in accordance with Paragraph 16(ii) of Section 6 of Part 2 of the Additional Terms and Conditions. |
| (ii) | Final Redemption Barrier Value: | [•] % |
| (iii) | Lock in Barrier Value: | [•] % |
| (iv) | Barrier Observation Date(s): | [date] |
| (v) | Determination Date: | [date] |

XVII Geared Barrier Redemption (Principal at Risk) [Applicable / Not Applicable]

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

- (i) Final Redemption Amount:
 - (a) If Final Reference Value as of the Determination Date is: [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Final Redemption Barrier Geared Value:
 100 per cent. per Calculation Amount
 OR
 - (b) In all other cases: Calculated in accordance with Paragraph 17(b) of Section 6 of Part 2 of the Additional Terms and Conditions.
- (ii) Geared Percentage: [•] %
- (iii) Determination Date: [date]

17. OPTIONAL REDEMPTION

- (A) **Early Redemption at the option of the Issuer:** [Applicable/Not Applicable]
 - (Condition 15.4) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
 - (i) Optional Redemption Date(s): [date][, [date].... and [date]]
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[•] per Calculation Amount] / [100 per cent. per Calculation Amount]
 - (iii) Optional Redemption in part only: [Applicable. Redemption will be effected in accordance with sub-clause [(i)/(ii)] of Condition 15.5 (*Partial Redemption*)] / [Not Applicable]
(delete as appropriate)
 - (iv) Notice period: [•]
 - (v) Maximum Notice Period: [●] [calendar day(s)/Business Day(s)]
 - (vi) Minimum Notice Period: [●] [calendar day(s)/Business Day(s)]

(B) Early Redemption at the option of the Noteholders:	[Applicable/Not Applicable]
(Condition 15.6)	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Optional Redemption Date(s):	[date][, [date].... and [date]]
(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount] / [100 per cent. per Calculation Amount]
(iii) Notice period:	[●]
18. EARLY REDEMPTION PROVISIONS	
18.1 Automatic Early Redemption:	[Applicable / Not Applicable]
	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
I Barrier Automatic Early Redemption	[Applicable/Not Applicable]
<i>(Section 5 of 0 (Additional Terms & Conditions) of the Terms and Conditions of the Notes)</i>	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Automatic Early Redemption Event is deemed to occur if the Relevant Underlying Performance as of any Automatic Early Redemption Valuation Date is:	[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Autocall Barrier Value
	<i>(Delete as appropriate)</i>
(ii) Automatic Early Redemption Valuation Date:	[date], [date], and [date]
(iii) Autocall Barrier Value:	[[•] / [•] per cent.]
(iv) Automatic Early Redemption Amount:	Autocall Early Redemption Rate x Calculation Amount
(v) Autocall Early Redemption Rate:	[•] per cent. in respect of <i>[insert relevant Automatic Early Redemption Valuation Date]</i> ;
	[•] per cent. in respect of <i>[insert relevant Automatic Early Redemption Valuation Date]</i>
	[...]
	[•] per cent. in respect of <i>[insert relevant Automatic Early Redemption Valuation Date]</i>
(vi) Automatic Early Redemption Date(s):	[[] Scheduled Trading Days after [each] Automatic Early Redemption Valuation Date]

II	Partial Automatic Early Redemption (Principal at Risk)	[Applicable/Not Applicable]
	<i>(Section 5 of 0 (Additional Terms & Conditions) of the Terms and Conditions of the Notes)</i>	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Automatic Early Redemption Event is deemed to occur if the Relevant Underlying Performance as of any Automatic Early Redemption Valuation Date is:	[greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Autocall Barrier Value
		<i>(Delete as appropriate)</i>
	(ii) Automatic Early Redemption Valuation Date:	[date], [date], and [date]
	(iii) Autocall Barrier Value:	[[•] / [•] per cent.]
	(iv) Automatic Early Redemption Amount:	Autocall Early Redemption Rate x Reduced Calculation Amount
	(v) Autocall Early Redemption Rate:	[•] per cent. in respect of <i>[insert relevant Automatic Early Redemption Valuation Date]</i> ;
		[•] per cent. in respect of <i>[insert relevant Automatic Early Redemption Valuation Date]</i>
		[...]
		[•] per cent. in respect of <i>[insert relevant Automatic Early Redemption Valuation Date]</i>
	(vi) Automatic Early Redemption Date(s):	[[] Scheduled Trading Days after [each] Automatic Early Redemption Valuation Date]
	(vii) Partial Automatic Early Redemption Rate:	[•] per cent.
	(viii) Partial Automatic Early Redemption Date:	[•]
III	Automatic Early Redemption Based on Coupons (Principal at Risk)	[Applicable/Not Applicable]
	<i>(Section 5 of 0 (Additional Terms & Conditions) of the Terms and Conditions of the Notes)</i>	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Automatic Early Redemption Event is deemed to occur if:	[(i) the Issuer has paid more than the Minimum Number of Coupons; [and/or]]

[(ii) the Relevant Underlying Performance as of any specified Automatic Early Redemption Valuation Date has been at least a Minimum Number of Time [greater than] / [greater than or equal to] / [less than] / [less than or equal to] than the Autocall Barrier Value ; [and/or]]

[(iii) the sum of the Coupon Amounts paid to the Noteholders exceeds the Minimum Aggregate Percentage of the Calculation Amount.]

(Delete as appropriate)

- | | | |
|--------|--|--|
| (ii) | Automatic Early Redemption Valuation Date: | [<i>date</i>], [<i>date</i>], and [<i>date</i>] |
| (iii) | Autocall Barrier Value: | [[•] / [•] per cent.][Not Applicable] |
| (iv) | Automatic Early Redemption Amount: | Autocall Early Redemption Rate x Calculation Amount |
| (v) | Autocall Early Redemption Rate: | [•] per cent. in respect of [<i>insert relevant Automatic Early Redemption Valuation Date</i>][;

[•] per cent. in respect of [<i>insert relevant Automatic Early Redemption Valuation Date</i>]

[...]

[•] per cent. in respect of [<i>insert relevant Automatic Early Redemption Valuation Date</i>]] |
| (vi) | Minimum Aggregate Percentage: | [Not Applicable] [Applicable - [•] per cent.] |
| (vii) | Minimum Number of Coupons: | [Not Applicable] [Applicable - [•]] |
| (viii) | Minimum Number of Time: | [Not Applicable] [Applicable - [•]] |

- | | | |
|-----------|---|---|
| (ix) | Automatic Early Redemption Date(s): | [[] Scheduled Trading Days after [each] Automatic Early Redemption Valuation Date] |
| IV | Double Barrier Automatic Early Redemption – Option 1 | [Applicable/Not Applicable] |

(Section 5 of 0 (Additional Terms & Conditions) of the Terms and Conditions of the Notes) *(If not applicable, delete the remaining subparagraphs of this paragraph)*

- | | | |
|------|---|--|
| (i) | Automatic Early Redemption Valuation Date(s): | [<i>date</i>], [<i>date</i>], and [<i>date</i>] |
| (ii) | Restructuring Automatic Early Redemption Valuation Date(s): | |

- (iii) First Autocall Barrier Value: $[date]$, $[date]$, and $[date]$
 $[[\bullet] / [\bullet]]$ per cent.]

[OR]

Automatic Early Redemption Valuation Date(s)	First Autocall Barrier Value
In respect of the Automatic Early Redemption Valuation Date falling on $[date]$	$[[\bullet] / [\bullet]]$ per cent.]
[...]	[...]
In respect of the Automatic Early Redemption Valuation Date falling on $[date]$	$[[\bullet] / [\bullet]]$ per cent.]

- (iv) Second Autocall Barrier Value: $[[\bullet] / [\bullet]]$ per cent.]

[OR]

Automatic Early Redemption Valuation Date(s)	Second Autocall Barrier Value
In respect of the Automatic Early Redemption Valuation Date falling on $[date]$	$[[\bullet] / [\bullet]]$ per cent.]
[...]	[...]
In respect of the Automatic Early Redemption Valuation Date falling on $[date]$	$[[\bullet] / [\bullet]]$ per cent.]

- (v) Restructuring Autocall Barrier Value: $[[\bullet] / [\bullet]]$ per cent.]

[OR]

	Restructuring Automatic Early Redemption Valuation Date(s)	Restructuring Autocall Barrier Value
	In respect of the Restructuring Automatic Early Redemption Valuation Date falling on <i>[date]</i>	[[•] / [•] per cent.]
	[...]	[...]
	In respect of the Restructuring Automatic Early Redemption Valuation Date falling on <i>[date]</i>	[[•] / [•] per cent.]
(vi) Automatic Early Redemption Amount:		100% x Calculation Amount
(vii) Automatic Early Redemption Date(s):		[[<i>date</i>], [<i>date</i>], and [<i>date</i>] / [] Scheduled Trading Days after [each] Automatic Early Redemption Valuation Date]]

V Double Barrier Automatic Early Redemption – Option 2

(Section 5 of 0 (Additional Terms & Conditions) of the Terms and Conditions of the Notes)

[Applicable/Not Applicable]

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

- (i) Automatic Early Redemption Valuation Date(s): *[date]*, *[date]*, and *[date]*
- (ii) First Automatic Early Redemption Valuation Date: *[date]*
- (iii) Basis Period: *[daily]/[weekly]/[monthly]/[quarterly]*
- (iv) First Autocall Barrier Value: *[[•] / [•] per cent.]*

[OR]

Automatic Early Redemption Valuation Date(s)	First Autocall Barrier Value
In respect of the Automatic Early Redemption	[[•] / [•] per cent.]

Valuation Date falling on <i>[date]</i>	
[...]	[...]
In respect of the Automatic Early Redemption Valuation Date falling on <i>[date]</i>	[[•] / [•] per cent.]

(v) Second Autocall Barrier Value:

[[•] / [•] per cent.]

[OR]

Automatic Early Redemption Valuation Date(s)	Second Autocall Barrier Value
In respect of the Automatic Early Redemption Valuation Date falling on <i>[date]</i>	[[•] / [•] per cent.]
[...]	[...]
In respect of the Automatic Early Redemption Valuation Date falling on <i>[date]</i>	[[•] / [•] per cent.]

(vi) Automatic Early Redemption Amount: 100% x Calculation Amount

(vii) Automatic Early Redemption Date(s):
[[*[date]*], [*[date]*], and [*[date]*] / [] Scheduled Trading Days after [each] Automatic Early Redemption Valuation Date]]

VI Automatic Early Redemption – Range of Barriers

[Applicable/Not Applicable]

(Section 5 of 0 (Additional Terms & Conditions) of the Terms and Conditions of the Notes)

(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Automatic Early Redemption Event is deemed to occur if the Relevant Underlying Performance as of any Automatic Early Redemption Range Valuation Date is:

[less than] / [less than or equal to] the Autocall Barrier High Range Value

and

[greater than] / [greater than or equal to] the Autocall Barrier Low Range Value

(Delete as appropriate)

(ii) Automatic Early Redemption Range Valuation Date(s):

[date], [date], and [date]

(iii) Autocall Low Range Value:

[[•] / [•] per cent.]

[OR]

Automatic Early Redemption Range Valuation Date(s)	Autocall Low Range Value
In respect of the Automatic Early Redemption Range Valuation Date falling on [date]	[[•] / [•] per cent.]
[...]	[...]
In respect of the Automatic Early Redemption Range Valuation Date falling on [date]	[[•] / [•] per cent.]

(iv) Autocall High Range Value:

[[•] / [•] per cent.]

[OR]

Automatic Early Redemption Valuation Date(s)	Autocall High Range Value
In respect of the Automatic Early Redemption Range Valuation Date falling on [date]	[[•] / [•] per cent.]
[...]	[...]
In respect of the Automatic Early	[[•] / [•] per cent.]

Redemption Range Valuation Date falling on [date]	
---	--

- (v) Automatic Early Redemption Amount: 100% x Calculation Amount
- (vi) Automatic Early Redemption Date(s): [[date], [date], and [date] / [] Scheduled Trading Days after [each] Automatic Early Redemption Range Valuation Date]]

VII Barrier Automatic Early Redemption – Barrier or Surperformance

[Applicable/Not Applicable]

(Section 5 of 0 (Additional Terms & Conditions) of the Terms and Conditions of the Notes)

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

- (i) Automatic Early Redemption Event is deemed to occur if the Relevant Underlying Performance as of any Automatic Early Redemption Valuation Date is:

[greater than] / [greater than or equal to] the Autocall Barrier Value

or

less than the Autocall Barrier Value but [greater than] / [greater than or equal to] the Relevant Compared Underlying Performance

(Delete as appropriate)

- (ii) Automatic Early Redemption Valuation Date(s):

[date], [date], and [date]

- (iii) Autocall Barrier Value:

[[•] / [•] per cent.]

[OR]

Automatic Early Redemption Valuation Date(s)	Autocall Barrier Value
In respect of the Automatic Early Redemption Valuation Date falling on [date]	[[•] / [•] per cent.]
[...]	[...]

				<table><tr><td>In respect of the Automatic Early Redemption Valuation Date falling on <i>[date]</i></td><td>[[•] / [•] per cent.]</td></tr></table>	In respect of the Automatic Early Redemption Valuation Date falling on <i>[date]</i>	[[•] / [•] per cent.]
In respect of the Automatic Early Redemption Valuation Date falling on <i>[date]</i>	[[•] / [•] per cent.]					
(iv)	Automatic Early Redemption Amount:			100% x Calculation Amount		
(v)	Automatic Early Redemption Date(s):			[[<i>[date]</i>], [<i>[date]</i>], and [<i>[date]</i>] / [] Scheduled Trading Days after [each] Automatic Early Redemption Range Valuation Date]]		

VIII Budget Barrier Automatic Early Redemption (Principal at Risk) [Applicable/Not Applicable]

(Section 5 of Part 2 (Additional Terms & Conditions) of the Terms and Conditions of the Notes) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Automatic Early Redemption Event is deemed to occur if:
- (a) the Relevant Underlying Performance as of the first Automatic Early Redemption Valuation Date is: [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Autocall Barrier Value
- OR
- (b) the Sum of Performance as of any of the subsequent Interest Determination Dates: [greater than] / [greater than or equal to] / [less than] / [less than or equal to] the Autocall Barrier Value
- (ii) Automatic Early Redemption Valuation Date: [*[date]*], [*[date]*], and [*[date]*]
- (iii) Autocall Barrier Value: [•] per cent.

[OR]

Automatic Early Redemption Valuation Date	Coupon Barrier Value
In relation to the Automatic Early Redemption Valuation Date falling on <i>[date]</i>	[•] per cent.

[...]	[...]
In relation to the Automatic Early Redemption Valuation Date falling on <i>[date]</i>	[•] per cent.

(iv) Automatic Early Redemption Amount: Autocall Early Redemption Rate x Calculation Amount

(v) Autocall Early Redemption Rate: [•] per cent. in respect of *[insert relevant Automatic Early Redemption Valuation Date]*;

[•] per cent. in respect of *[insert relevant Automatic Early Redemption Valuation Date]*

[...]

[•] per cent. in respect of *[insert relevant Automatic Early Redemption Valuation Date]*

(vi) Automatic Early Redemption Date(s): [[] Scheduled Trading Days after [each] Automatic Early Redemption Valuation Date]

IX Automatic Early Redemption

[Applicable/Not Applicable]

(Condition 15.11)

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

(i) Automatic Early Redemption Event is deemed to occur if the [Relevant Underlying Performance / sum of the Coupon Amounts paid to Noteholders] as of any Automatic Early Redemption Valuation Date is: [greater than] / [greater than or equal to] / [less than] / [less than] / [less than or equal to] the Automatic Early Redemption Level

(ii) Automatic Early Redemption Level: [•] / [●]%

(iii) Determination Time: [•]

OR

Automatic Early Redemption Valuation Date	Determination Time
In respect of the Automatic Early Redemption Valuation Date falling on <i>[date]</i>	[•]

[...]	[...]
In respect of the Automatic Early Redemption Valuation Date falling on [date]	[•]

- (iv) Automatic Early Redemption Valuation Date: [date], [date], and [date]
- (v) Automatic Early Redemption Amount: [[•] per Calculation Amount] / [According to Condition 15.11]
- (vi) Automatic Early Redemption Rate: [[•] per cent.] / [100 per cent.]
- (vii) Automatic Early Redemption Date(s): [[] Scheduled Trading Days after [each] Automatic Early Redemption Valuation Date]

III. RELEVANT UNDERLYING

(If Compared Underlying is applicable, include the following wording: With respect to the Compared Underlying, please refer to item 15. PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE above.)

- (A) **Single Share-Linked Redemption Notes, Share Basket-Linked Redemption Notes:** [Applicable/ [In accordance with Item I. (A) of the Interest Provisions or the Final Redemption Provisions] / Not Applicable]
- (Condition 8) *(If in accordance with Item I. (A) of the Interest Provisions or the Final Redemption Provisions/not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Whether the Notes relate to a single share or a basket of shares (each an **Underlying Share**): [Single Share-Linked Redemption Notes] / [Share Basket-Linked Redemption Notes]
- (if Single Share-Linked Interest Notes, delete (a) below)*
- (a) Scheduled Trading Days and Disrupted Days: [Common Scheduled Trading Days and Common Disrupted Days: Applicable]
- [Individual Scheduled Trading Days and Individual Disrupted Days: Applicable]
- [Common Scheduled Trading Days and Individual Disrupted Days: Applicable]
- (select one as appropriate and delete other two)*
- (ii) The identity of the relevant issuer(s) (each, an **Underlying Issuer**), class of the Underlying Share and ISINs or other security *(Specify (i) names of each Underlying Issuer (ii) class of each Underlying Share and (iii)*

- identification code for the Underlying Share: *ISIN or other security identification code for each Underlying Share*
- (iii) Exchange[s]: [•] / [All Exchanges]
- (iv) Related Exchange[s]: [•] / [None specified]
- (v) Determination Agent responsible for calculating the Automatic Early Redemption Amount: [•]
- (vi) Determination Time: [•] / As per Condition 9.7
- (vii) Weighting for each Underlying Share comprising the basket: [Not Applicable]

[OR]

Underlying Share	Weighting
[•]	[•]
[...]	[...]
[•]	[•]

- (viii) Additional Disruption Events: [Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging] shall apply

(delete any which are not applicable)

- (ix) Correction Cut Off Time: [•] / within one Settlement Cycle after the original publication and prior to the relevant Interest Payment Date.
(Condition 9.3(b))

- (B) Single Index-Linked Redemption Notes/ Index Basket-Linked Redemption Notes:** [Applicable/ [In accordance with Item I. (B) of the Interest Provisions or the Final Redemption Provisions] / Not Applicable]

(Condition 8) *(If in accordance with Item I. (B) of the Interest Provisions or the Final Redemption Provisions/not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Types of Notes: [Single Index-Linked Redemption Notes] / [Index Basket-Linked Redemption Notes]

(if Single Index-Linked Interest Notes, delete (a) below)

- (a) Scheduled Trading Days and Disrupted Days: [Common Scheduled Trading Days and Common Disrupted Days: Applicable]

[Individual Scheduled Trading Days and Individual Disrupted Days: Applicable]

[Common Scheduled Trading Days and Individual Disrupted Days: Applicable]

(select one as appropriate and delete other two)

(ii) Index / Indices:

(Specify Index for Single Index-Linked Interest Notes, and specify each of Indices for Index Basket-Linked Interest Notes)

(iii) Exchange[s]:

[Specify Exchange][, which is a Multi Index Exchange].

[OR]

Index	Exchange
[•]	<i>[Specify Exchange][, which is a Multi Index Exchange]</i>
[...]	[...]
[•]	<i>[Specify Exchange][, which is a Multi Index Exchange]</i>

(iv) Related Exchange[s]:

[•] / [None specified]

(v) Determination Agent responsible for calculating the Automatic Early Redemption Amount:

[•]

(vi) Determination Time:

[•] / As per Condition 9.7

(vii) Weighting for each Index:

[Not Applicable]

[OR]

Index	Weighting
[•]	[•]
[...]	[...]
[•]	[•]

- (viii) Additional Disruption Events: [Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging] shall apply
- (ix) Correction Cut Off Time: *(delete any which are not applicable)*
(Condition 9.2(e)) [•] / within one Settlement Cycle after the original publication and prior to the relevant Maturity Date
- (C) **Single ETF-Linked Redemption Notes/ ETF Basket-Linked Redemption Notes:** [Applicable/ [In accordance with Item I. (C) of the Interest Provisions or the Final Redemption Provisions] / Not Applicable]
- (Condition 8) *(If in accordance with Item I. (C) of the Interest Provisions or the Final Redemption Provisions/not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Whether the Notes relate to a single ETF Interest or a basket of ETF Interests (each, an **ETF Interest**): [Single ETF-Linked Redemption Notes]
[ETF Basket-Linked Redemption Notes]
- (if Single ETF-Linked Interest Notes, delete (a) below)*
- (a) Scheduled Trading Days and Disrupted Days: [Common Scheduled Trading Days and Common Disrupted Days: Applicable]
[Individual Scheduled Trading Days and Individual Disrupted Days: Applicable]
[Common Scheduled Trading Days and Individual Disrupted Days: Applicable]
- (select one as appropriate and delete other two)*
- (ii) Names of each ETF Interest and the related ETF (each, an **ETF**): *(specify ETF Interest(s) and ETF(s))*
- (iii) Exchange[s]: [•] / [All Exchanges]
- (iv) Related Exchange[s]: [•] / [None specified]
- (v) Determination Agent responsible for calculating the Automatic Early Redemption Amount: [•]
- (vi) Determination Time: [•] / As per Condition 9.7
- (vii) Weighting for each ETF comprising the basket: [Not Applicable]
- [OR]

ETF Interest	Weighting
--------------	-----------

[•]	[•]
[...]	[...]
[•]	[•]

(viii) Eligible ETF Interest:

[specify or delete if not applicable or fallback provisions in Condition 9.5 apply]

(ix) Additional Disruption Events:

[Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging] shall apply

(delete any which are not applicable)

(x) Correction Cut Off Time:

(Condition 9.3(b))

[•] / within one Settlement Cycle after the original publication and prior to the relevant Interest Payment Date

(D) Currency Linked [Applicable/ Not Applicable]
Redemption Notes

(Condition 10)

(if Not Applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Settlement Currency for Single Currency-Linked Notes:

[•] / *[Not Applicable]*

(ii) Reference Currency for Single Currency-Linked Notes:

[•] / *[Not Applicable]*

(iii) Specified Amount for Single Currency-Linked Notes:

[•] / *[Not Applicable]*

(iv) Reference Currency for Single Currency-Linked Notes:

[•] / *[Not Applicable]*

(v) Settlement Currencies, Reference Currencies, Specified Amounts and Reference Currency Jurisdiction for Currency Basket-Linked Notes

[Not Applicable] /

Settlement Currency	Reference Currency	Specified Amount	Reference Currency Jurisdiction
[•] <i>(repeat as required)</i>	[•] <i>(repeat as required)</i>	[•] <i>(repeat as required)</i>	[•] <i>(repeat as required)</i>

(vi) Specified Rate:

Specify one of:

Reference Currency bid exchange rate;
Reference Currency offer exchange rate;
Average of Reference Currency bid and offer exchange rates;
Settlement Currency bid exchange rate;
Settlement Currency offer exchange rate;
Average of Settlement Currency bid and offer exchange rates;
Official fixing rate;

- (vii) Determination Agent responsible for calculating the Interest Amount: [●] / [Morgan Stanley & Co. International plc]
- (viii) Settlement Rate Option: [Currency Reference Dealers] / [Not Applicable]
- (ix) Currency Disruption Events: (Condition 10.3) [[Price Source Disruption[is]/[is not] Applicable] [and] [Additional Price Source Disruption][,/and] [Price Materiality Event] [is]/[are] [applicable] / [Not Applicable] [in respect of all dates] / [in respect of *[insert dates, for example, Observation Date]*]]
- (x) Currency Disruption Fallbacks: (Condition 10.4) Currency Disruption Fallback(s) shall apply in the following order:

Currency Disruption Event	Currency Disruption Fallback
Price Source Disruption	<p>[Not Applicable] / OR</p> <p><i>[insert the following if only one Currency Disruption Fallback applies:</i></p> <p>[Determination Agent Determination of Settlement Rate] [OR] [Fallback Reference Price]]</p> <p><i>[insert the following if only multiple Currency Disruption Fallbacks apply:</i></p> <p>[Currency Disruption Fallback(s) shall apply in the following order:</p> <p>[(i) Determination Agent of Settlement Rate;</p> <p>(ii) Fallback Reference Price.]</p>

	<p>[OR]</p> <p>[(i) Fallback Reference Price; (ii) Determination Agent Determination of Settlement Rate.]]</p>
Additional Price Source Disruption	<p>[Not Applicable] / OR</p> <p><i>[insert the following if only one Currency Disruption Fallback applies:</i></p> <p>[Determination Agent Determination of Settlement Rate] [OR] [Fallback Reference Price]]</p> <p><i>[insert the following if only multiple Currency Disruption Fallbacks apply:</i></p> <p>[Currency Disruption Fallback(s) shall apply in the following order:</p> <p>[(i) Determination Agent Determination of Settlement Rate; (ii) Fallback Reference Price.]</p> <p>[OR]</p> <p>[(i) Fallback Reference Price; (ii) Determination Agent Determination of Settlement Rate.]]</p>
Price Materiality Event	<p>[Not Applicable] / OR</p> <p><i>[insert the following if only one Currency Disruption Fallback applies:</i></p> <p>[Determination Agent Determination of Settlement Rate] [OR] [Fallback Reference Price]]</p> <p><i>[insert the following if only multiple Currency Disruption Fallbacks apply:</i></p> <p>[Currency Disruption Fallback(s) shall apply in the following order:</p>

	[(i) Determination Agent Determination of Settlement Rate; (ii) Fallback Reference Price.] [OR] [(i) Fallback Reference Price; (ii) Determination Agent Determination of Settlement Rate.]]
--	--

- (xi) Price Materiality Percentage: [•] per cent. / [Not Applicable]
- (xii) Reference Source: [•] / [Not Applicable]
- (xiii) Additional Disruption Event(s): Change in Law – [Applicable] / [Not Applicable]
 (Condition 10.5) Hedging Disruption - [Applicable] / [Not Applicable]
 Increased Cost of Hedging - [Applicable] / [Not Applicable]

(E) Inflation-Linked Redemption Notes

[Applicable/ [In accordance with Item I. (D) of the Interest Provisions or the Final Redemption Provisions] / Not Applicable]

(Condition 8)

(If in accordance with Item I. (D) of the Interest Provisions or the Final Redemption Provisions/not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Inflation Index / Inflation Indices: [•]
- (ii) Inflation Index Sponsor(s): [•]
- (iii) Weighting for each Inflation Index comprising the basket: [Not Applicable]

[OR]

Inflation Index	Weighting
[•]	[•]
[...]	[...]
[•]	[•]

- (iv) Party responsible for calculating the Automatic Early Redemption Amount (if not the Calculation Agent): [•]

Fund	Weighting
[•]	[•]
[...]	[...]
[•]	[•]

- (v) Company: [specify / Not Applicable]
- (vi) Fund Business Day: [specify / As defined in Condition 12.7]
- (vii) Fund Administrator: [specify / As defined in Condition 12.7]
- (viii) Fund Adviser: [specify / As defined in Condition 12.7]
- (ix) Fund Custodian: [specify / As defined in Condition 12.7]
- (x) Additional Fund Service Provider: [specify / Not Applicable]
- (xi) Cut-off Period: [specify / As defined in Condition 12.7]
- (xii) Final Cut-off Date: [specify / Not Applicable]
- (xiii) Valuation Time: [specify / As defined in Condition 12.7]
- (xiv) Settlement Determination Period: [As defined in Condition 12.2.1 / [●] Business Days (specify if another period is applicable)]
- (xv) Scheduled Fund Valuation Date(s): [specify]
- (xvi) Extraordinary Dividend: [Determination Agent Characterisation applies]/[In Accordance with Condition 12.7]

(xvii) Ordinary Dividend Calendar:

Paying dates	Dividend Amount
[•]	[•]
[...]	[...]
[•]	[•]

[If Fund-Linked Basket is applicable, add a Table by each Fund of the Basket]

- (xviii) Adjustment Determination Period: (Condition 12.4) [As defined in Condition 12.4/[●] (specify if another period is applicable)]
- (xix) Fund Subscription Date: [specify / As defined in Condition 12.7]
- (xx) Hypothetical Investor Jurisdiction: [specify / As defined in Condition 12.7]

- (xxi) Scheduled Redemption Payment Date: [*specify* / As defined in Condition 12.7]
- (xxii) Subscription Notice Date: [*specify* / As defined in Condition 12.7]
- (xxiii) Redemption Notice Date: [*specify* / As defined in Condition 12.7]
- (xxiv) Reference Price: [Determined in accordance with the applicable Value Determination Terms specified below] / [As defined in Condition 12.7]
- (xxv) Eligible Fund Interest: [*specify* / As defined in Condition 12.7]
(Condition 12.5)
- (xxvi) Fund Event(s): The following are the applicable Fund Events in relation to the Notes:
(Condition 12.5)
(specify all of the following which apply)
[Nationalisation;] / [Insolvency Event;] / [NAV Trigger / Restriction Event;] / [Aggregate NAV Trigger Event;] / [Changes to Fund or Fund Services Providers;] / [Fund Modification;] / [Strategy Breach;] / [Breach by Fund Service Provider;] / [General Regulatory Event;] / [Reporting Disruption;] / [Compulsory Redemption or Assignment;] / [Closure to Subscriptions; Dealing Restrictions;] / [Disposals: Material Change: Merger;] / [Hedging Disruption;] / [Fraud;] / [Special Regulatory Event;] / [Force Majeure Event;] / [Value Limitation;]
- (a) NAV Trigger Percentage: [[●] per cent.] / [Not Applicable]
(specify relevant percentage if “NAV Trigger / Restriction Event” is an applicable Fund Event)
- (b) NAV Trigger Period: [*specify*] / [Not Applicable]
(specify relevant period if “NAV Trigger / Restriction Event” is an applicable Fund Event)
- (c) Aggregate NAV Trigger Value: [*specify*] / [Not Applicable]
(specify relevant percentage if “Aggregate NAV Trigger Event” is an applicable Fund Event)
- (d) Aggregate NAV Trigger Period: [*specify*] / [Not Applicable]
(specify relevant period if “Aggregate NAV Trigger Event” is an applicable Fund Event)
- (e) NAV Source: [●]
(specify where the NAV of any Fund will be published)

(G)	Single Futures Contract-Linked Interest Notes, Futures Contract Basket Linked Interest Notes	[Applicable/ Not Applicable]		
	(i) Whether the Notes relate to a single futures contract or a basket of futures contracts (each, a Futures Contract):	[Single Futures Contract-Linked Interest Notes]/ [Futures Contract Basket-Linked Interest Notes] <i>(If Single Futures Contract-Linked Interest Notes, delete (ii) below)</i>		
	(ii) Scheduled Trading Days and Disrupted Days:	[Common Scheduled Trading Days and Common Disrupted Days: Applicable] [Individual Scheduled Trading Days and Individual Disrupted Days: Applicable] [Common Scheduled Trading Days and Individual Disrupted Days: Applicable] <i>(select one as appropriate and delete other two)</i>		
	(iii) Futures Contract(s):	<i>(Specify name and if applicable expiry date for each futures contract)</i>		
	(iv) Futures Contract Underlier:	[●] [None specified]		
	(v) Exchange:	[●]		
	(vi) Settlement Price:	[daily settlement price] [final settlement price]		
	(vii) Determination Agent responsible for calculating the Early Redemption Amount:			
	(viii) Specified Number of Scheduled Trading Days:	[●] [As per Condition 13.7]		
	(ix) Specified Number of Common Scheduled Trading Days:	[●] [As per Condition 13.7]		
	(x) Futures Contract Adjustment Events:	[Price Source Disruption] [Trading Restriction] [Disappearance or Non-commencement of Futures Contract or Settlement Price] [Material Change in Formula] [Material Change in Content] [Tax Disruption] [Change of Exchange] [Illiquidity Event]		
	(xi) Adjustments for Futures Contract Adjustment Events:	<i>(Specify criteria for replacement of futures contract contemplated by Condition 13.4(a)(ii), if any)</i>		
	(xii) Additional Disruption Events:	[Change in Law] [Hedging Disruption] [Increased Cost of Hedging]		
	(xiii) Correction Cut-Off Time:	[●]		
(xiv) Weighting for each Futures Contract comprising the Basket of Futures Contracts	<table><tr><th>Futures Contract</th><th>Weighting</th></tr></table>	Futures Contract	Weighting	
Futures Contract	Weighting			

(H) Combination Basket Notes

[Applicable/ Not Applicable]

- (i) Combination Basket Components:
- (ii) Weighting of each Combination Basket Component

(Insert details on Combination Basket Components from Sections 1(A), (B), (C) and (G) above)

Combination Basket Component	Weighting

IV PERFORMANCE OF RELEVANT UNDERLYING.

(If Compared Underlying is applicable, include the following wording: With respect to the Compared Underlying, please refer to item 15. PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE above.)

(A) Performance Determination Terms for Notes linked to a single Share, Index, ETF Interest, Fund Interest, Currency, Inflation Index or Futures Contract:

[Not Applicable] / [In accordance with Item 0. (A) of the Interest Provisions or the Final Redemption Provisions] [Basic Performance] / [Capped Performance] / [Floored Performance] / [Capped & Floored Performance] / [Absolute Basic Performance] / [Absolute Capped Performance] / [Absolute Floored Performance] / [Absolute Capped & Floored Performance] / [Basic performance with synthetic dividends]

(for determining "Relevant Underlying Performance" as of each Automatic Early Redemption Valuation Date for Early Redemption Terms)

(If not applicable, delete the remaining sub-paragraphs of this paragraph / if in accordance with Item 0. (A) of the Interest Provisions, only maintain the following item : the references to the interest determination dates should be replaced by the Determination Date / if in accordance with Item 0. (A) of the Final Redemption Provisions, only maintain the following item: the references to the Performance Observation Date(s) should be replaced by a

reference to Automatic Early Redemption Valuation Date)

- (i) Applicable Period: [From the Issue Date to the Maturity Date.] / [From [date] to [date].]
- (ii) Strike: [1/[●]]
- (iii) Put Performance: [Applicable]/[Not Applicable]
- (iv) Performance Rate: [●] per cent.

[OR]

Automatic Early Redemption Valuation Date	Performance Rate
In respect of the Automatic Early Redemption Valuation Date falling on [date]	[●] per cent.
[...]	[...]
In respect of the Automatic Early Redemption Valuation Date falling on [date]	[●] per cent.

- (v) Synthetic dividends level: [●]
(specify if Basic Performance with synthetic dividends is selected, otherwise delete this provision)
- (vi) Initial Reference Value: [●] / [Determined in accordance with the Value Determination Terms specified below]
- (vii) **Value Determination Terms** for Initial Reference Value:
(Section 2 of 0 of the Additional Terms and Conditions)
[Not Applicable] / [Closing Value] / [Intraday Value] / [Average Value] / [Min Value] / [Max Value] / [Floored Min Value] / [Capped Max Value] / [Individually Floored Average Value] / [Individually Capped Average Value] / [Globally Floored Average Value] / [Globally Capped Average Value] / [Reset Value]

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

- Reference Month: [•]

(specify if Notes are Inflation-Linked Notes otherwise delete this provision)

- Averaging Dates in relation to the Strike Date: [date][, [date].... and [date]]

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

- Averaging Date Disruption: [Omission] / [Postponement] / [Modified Postponement]

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

- Observation Dates in relation to the Strike Date: [date][, [date].... and [date]]

(specify if Min Value / Max Value / Floored Min Value or Capped Max Value is selected, otherwise delete this provision)

- Floor Value: [•]

(specify if Floored Min Value / Individually Floored Average Value is selected, otherwise delete this provision)

- Global Floor Value: [•]

(specify if Globally Floored Average Value is selected, otherwise delete this provision)

- Cap Value: [•]

(specify if Capped Max Value / Individually Capped Average Value is selected, otherwise delete this provision)

- Global Cap Value: [•]

(specify if Globally Capped Average Value is selected, otherwise delete this provision)

- Reset Observation Dates: [date][, [date].... and [date]]

(specify if Restrike Value is selected, otherwise delete this provision)

- Reset Barrier Value: [[●]/[●] per cent.]

(specify if Restrike Value is selected, otherwise delete this provision)

- Reset Rate: [●]%

(specify if Restrike Value is selected, otherwise delete this provision)

(viii) **Value Determination Terms** for Final Reference Value as of each Automatic Early Redemption Valuation Date:

(Section 2 of 0 of the Additional Terms and Conditions)

[Closing Value] / [Intraday Value] / [Average Value] / [Min Value] / [Max Value] / [Floored Min Value] / [Capped Max Value] / [Individually Floored Average Value] / [Individually Capped Average Value] / [Globally Floored Average Value] / [Globally Capped Average Value]

- Reference Month:

(specify if Notes are Inflation-Linked Notes otherwise delete this provision)

Automatic Early Redemption Valuation Date	Reference Month
[•]	[•]
[...]	[...]
[•]	[•]

- Averaging Dates in relation to each Automatic Early Redemption Valuation Date:

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

Automatic Early Redemption Valuation Date	Averaging Dates
[date]	[date][, [date].... and [date]]
[date]	[date][, [date].... and [date]]
[date]	[date][, [date].... and [date]]

- Averaging Date Disruption:

[Omission] / [Postponement] / [Modified Postponement]

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

- Observation Dates in relation to each Automatic Early Redemption Valuation Date:

(specify if Min Value / Max Value / Floored Min Value or Capped Max Value is selected, otherwise delete this provision)

Automatic Early Redemption Valuation Date	Observation Dates
[date]	[date][, [date].... and [date]]
[date]	[date][, [date].... and [date]]
[date]	[date][, [date].... and [date]]

- Floor Value:

[•]

(specify if Floored Min Value / Individually Floored Average Value is selected, otherwise delete this provision)

- Global Floor Value:

[•]

(specify if Globally Floored Average Value is selected, otherwise delete this provision)

- Cap Value: [•]

(specify if Capped Max Value / Individually Capped Average Value is selected, otherwise delete this provision)

- Global Cap Value: [•]

(specify if Globally Capped Average Value is selected, otherwise delete this provision)

- (ix) Cap: [•] per cent.

(specify if Capped Performance / Capped & Floored Performance / Absolute Capped Performance / Absolute Capped & Floored Performance is selected, otherwise delete this provision)

- (x) Floor: [•] per cent.

(specify if Floored Performance / Capped & Floored Performance / Absolute Floored Performance / Absolute Capped & Floored Performance is selected, otherwise delete this provision)

(B) Selected Average Performance Determination Terms for Notes linked to a Basket:

(for determining "Relevant Underlying Performance" as of each Automatic Early Redemption Valuation Date for Early Redemption Terms)

[Not Applicable] / [In accordance with Item 0.(B) of the Interest Provisions or the Final Redemption Provision] / [Selected Average Basic Performance] / [Selected Average Individually Capped Performance] / [Selected Average Individually Floored Performance] / [Selected Average Individually Capped & Floored Performance] / [Selected Average Global Capped Performance] / [Selected Average Global Floored Performance] / [Selected Average Global Capped & Floored Performance] / [Selected Absolute Average Basic Performance] / [Selected Absolute Average Individually Capped Performance] / [Selected Absolute Average Individually Floored Performance] / [Selected Absolute Average Individually Capped & Floored Performance] / [Selected Absolute Average Global Capped Performance] / [Selected Absolute Average Global Floored Performance] / [Selected Absolute Average Global Capped & Floored Performance] / [Best of – Non Equally Weighted Average Performance] / [Worst of – Non Equally

Weighted Average Performance] / [Selection of – Non Equally Weighted Average Performance] / [Selection of – Non Equally Weighted Average Performance with synthetic dividends]

(If not applicable, delete the remaining sub-paragraphs of this paragraph / if in accordance with Item 0. (B) of the Interest Provisions, only maintain the following item : the references to the interest determination dates should be replaced by the Determination Date / if in accordance with Item 0. (B) of the Final Redemption Provisions, only maintain the following item: the references to the Performance Observation Date(s) should be replaced by a reference to Automatic Early Redemption Valuation Date)

(i) Applicable Period:

[From the Issue Date to the Maturity Date.] /
[From [date] to [date].]

(ii) Strike:

[1/[●]]

(iii) Performance Rate:

[●]

[OR]

Automatic Early Redemption Valuation Date	Performance Rate
In respect of the Automatic Early Redemption Valuation Date falling on [date]	[●] per cent.
[...]	[...]
In respect of the Automatic Early Redemption Valuation Date falling on [date]	[●] per cent.

(iv) Synthetic dividends level:

[●]

(specify if Selection of – Non Equally Weighted Average Performance with synthetic

dividends is selected, otherwise delete this provision)

(v) Initial Reference Value:

Basket Component	Initial Reference Value
[•]	[•] / [Determined in accordance with the Value Determination Terms specified below]
[...]	[...]
[•]	[•] / [Determined in accordance with the Value Determination Terms specified below]

(vi) **Value Determination Terms** for Initial Reference Value:

(Section 2 of 0 of the Additional Terms and Conditions)

[specify the relevant Basket Component(s)]:
 [Not Applicable] / [Closing Value] / [Intraday Value] / [Average Value] / [Min Value] / [Max Value] / [Floored Min Value] / [Capped Max Value] / [Individually Floored Average Value] / [Individually Capped Average Value] / [Globally Floored Average Value] / [Globally Capped Average Value] / [Reset Value]

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

- Reference Month:

[•]

(specify if Notes are Inflation-Linked Notes otherwise delete this provision)

- Averaging Dates in relation to Strike Date:

[date][, [date].... and [date]]

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

- Averaging Date
Disruption: [Omission] / [Postponement] / [Modified Postponement]

(specify if Average Value / Individually Capped Average Value / Individually Floored Average Value / Globally Floored Average Value / Globally Capped Average Value is selected, otherwise delete this provision)

- Value Observation Dates in relation to the Strike Date: [[date][, [date].... and [date]] / [Each [Common] Scheduled Trading Day commencing on [date] (inclusive) and ending on [date] (excluded)]

(specify if Min Value / Max Value / Floored Min Value or Capped Max Value is selected, otherwise delete this provision)

- Floor Value: [•]

(specify if Floored Min Value / Individually Floored Average Value is selected, otherwise delete this provision)

- Global Floor Value: [•]

(specify if Globally Floored Average Value is selected, otherwise delete this provision)

- Cap Value: [•]

(specify if Capped Max Value / Individually Capped Average Value is selected, otherwise delete this provision)

- Global Cap Value: [•]

(specify if Globally Capped Average Value is selected, otherwise delete this provision)

- Reset Observation Dates: [date][, [date].... and [date]]

(specify if Restrike Value is selected, otherwise delete this provision)

- Reset Barrier Value: [[●]/[●] per cent.]

(specify if Restrike Value is selected,
otherwise delete this provision)

- Reset Rate: [●]%

(specify if Restrike Value is selected,
otherwise delete this provision)

- (vii) **Value Determination Terms** for
Final Reference Value as of each
Automatic Early Redemption
Valuation Date:

[specify the relevant Basket Component(s):
[Closing Value] / [Intraday Value] / [Average
Value] / [Min Value] / [Max Value] / [Floored
Min Value] / [Capped Max Value] /
[Individually Floored Average Value] /
[Individually Capped Average Value] /
[Globally Floored Average Value] / [Globally
Capped Average Value]

(Section 2 of 0 of the Additional
Terms and Conditions)

- Reference Month:

(specify if Notes are Inflation-
Linked Notes otherwise delete this
provision)

Automatic Early Redemption Valuation Date	Reference Month
[•]	[•]
[...]	[...]
[•]	[•]

- Averaging Dates in
relation to each Automatic
Early Redemption
Valuation Date:

(specify if Average Value /
Individually Capped Average
Value / Individually Floored
Average Value / Globally Floored
Average Value / Globally Capped
Average Value is selected,
otherwise delete this provision)

Automatic Early Redemption Valuation Date	Averaging Dates
[date]	[date][, [date]... and [date]]
[...]	[...]
[date]	[date][, [date]... and [date]]

- Averaging Date
Disruption:

[Omission] / [Postponement] / [Modified
Postponement]

(specify if Average Value /
Individually Capped Average
Value / Individually Floored

*Average Value / Globally Floored
Average Value / Globally Capped
Average Value is selected,
otherwise delete this provision)*

- Value Observation Dates in relation to each Automatic Early Redemption Valuation Date:

(specify if Min Value / Max Value / Floored Min Value or Capped Max Value is selected, otherwise delete this provision)

Automatic Early Redemption Valuation Date	Observation Dates
[date]	[[date][, [date].... and [date]] / [Each [Common] Scheduled Trading Day commencing on [date] (inclusive) and ending on [date] (excluded)]
[...]	[...]
[date]	[[date][, [date].... and [date]] / [Each [Common] Scheduled Trading Day commencing on [date] (inclusive) and ending on [date] (excluded)]

- Floor Value:

[•]

(specify if Floored Min Value / Individually Floored Average Value is selected, otherwise delete this provision)

- Global Floor Value:

[•]

(specify if Globally Floored Average Value is selected, otherwise delete this provision)

- Cap Value:

[•]

(specify if Capped Max Value / Individually Capped Average Value is selected, otherwise delete this provision)

- Global Cap Value:

[•]

(specify if Globally Capped Average Value is selected, otherwise delete this provision)

(viii) Cap:

[Not Applicable]

[OR]

[•] per cent.

[OR]

(specify if Selected Average Individually Capped Performance / Selected Average Individually Capped & Floored Performance / Selected Average Global Capped Performance / Selected Average Global Capped & Floored Performance / Selected Absolute Average Individually Capped Performance / Selected Absolute Average Individually Capped & Floored Performance / Selected Absolute Average Global Capped Performance / Selected Absolute Average Global Capped & Floored Performance is selected, otherwise specify "Not Applicable")

Basket Component	Cap
[•]	[•]
[...]	[...]
[•]	[•]

(ix) Floor:

[Not Applicable]

[OR]

[•] per cent.

[OR]

(specify if Selected Average Individually Floored Performance / Selected Average Individually Capped & Floored Performance / Selected Average Global Floored Performance / Selected Average Global Capped & Floored Performance / Selected Absolute Average Individually Floored Performance / Selected Absolute Average Individually Capped & Floored Performance / Selected

Basket Component	Floor
[•]	[•]
[...]	[...]
[•]	[•]

Absolute Average Global Floored Performance / Selected Absolute Average Global Capped & Floored Performance is selected, otherwise specify "Not Applicable")

- (x) Selected Basket Components:

For the purposes of determining the Selected Basket Component, "J" = [number], [number]... and [number]

[insert number assigned to "J", where "J" is a number from 1 to N denoting one of the Basket Components numbered in order according to the respective values for each Basket Component determined by dividing the Closing Value for such Basket Component by its Initial Reference Value, starting with the Basket Component with the highest such value (Basket Component 1) and ending with the Basket Component with the lowest such value (Basket Component N), "N" being the total number of Basket Components]

- (xi) Relevant Weighting or W_i

(specify if Best of – Non Equally Weighted Average Performance / Worst of – Non Equally Weighted Average Performance / Selection of - Non Equally Weighted Average Performance / Selection of – Non Equally Weighted Average Performance with synthetic dividends is selected, otherwise specify "Not Applicable")

[Not Applicable] [OR]

W_i	Basket Component
[•]	[•]
[...]	[...]
[•]	[•]

18.2 Early Redemption Amount upon Event of Default

(Condition 18)

- (i) Early Redemption Amount for the purposes of Condition 18:

[Par Redemption] / [Qualified Financial Institution Determination]

(delete as appropriate)

18.3 Tax Redemption

(Condition 15.2)

- (i) Amount at which the Notes will be redeemed at the option of the Issuer under Condition 15.2

[Par Redemption] / [Qualified Financial Institution Determination]

(delete as appropriate)

18.4 Early Redemption of Zero Coupon Notes:

[Applicable] / [Not Applicable]

(Condition 15.8)

(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Early Redemption Amount:

[[•] per Calculation Amount] / [According to Condition 15.8]

(ii) Accrual Yield:

[•] per cent.

(iii) Reference Price:

[•]

(iv) Day Count Fraction:

[Actual/Actual; Actual/365 (Fixed); Actual/360; 30/360; 30E/360/Eurobond Basis; 30/360E (ISDA); Actual/Actual (ICMA)]

18.5 Early Redemption Amount upon Illegality or Regulatory Event:

(Condition 19)

[Early Redemption Amount (Illegality and Regulatory Event) – Fair Market Value Less Costs] / [Early Redemption Amount (Illegality and Regulatory Event) – Fair Market Value] / [Early Redemption Amount (Illegality and Regulatory Event) – Par] shall apply

(delete as appropriate)

(Note – for issuances of Notes to retail investors, “Early Redemption Amount (Illegality and Regulatory Event) – Fair Market Value Less Costs” may not be selected)

18.6	Relevant Rates Benchmark Discontinuance or Prohibition on Use (Condition 6.11)	<p>Administrator/ Benchmark Event: applicable for Condition 6.11.3: [Not Applicable] [Applicable as per the Conditions]</p> <p>[Alternative Pre-nominated Reference Rate: [None] <i>[Specify]</i>]</p> <p>[Early Redemption Amount (Benchmark Trigger Event) – Fair Market Value Less Costs] / [Early Redemption Amount (Benchmark Trigger Event) – Fair Market Value] shall apply] / [Not Applicable]</p> <p><i>(Note – for issuances of Notes to retail investors, “Early Redemption Amount (Benchmark Trigger Event) – Fair Market Value Less Costs” may not be selected)</i></p>
18.7	Index Cancellation or Administrator/ Benchmark Event (Condition 9.2(b))	<p>Benchmark Trigger Provisions are [Applicable]/[Not Applicable]</p> <p>Alternative Pre-nominated Index: [None] <i>[Specify]</i></p>
18.8	Redemption for Index Adjustment Event: (Condition 9.2(d))	<p>Benchmark Trigger Provisions are [Applicable]/[Not Applicable]</p> <p>Alternative Pre-nominated Index: [None] <i>[Specify]</i></p> <p>[[Early Redemption Amount (Index Cancellation) – Fair Market Value Less Costs] / [Early Redemption Amount (Index Cancellation) – Fair Market Value] shall apply] / [Not Applicable]</p> <p><i>(Note – for issuances of Notes to retail investors, “Early Redemption Amount (Index Cancellation) – Fair Market Value Less Costs” may not be selected)</i></p>
18.9	Administrator/Benchmark Events (Condition 10.5)	<p>[[Early Redemption Amount (Administrator/Benchmark Event) – Fair Market Value Less Costs]/[Early Redemption Amount (Administrator/Benchmark Event) – Fair Market Value] shall apply]/[Not Applicable]</p> <p><i>[(Note – for issuances of Notes to retail investors, “Early Redemption Amount (Additional Disruption Event) – Fair Market Value Less Costs” may not be selected)]</i></p> <p>[Relevant FX Benchmark has the meaning given in Condition 10.8 (<i>Definitions applicable to Currency-Linked Notes</i>)]/[other: <i>specify</i>]</p>

- 18.10 Cessation of Publication (Condition 11.2)** $\frac{[\text{Early Redemption Amount (Inflation Index Cessation)} - \text{Fair Market Value Less Costs}]}{[\text{Early Redemption Amount (Inflation Index Cessation)} - \text{Fair Market Value}]}$ shall apply / [Not Applicable]
- [(Note – for issuances of Notes to retail investors, “Early Redemption Amount (Additional Disruption Event) – Fair Market Value Less Costs” may not be selected)]*
- 18.11 Merger Event or Tender Offer:**
(Condition 9.4(a)) $\frac{[\text{Merger Event Settlement Amount} - \text{Fair Market Value Less Costs}]}{[\text{Merger Event Settlement Amount} - \text{Fair Market Value}]}$ shall apply / [Not Applicable]
- $\frac{[\text{Tender Offer Settlement Amount} - \text{Fair Market Value Less Costs}]}{[\text{Tender Offer Settlement Amount} - \text{Fair Market Value}]}$ shall apply / [Not Applicable]
- [(Note – for issuances of Notes to retail investors, “Merger Event Settlement Amount – Fair Market Value Less Costs” and “Tender Offer Settlement Amount – Fair Market Value Less Costs” may not be selected)]*
- 18.12 Nationalisation, Insolvency and Delisting:**
(Condition 9.4(b)) $\frac{[\text{Early Redemption Amount (Nationalisation, Insolvency and Delisting)} - \text{Fair Market Value Less Costs}]}{[\text{Early Redemption Amount (Nationalisation, Insolvency and Delisting)} - \text{Fair Market Value}]}$ shall apply / [Not Applicable]
- [(Note – for issuances of Notes to retail investors, “Early Redemption Amount (Nationalisation, Insolvency and Delisting) – Fair Market Value Less Costs” may not be selected)]*
- 18.13 Extraordinary ETF Events:**
(Condition 9.5) $\frac{[\text{Early Redemption Amount (Extraordinary ETF Event)} - \text{Fair Market Value Less Costs}]}{[\text{Early Redemption Amount (Extraordinary ETF Event)} - \text{Fair Market Value}]}$ shall apply / [Not Applicable]
- [(Note – for issuances of Notes to retail investors, “Early Redemption Amount (Extraordinary ETF Event) – Fair Market Value Less Costs” may not be selected)]*
- 18.14 Additional Disruption Events:**
(Condition 9.6) $\frac{[\text{Early Redemption Amount (Additional Disruption Event)} - \text{Fair Market Value Less Costs}]}{[\text{Early Redemption Amount (Additional Disruption Event)} - \text{Fair Market Value}]}$ shall apply / [Not Applicable]

	<p><i>(Note – for issuances of Notes to retail investors, “Early Redemption Amount (Additional Disruption Event) – Fair Market Value Less Costs” may not be selected)</i></p>
<p>18.15 Additional Disruption Events: (Condition 10.6)</p>	<p>[[Early Redemption Amount (Additional Disruption Event) – Fair Market Value Less Costs] / [Early Redemption Amount (Additional Disruption Event) – Fair Market Value] shall apply] / [Not Applicable]</p>
	<p><i>(Note – for issuances of Notes to retail investors, “Early Redemption Amount (Additional Disruption Event) – Fair Market Value Less Costs” may not be selected)</i></p>
<p>18.16 Additional Disruption Events: (Condition 11.7)</p>	<p>[[Early Redemption Amount (Additional Disruption Event) – Fair Market Value Less Costs] / [Early Redemption Amount (Additional Disruption Event) – Fair Market Value] shall apply] / [Not Applicable]</p>
	<p><i>(Note – for issuances of Notes to retail investors, “Early Redemption Amount (Additional Disruption Event) – Fair Market Value Less Costs” may not be selected)</i></p>
<p>18.17 Fund Events: (Condition 12.5)</p>	<p>[[Fund-Linked Early Redemption Amount – Fair Market Value Less Costs] / [Fund-Linked Early Redemption Amount – Fair Market Value] shall apply] / [Not Applicable]</p>
	<p><i>(Note – for issuances of Notes to retail investors, “Fund-Linked Early Redemption Amount – Fair Market Value Less Costs” may not be selected)</i></p>
<p>18.18 Redemption Administrator/Benchmark Event Futures Contract Adjustment Event: (Condition 13.4(ii))</p>	<p>for Benchmark Trigger Provisions are [Applicable]/[Not Applicable]</p> <p>Alternative Pre-nominated Futures Contract[s]: [None] [<i>Specify</i>]</p>
	<p>[[Early Redemption Amount (Futures Contract Adjustment Event) – Fair Market Value Less Costs] / [Early Redemption Amount (Futures Contract Adjustment Event) – Fair Market Value] shall apply] / [Not Applicable]</p>
	<p><i>(Note – for issuances of Notes to retail investors, “Early Redemption Amount (Futures Contract Adjustment Event) – Fair Market Value Less Costs” may not be selected)</i></p>

**18.19 Additional Disruption Events:
(Condition 13.6)**

[[Early Redemption Amount (Additional Disruption Event) – Fair Market Value Less Costs] / [Early Redemption Amount (Additional Disruption Event) – Fair Market Value] shall apply] / [Not Applicable]

(Note – for issuances of Notes to retail investors, “Early Redemption Amount (Additional Disruption Event) – Fair Market Value Less Costs” may not be selected)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19. Form of Notes:

Dematerialised Notes

(Condition 3)

[Bearer dematerialised form (*au porteur*) / [fully/administered] Registered dematerialised form (*au nominatif [pur/administré]*)]

20. Exchange Rate Agent:

[*specify*] / [Morgan Stanley & Co. International plc]

(Condition 16.2)

21. Registration Agent

[Not Applicable/*give details*]

(Note that a Registration Agent can only be appointed for Notes in registered dematerialised form (*au nominatif*))

22. Additional Business Centre(s) or other special provisions relating to Payment Dates:

[Not Applicable/*give details*]

23. Payment Business Day or other special provisions relating to Payment Business Days:¹⁸

[Following Business Day Convention] / [Modified Following Business Day Convention] / [Modified Business Day Convention] / [Preceding Business Day Convention] / [No Adjustment / Unadjusted]

(Delete as appropriate)

24. Redenomination provisions:

[Not Applicable/The provisions in Condition 27 apply]

25. Consolidation provisions:

[Not Applicable/The provisions in Condition 23.2 apply]

¹⁸ Amend "Payment Business Day" definition if payment is to be made on 25 December as Euroclear and Clearstream do not settle payments on such day.

26. Taxation: Implementation of Financial Transaction Tax Event is [Applicable] / [Not Applicable]
27. Potential Section 871(m) transaction: [Not Applicable] / [The Issuer has determined that the Notes should not be subject to withholding under Section 871(m) of the Code[, and hereby instructs its agents and withholding agents that no withholding is required, unless such agent or withholding agent knows or has reason to know otherwise].] / [The Issuer has determined that the Notes should not be subject to withholding under Section 871(m) of the Code because the Relevant Underlying is a “qualified index” under the applicable U.S. Treasury Regulations[, and hereby instructs its agents and withholding agents that no withholding is required, unless such agent or withholding agent knows or has reason to know otherwise].] / [The Notes are U.S. equity linked Notes subject to withholding under Section 871(m) of the Code.] [For further information please [call [•]] / [visit our website at [•]] / [write to [•]].]
28. Representation of Noteholders/Masse: (Condition 22) [Condition 22.11 (*Full Masse*) applies]¹⁹
- [Issue outside France: [Applicable/Not Applicable]]²⁰
- (Specify the details of the initial Representative and the alternate Representative, if any, and their remuneration as set out below)*
- Name and address of the initial Representative: [●]
- Name and address of the alternate Representative: [●]
- [The Representative will receive no remuneration]/[The Representative will receive a remuneration of [●]].

¹⁹ Delete for Notes with a denomination per Note of EUR 100,000 or more.

²⁰ Delete for Notes with a denomination per Note of EUR 100,000 or more.

- [As long as the Notes are held by a single Noteholder, such Noteholder will exercise directly the powers delegated to the Representative and general meetings of Noteholders under the Conditions. The Issuer (or its agent on its behalf) shall keep a record of the decisions taken by the sole Noteholder in such capacity, which shall be available, upon request, to any future Noteholders. A Representative shall be appointed when the Notes of a Series are held by more than one Noteholder.]
29. (i) If syndicated, names [and addresses]²¹ of managers [and underwriting commitments]²²: 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.)]²³
- (ii) [Date of [Subscription] Agreement:
- (iii) Stabilising Manager(s) (if any):
- [Not Applicable/give names[, addresses and underwriting commitments]] [(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis.)]
30. If non-syndicated, name [and address]²⁵ of Distribution Agent:
- [Not Applicable/give name]
31. Non-exempt offer:
- [Not Applicable/give name [and address]²⁶]
- [Not applicable] [An offer of the Notes may be made by the Distribution Agent [and [Name(s) and address(es) of the financial intermediary(ies) appointed by the Issuer to act as Authorised Offeror(s)/ Any financial intermediary which satisfies the conditions set out below in item "Conditions attached to the consent of the Issuer to use the Prospectus"]]] other than pursuant to Article 5(1) of the Prospectus Regulation in [specify relevant Member State(s) - which must be jurisdictions where the Base Prospectus and any supplements have been passported] (**Non-exempt Offer Jurisdictions**) during the period from [specify date] until [specify date] (**Offer Period**). See further paragraph 9 of Part B below.
32. Conditions attached to the consent of the Issuer to use the Prospectus:
- [Not Applicable / Where the Issuer has given a general consent to any financial

²¹ Delete for Notes with a denomination per Note of EUR 100,000 or more.

²² Delete for Notes with a denomination per Note of EUR 100,000 or more.

²³ Delete for Notes with a denomination per Note of EUR 100,000 or more.

²⁴ Delete for Notes with a denomination per Note of EUR 100,000 or more.

²⁵ Delete for Notes with a denomination per Note of EUR 100,000 or more.

²⁶ Delete for Notes with a denomination per Note of EUR 100,000 or more.

intermediary to use the Base Prospectus, specify any additional conditions to those set out in the section entitled "Consent to the use of the Base Prospectus" of the Base Prospectus or indicate "See conditions set out in the Base Prospectus".]

33. [Total commission and concession:

[•] per cent. of the Aggregate Nominal Amount]²⁷

34. Substitution of the Issuer or Guarantor with non Morgan Stanley Group entities (Condition 29):

[Applicable] / [Not Applicable]

²⁷

Delete for Notes with a denomination per Note of EUR 100,000 or more.

[PURPOSE OF FINAL TERMS]

These Final Terms comprise the final terms required for issue [and] [non-exempt offer in the Non-Exempt Offer Jurisdictions] [and] [admission to trading in [*specify relevant regulated market*]] of the Notes described herein pursuant to the Programme for the Issuance of Notes of [Morgan Stanley/MSIP/MSBV/MSFL]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [The Guarantor accepts responsibility for the information contained in these Final Terms relating to itself and its guarantee of [MSBV/MSLF]'s obligations under the Notes]. [(*Relevant third party information*) has been extracted from [•] (*specify source*)]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

[Signed on behalf of the Guarantor:

By:

Duly authorised]²⁸

²⁸

To be included if the Notes are issued by MSBV or MSFL

PART B – OTHER INFORMATION

1. ADMISSION TO [TRADING / LUXEMBOURG STOCK EXCHANGE SECURITIES OFFICIAL LIST]

Admission to Trading:

[Not Applicable]

[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris]/[the regulated market of the Luxembourg Stock Exchange]/[•] with effect from on or about [[the Issue Date]/[•]].]

[Application [has been made/is expected to be made] by the Issuer (or on its behalf) to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Euro MTF with effect from on or about [[the Issue Date]/[•]].]²⁹

[No assurance can be given that such application for admission to trading will be granted (or, if granted, will be granted prior to the Issue Date).]
[The Issuer has no duty to maintain the trading (if any) of the Notes on [Euronext Paris] / [the regulated market of the Luxembourg Stock Exchange] / [•] over their entire lifetime.]

[Where documenting a fungible issue, need to indicate that original Notes are already admitted to trading.]

[Admission on the Luxembourg Stock Exchange Securities Official List:³⁰

[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be displayed on the Luxembourg Stock Exchange Securities Official List (**LuxSE SOL**) without admission to trading with effect from on or about [[the Issue Date]/[•]].]

[No assurance can be given that such application to be displayed on the LuxSE SOL will be granted (or, if granted, will be granted prior to the Issue Date).]

[The Issuer has no duty to maintain the Notes on the LuxSE SOL over their entire lifetime.]

[Where documenting a fungible issue, need to indicate that original Notes are already displayed on the LuxSE SOL.]

²⁹ Delete for Notes which are not to be admitted to trading on the Euro MTF.

³⁰ Delete for Notes which are not to be displayed on the LuxSE SOL.

[Last day of Trading: [•]]

[Estimate of total expenses related to admission to trading: [•]]³¹

2. RATINGS

Ratings: The Notes to be issued [have been]/[are expected to be] rated:

[S & P: [•]]

[Moody's: [•]]

[Fitch: [•]]

[[Other]: [•]]

[Option 1

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA or the United Kingdom and registered under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**). *[Insert legal name of particular credit rating agency entity providing rating]* is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation.

Option 2

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the United Kingdom and is not registered under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**).

Option 3

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the United Kingdom but the rating it has given to the Notes is endorsed by *[insert legal name of credit rating agency]*, which is established in the EEA or the United Kingdom and registered under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**).

³¹

Delete for Notes with a denomination per Note of less than EUR 100,000.

Option 4

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the United Kingdom but is certified under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**).]³²

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]³³

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

[The Notes will not be rated].

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the [issue/offer]".]

(When adding any other description, consideration should be given as to whether the new matters described constitute a "significant new factor" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation)

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES³⁴**

[(i) Reasons for the offer: [•]

[(ii) Estimated net proceeds: [•]

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

[(iii) Estimated total expenses: [•]

[Include breakdown of expenses.]

³² Edit and delete options as appropriate for the relevant rating agency/agencies providing the rating(s).

³³ Delete for Notes with a denomination per Note of EUR 100,000 or more.

³⁴ Delete for Notes with a denomination per Note of EUR 100,000 or more.

(If the Notes are derivative securities to which Annex 15 of the Commission Delegated Regulation (EU) 2019/980 applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

5. **[Fixed Rate Notes only – YIELD]**

Indication of yield:

[●]

[(Only applicable for offers to the public in France) [yield gap of [●] per cent. in relation to tax free French government bonds (*obligations assimilables au Trésor* (OAT)) of an equivalent duration.]]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **[Floating Rate Notes only - PERFORMANCE OF RATES]**

Details of performance of [LIBOR/EURIBOR/other] rates can be obtained][but not] free of charge from [Reuters/Bloomberg/give details of electronic means of obtaining the details of performance].]³⁵

7. **[Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/ [EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS]³⁶ AND OTHER INFORMATION CONCERNING THE UNDERLYING]**

[Need to include details of where past and future performance and volatility of the index/equity/formula/other variable can be obtained by electronic means and whether or not it can be obtained free of charge [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.] [Where the underlying is an Index or Inflation Index need to include the name of the Index or Inflation Index and an indication of where to obtain information about the Index or Inflation Index] [Where the underlying is a Share or ETF Interest include name of issuer of such Share or ETF Interest and ISIN or other relevant identification number of such underlying.] [Where the underlying is a Fund, provide similar information.] [Where the underlying is a Futures Contract, include details of the asset underlying such contract.]

[The value of the Notes is linked to the positive or negative performance of the Relevant Underlying. An increase in the [value]/[level] of the Relevant Underlying will have a [positive]/[negative] effect on the value of the Notes, and a decrease in the [value]/[level] of the Relevant Underlying will have a [positive]/[negative] effect on the value of the Notes.]

[The [interest] [and] [redemption] amount[s] payable on the Notes [is/are] dependent on the value or performance of the Relevant Underlying [reaching]]/[not reaching] the threshold or barrier [respectively] and a small increase or decrease in the value or

³⁵ Delete for Notes with a denomination per Note of EUR 100,000 or more.

³⁶ Delete for Notes with a denomination per Note of EUR 100,000 or more.

performance of the Relevant Underlying near to the threshold or barrier may lead to a significant increase or decrease in the return of the Notes [and the Noteholders may receive no interest at all.]

[The [interest] [and] [redemption] [amount][s] payable on the Notes [is/are] linked to the value or performance of the Relevant Underlying as of one or more predefined dates and irrespective of the level of the Relevant Underlying between these dates, the values or and performance of the Relevant Underlying on these dates will affect the value of the Notes more than any other factor.]

[The Final Redemption Amount payable on the Notes is linked to [a specified percentage of] the performance of the Relevant Underlying and Noteholders may not receive the amount initially invested, and may receive a significantly lesser amount [/ subject to the minimum amount specified.]

The market price or the value of the Notes at any time is expected to be affected by changes in the value of the Relevant Underlying to which the Notes are linked.

[The market price or value of the Notes could, in certain circumstances, be affected by fluctuations in the actual or anticipated rates of dividend (if any) or other distributions of the Relevant Underlying.]

[Determinations of amounts payable under the Notes are made by reference to the arithmetic average of the values or performances of [all]/[the selected] the Basket Components. The Basket Components are given different weightings. The higher the weighting applicable to a particular Basket Component, the more Noteholders will be exposed to the value or performance of that Basket Component in comparison with the remaining Basket Components.]

(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation)

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

8. OPERATIONAL INFORMATION

ISIN Code: [•]

Common Code: [•]

CFI: [[●]/Not Applicable]

FISN: [[●]/Not Applicable]

Any clearing system(s) other than Euroclear France/Euroclear Bank S.A./N.V. and Clearstream Banking *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s): [•]

Names and addresses of additional Paying Agent(s) (if any): [•]

Name of the calculation agent: [•]/Not Applicable

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No]

[Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: [●]]³⁷

9. **TERMS AND CONDITIONS OF THE OFFER**³⁸

Total amount of issue/offer: [•]

If the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer. [•]

Conditions to which the offer is subject: [Not Applicable/ Offers of the Notes are conditional upon their issue]

The time period, including any possible amendments, during which the offer will be open and description of the application process: [Not Applicable/*give details*]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/*give details*]

Details of the minimum and/or maximum amount of application (whether in number of securities or aggregate amount to invest): [Not Applicable/*give details*]

Details of the method and time limited for paying up and delivering the Notes: [Not Applicable/*give details*]

Manner in and date on which results of the offer are to be made public: [Not Applicable/*give details*]

³⁷ Delete for Notes which are not offered to retail investors or which are offered to retail investors but are not admitted to trading on a regulated market.

³⁸ Delete for Notes with a denomination per Note of EUR 100,000 or more.

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/give details]

If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche: [Not Applicable/ Offers may be made by Offerors authorised to do so by the Issuer in *[insert jurisdiction where the Base Prospectus has been approved and published and jurisdictions into which it has been passported]* to any person *[insert suitability criteria, if any are deemed appropriate, pursuant to any applicable conduct of business rules]*. In other EEA countries, offers will only be made pursuant to an exemption from the obligation under the Prospectus Regulation to publish a prospectus.]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/give details]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/give details]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. *[Please refer to item 30 of Part A above]*

10. **PLACING AND UNDERWRITING**

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer or to the offeror, of the placers in the various countries where the offer takes place: [•]

Name and address of any paying agents and depository agents in each country: [•]

Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" agreements. Where not all of the issue is underwritten, a statement of the portion not covered: [•]

11. **OTHER MARKETS**

All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of securities to be offered or admitted to trading are already admitted to trading: [[•]/None]

12. **PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS:**

[Applicable]/[Not Applicable]

[If the Notes do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no “PRIIPs key information document” will be prepared, “Applicable” should be specified]

13. **DETAILS OF BENCHMARKS ADMINISTRATORS AND REGISTRATION UNDER BENCHMARKS REGULATION:**

[Applicable]/[Not Applicable]

*[[specify benchmark]³⁹ is administered by [insert legal name of administrator], who as at the Issue Date, appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks (Regulation (EU) 2016/2011) (the **Benchmarks Regulation**).] / [[specify benchmark] is administered by [insert legal name of administrator], who as at the Issue Date, does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks (Regulation (EU) 2016/1011) (the **Benchmarks Regulation**). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [insert legal name of administrator] is not currently required to obtain authorisation or registration (or if located outside the European Union, recognition, endorsement or equivalence).]*

(repeat as appropriate)⁴⁰

³⁹ An appropriate reference to the relevant benchmark should be included here pursuant to the type of Note.
⁴⁰ To the extent the Final Terms apply to multiple benchmarks, repeat as appropriate.

TAXATION

The statements below regarding taxation are based on the laws in force in the United Kingdom, The Netherlands, France, the Grand Duchy of Luxembourg and/or, as the case may be, the United States as of the date of this Base Prospectus and are subject to any changes in law and/or interpretation thereof (potentially with a retroactive effect). The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe, purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.

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French Taxation

The following is a summary addressing only withholding taxes applicable in France to income arising from the Notes. This summary is based on the laws and regulations in force in France as at the date of this Base Prospectus, which may be subject to changes, potentially with retroactive effect. Investors should be aware that the statements below are of a general nature and do not constitute legal or tax advice and should not be understood as such. Prospective investors are therefore advised to consult their own qualified advisors so as to determine, in the light of their individual situation, the tax consequences of the purchase, holding, redemption or disposal of the Notes.

Payments made by the Issuers or the Guarantor under the Notes

The following has been prepared on the assumption that the Issuers and the Guarantor are not (and will not be) French residents for French tax purposes and that the Notes (and any transaction in connection therewith) are not (and will not be) attributed or attributable to a branch, permanent establishment or other fixed place of business in France of any Issuer or Guarantor.

All payments by the Issuers or the Guarantor, as the case may be, in respect of the Notes will be made free of any compulsory withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld or assessed by France or any political subdivision or taxing authority thereof or therein.

However, pursuant to Article 125 A, I of the French *Code général des impôts*, interest and similar revenues paid by a paying agent (*établissement payeur*) established in France and received by individuals who are fiscally domiciled in France are, subject to certain exceptions, subject to a 12.8% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the withholding has been made. Social contributions (CSG, CRDS and solidarity levy) are also levied by way of withholding at a global rate of 17.2% on such interest and similar revenues received by individuals who are fiscally domiciled in France, subject to certain exceptions.

Luxembourg Taxation

The following information is of a general nature and is based on the laws currently in force in Luxembourg and should not be construed to be legal or tax advice. The information contained within this section is limited to aspects relating to potential withholding taxes applicable in Luxembourg and prospective investors in the Notes should therefore consult their own professional advisers to determine the local, national or foreign laws, including Luxembourg tax laws, to which they may be subject.

Please be aware that the residence concept used in the statements below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature refers only to Luxembourg tax laws and/or concepts.

Withholding Tax

(i) Non-resident investors in the Notes

Under Luxembourg general tax laws currently in force, no withholding tax applies on payments of principal, premium or interest made to non-resident investors holding Notes or on accrued but unpaid interest in respect of the Notes. In the same way, no Luxembourg withholding tax applies upon the redemption or repurchase of Notes held by non-resident investors.

(ii) Resident investors in the Notes

Under Luxembourg general tax laws currently in force and without prejudice to the application of law of 23 December 2005, as amended (the **Law**), no withholding tax applies on payments of principal, premium or interest made to Luxembourg resident investors holding Notes or on accrued but unpaid interest in respect of Notes. In the same way, no Luxembourg withholding tax is applicable upon the redemption or repurchase of Notes held by a Luxembourg resident investor.

Under the Law, payments of interest or similar income made by a paying agent established in Luxembourg to a beneficial owner who is an individual resident of Luxembourg are currently subject to a withholding tax at the rate of 20%. Such withholding tax discharges liability to tax if the beneficial owner is an individual acting in the course of the management of his/her private assets. The Luxembourg paying agent is responsible for levying the withholding tax.

United Kingdom Taxation

The following disclosure applies in respect of Notes issued by Morgan Stanley, MSI plc, MSBV or MSFL, and references in this section on United Kingdom taxation to "**Notes**" and references to "**Noteholders**", should be construed accordingly.

The following is a general description of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. The comments do not deal with other United Kingdom tax aspects of acquiring, holding, disposing of, or abandoning Notes. Transactions involving Notes, including the issue and subscription of Notes, any purchase or disposal or settlement of Notes, may have United Kingdom tax consequences for potential purchasers (including but not limited to, transfer taxes and possible withholding or deduction for or on account of United Kingdom tax from payments made in respect of the Notes). The tax consequences may depend, amongst other things, on the status of the potential investor and the terms and conditions of a particular Note as specified in the Final Terms. It is based on current law and practice of HM Revenue and Customs (**HMRC**), both of which may be subject to change, sometimes with retrospective effect. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective purchasers and Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Prospective purchasers and Noteholders who are in any doubt as to their tax position should consult their professional advisors about tax implications of purchasing and holding a Note, any transaction involving a Note, and any transaction involved in the exercise and settlement of a Note. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom are particularly advised to consult their professional advisors as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom withholding taxation aspects of payments in respect of the Notes. In particular, Noteholders and Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

1. NOTES – U.K. WITHHOLDING TAX ON INTEREST PAYMENTS BY THE ISSUERS

Interest on Notes issued for a term of less than one year (and which are not issued under arrangements the effect of which is to render the Notes part of a borrowing with a total term of one year or more) may be paid by the relevant Issuer without withholding or deduction for or on account of United Kingdom income tax. Interest on Notes issued for a term of one year or more (or under arrangements the effect of which is to render the Notes part of a borrowing with a total term of one year or more) may be paid by the relevant Issuer without withholding or deduction for or on account of United Kingdom income tax except in circumstances where such interest has a United Kingdom source. The location of the source of a payment is a complex matter. It is necessary to have regard to case law and HMRC practice. Case law has established that in determining the source of interest all relevant factors must be taken into account. HMRC has indicated (in guidance pre-dating recent case law) that the most important factors in determining the source of a payment are those which influence where a creditor would sue for payment and has stated that the place where the Issuer does business and the place where its assets are located are the most important factors in this regard; however, HMRC has also indicated that, depending on the circumstances, other relevant factors may include the place of performance of the contract, the method of payment, the proper law of contract, the competent jurisdiction for any legal action, the location of any security for the debt and the residence of the Guarantor, although other factors may also be relevant.

Interest which has a United Kingdom source (**U.K. interest**) may be paid by the relevant Issuer without withholding or deduction for or on account of United Kingdom income tax if the Notes in respect of which the U.K. interest is paid constitute "quoted Eurobonds". Notes which carry a right to interest will constitute "quoted Eurobonds" provided they are and continue to be listed on a

recognised stock exchange. Notes will be regarded as "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom's official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed in the country of that stock exchange in accordance with provisions corresponding to those generally applicable in European Economic Area states in a country outside the United Kingdom in which is a recognised stock exchange.

If the Notes do not constitute "quoted Eurobonds", payments of interest on the Notes may still be made without withholding or deduction for or on account of United Kingdom income tax, provided that the relevant Issuer is and continues to be authorised for the purposes of the Financial Services and Markets Act 2000 and its business is and continues to consist wholly or mainly of dealing in financial instruments (within the meaning of section 885 of the Income Tax Act 2007) as principal and that such payments are made in the ordinary course of that business. On the basis of HMRC published practice in the context of a similar provision, interest will be accepted as being paid in the ordinary course of business unless the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.

In all other cases, U.K. interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20%) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty or to any other exemption which may apply.

2. PAYMENTS BY GUARANTOR

If the Guarantor makes any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes) and such payment have a United Kingdom source, such payments may be subject to United Kingdom withholding tax at the basic rate (currently 20%) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. Whether such payment made by the Guarantor have a United Kingdom source is a complex matter and is likely to be determined by reference to the factors set out in paragraph 1 above. Such payments by the Guarantor may not be eligible for the exemptions described in paragraph 1 above.

3. OTHER RULES RELATING TO UNITED KINGDOM WITHHOLDING TAX

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Whether any discount element on such Notes will be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above, will depend on the precise terms of the Notes.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "**interest**" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation. Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment, rent or royalties for United Kingdom tax purposes. Where a payment is subject to United Kingdom withholding tax, depending on the nature of the payment (which will be determined by, amongst other things, the terms and conditions specified by the Final Terms of the Note), the payment may fall to be made under deduction of

United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to any exemption from withholding which may apply and to such relief as may be available under the provisions of any applicable double tax treaty.

The Netherlands Taxation

The following disclosure applies only in respect of Notes issued by MSBV and not in respect of Notes issued by Morgan Stanley, MSFL or MSI plc. References in this section on Netherlands taxation to "Issuer" refer only to MSBV, reference to "Program Securities" refer only to Notes issued by MSBV and references to holders of Notes should be construed accordingly.

The following general description of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following general description does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of a Note, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

For the purpose of this general description it is assumed that no individual or entity holding a Note has or will have a substantial interest, or - in the case of a holder of a Note being an entity - a deemed substantial interest, in the Issuer and that no connected person (verbonden persoon) to the holder of a Note has or will have a substantial interest in the Issuer.

Generally speaking, an individual has a substantial interest in a company if (a) such individual, either alone or together with his partner, directly or indirectly has, or is deemed to have or (b) certain relatives of such individual or his partner directly or indirectly have or are deemed to have (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company

Generally speaking, an entity has a substantial interest in a company if such entity, directly or indirectly has (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company. An entity holding a Note has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

This summary does not address the Netherlands tax consequences for a holder of Notes that is considered to be affiliated (gelieerd) to MSBV within the meaning of the Dutch Withholding Tax Act 2021 (Wet bronbelasting 2021). Generally, an entity is regarded as 'affiliated' for these purposes if it, either alone or as part of a collaborating group, can exercise decisive influence on the activities of MSBV (or if MSBV can, either alone or as part of a collaborating group, exercise such influence on the activities of the other entity, or if there is a third party, either alone or as part of a collaborating group, that can exercise such control over both MSBV and such other entity), which is in any event the case if one holds more than 50% of the statutory voting rights.

For the purpose of this general description, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this general description refers to a holder of a Note, an individual holding a Note or an entity holding a Note, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Note or otherwise being regarded as owning a Note for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the general description refers to "The Netherlands" or "Dutch" it refers only to the European part of the Kingdom of the Netherlands.

This summary does not address the Netherlands tax consequences for holders of Notes that are a resident of any non-European part of the Kingdom of the Netherlands.

Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of a Note.

1. WITHHOLDING TAX

All payments under the Notes may be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, **provided that** (i) the Notes have a maturity – legally or *de facto* – of not more than 50 years, and (ii) the Notes will not represent, be linked to (the performance of) or be convertible (in part or in whole) into, (rights to purchase) (a) shares, (b) profit certificates (*winstbewijzen*), and/or (c) debt instruments having a maturity – legally or *de facto* – of more than 50 years, issued by MSBV, the Guarantor or any other entity related to MSBV and/or the Guarantor.

2. TAXES ON INCOME AND CAPITAL GAINS

RESIDENTS

Resident entities

An entity holding a Note which is, or is deemed to be, resident in the Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax levied at a rate of 25% (16.5% over profits up to EUR 200,000) in respect of income or a capital gain derived from a Note (rates and brackets for the 2020 tax year).

Resident individuals

An individual holding a Note who is, or is deemed to be, resident in the Netherlands for income tax purposes will be subject to income tax in respect of income or a capital gain derived from a Note at rates up to 49.50 % if:

- (i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or
- (ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If the above-mentioned conditions (i) and (ii) do not apply, a holder of Notes who is an individual, resident or deemed to be resident in the Netherlands for Netherlands tax purposes will not be subject to Dutch taxes on income actually received or gains actually realised. Instead, such individual is generally taxed at a flat rate of 30% on deemed income from "savings and investments" (*"sparen en beleggen"*), which deemed income is determined on the basis of the amount included in the individual's "yield basis" (*"rendementsgrondslag"*) at the beginning of the calendar year (minus a tax-free threshold). For the 2020 tax year, the deemed income derived from savings and investments will amount to 1.789% of the individual's yield basis up to EUR 72,797 (seventy two thousand seven hundred and ninety seven Euro), 4.185% of the individual's yield basis exceeding EUR 72,797 (seventy two thousand seven hundred and ninety seven Euro) up to and including EUR 1,005,572 (one million five thousand five hundred and seventy two Euro) and 5.28% of the individual's yield basis in excess of EUR 1,005,572 (one million five thousand five hundred and seventy two Euro). The percentages to determine the deemed income will be reassessed every year.

NON-RESIDENTS

A holder of a Note which is not, or is not deemed to be, resident in the Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from a Note unless:

- (i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands;
- (ii) the holder is entitled to a share in profits of an enterprise that is effectively managed in the Netherlands, and to which enterprise the income or capital gain is attributable, other than

by way of securities; or

- (iii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in the Netherlands as defined in the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

3. GIFT AND INHERITANCE TAXES

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

- (i) the holder of a Note is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

4. VALUE ADDED TAX

There is no Dutch value added tax payable by a holder of a Note in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes, or the transfer of the Notes.

5. OTHER TAXES AND DUTIES

There is no Dutch registration tax, stamp duty or any other similar tax or duty, other than court fees, payable in the Netherlands by a holder of a Note in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of the Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes.

6. RESIDENCE

A holder of a Note will not be and will not be deemed to be resident in the Netherlands for tax purposes and, subject to the exceptions set out above, will not otherwise be subject to Dutch taxation, by reason only of acquiring, holding or disposing of a Note or the execution, performance, delivery and/or enforcement of a Note.

United States Federal Taxation

This discussion is limited to the U.S. federal tax issues addressed below. Additional issues may exist that are not addressed in this discussion and that could affect the U.S. federal tax treatment of the Notes or the investors. Prospective investors should seek their own advice based upon their particular circumstances from independent tax advisers.

The following are certain of the U.S. federal income and estate tax consequences of ownership and disposition of the Notes by Non-U.S. Holders (as defined below). This summary is based on the Internal Revenue Code of 1986, as amended (the **Code**), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as of the date hereof, changes to any of which subsequent to the date of this Base Prospectus may affect the tax consequences described herein. As used herein, the term “Non-U.S. Holder” means a person that for U.S. federal income tax purposes is a beneficial owner of a Note and is:

- a non-resident alien individual;
- a foreign corporation; or
- a foreign estate or trust.

The term “Non-U.S. Holder” does not include any of the following persons:

- an individual present in the United States for 183 days or more in the taxable year of disposition;
- certain former citizens or residents of the United States;
- a person for whom income or gain in respect of the Notes is effectively connected with the conduct of a trade or business in the United States; or
- a person who has a “tax home” (as defined in Section 911(d)(3) of the Code) or an office or other fixed place of business in the United States.

Special rules may also apply to corporations that for U.S. federal income tax purposes are treated as personal holding companies, controlled foreign corporations, or passive foreign investment companies and this discussion does not address such rules.

Such persons are urged to consult their own tax advisers regarding the U.S. federal income tax consequences of the ownership and disposition of a Note.

If an entity that is classified as a partnership holds a Note, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. Partners of partnerships holding Notes should consult their tax advisers regarding the U.S. federal income tax consequences of owning and disposing of a Note.

TAX TREATMENT OF THE NOTES

General

Except as otherwise discussed below in “ – Section 897 of the Code,” “ – Dividend Equivalent Amounts,” “ – FATCA” and “ – Backup Withholding and Information Reporting,” or otherwise indicated in the applicable Final Terms, a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on payments of principal, or interest (including original issue discount, if any) on a Note, or on proceeds from the sale or other disposition of a Note, **provided that**, in the case of a Note issued by Morgan Stanley or MSFL for U.S. federal income tax purposes:

- the Note is treated as indebtedness;
- the Non-U.S. Holder does not own (directly or by attribution) 10 per cent. or more of the total combined voting power of all classes of stock of Morgan Stanley entitled to vote;
- the Non-U.S. Holder is not a bank holding the Note in the context of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or

business; and

- the certification requirement described below has been fulfilled with respect to the beneficial owner, as described below.

The certification requirements referred to in the preceding paragraphs will be fulfilled if the beneficial owner of the Note (or a financial institution holding the Note on behalf of the beneficial owner) furnishes the U.S. Internal Revenue Service (**IRS**) Form W-8BEN or W-8BEN-E (or with respect to certain holders and beneficial owners, other appropriate forms), on which, among other things, the beneficial owner certifies under penalties of perjury that it is not a United States person, as defined in the Code.

Notes Linked to Single Securities, Baskets of Securities, Indices, Exchange Traded Funds or other Funds, Currencies and Futures Contracts.

The U.S. federal income tax consequences to a Non-U.S. Holder of the ownership and disposition of Notes that have principal or interest determined by reference to securities of entities not affiliated with the relevant Issuer, baskets of securities or indices, exchange traded funds or other funds, currencies or futures contracts may vary depending upon the exact terms of the Notes and related factors. Except as otherwise discussed below in “– Section 897 of the Code,” “– Dividend Equivalent Amounts,” “– FATCA” and “– Backup Withholding and Information Reporting,” or otherwise indicated in the applicable Final Terms, the Issuers do not expect payments on such Notes to be subject to any U.S. federal withholding tax, provided that, if the Notes are treated in whole or in part as indebtedness issued by Morgan Stanley or MSFL for U.S. federal income tax purposes, the requirements above under “–General” are met. However, Notes containing any of these features may be subject to rules that differ from the general rules discussed above. In these instances, the applicable Final Terms will disclose such special rules.

SECTION 897 OF THE CODE

No opinion is expressed herein as to whether any issuer of any shares to which a Note relates (such shares hereafter referred to as **Underlying Shares**) is treated as a “U.S. real property holding corporation” (**USRPHC**) within the meaning of Section 897 of the Code. If any issuer of Underlying Shares were so treated, certain adverse U.S. federal income tax consequences might apply upon the sale, exchange or other disposition of a Note (including potential U.S. withholding tax, notwithstanding the discussions above). Holders should refer to information filed with the Securities and Exchange Commission or other governmental authorities by the issuers of the Underlying Shares and consult their tax advisers regarding the possible consequences to such holders if any such issuer is or becomes a USRPHC.

DIVIDEND EQUIVALENT AMOUNTS

Section 871(m) of the Code and Treasury Regulations promulgated thereunder (**Section 871(m)**) impose a withholding tax of 30 per cent. (or lower treaty rate applicable to dividends) on certain “dividend equivalents” paid or deemed paid to Non-U.S. Holders with respect to certain financial instruments linked to U.S. equities or indices that include U.S. equities. Subject to the discussion below concerning Notes issued before January 1, 2023, a Note linked to U.S. equities or indices that include U.S. equities (a **U.S. equity linked Note**) will generally be subject to the Section 871(m) withholding regime if at issuance it (i) has a “delta” of 0.80 or higher with respect to the underlying U.S. stock or (ii) substantially replicates the economic performance of the underlying U.S. stock, as determined by a “substantial equivalence” test that, among other factors, takes into account the initial number of shares of the underlying U.S. stock needed to hedge the transaction fully. The tests described above are set forth in the regulations, and the applicable test will depend on the terms of the relevant U.S. equity linked Note. Under these rules, withholding may apply even where the relevant U.S. equity linked Note does not provide for any payment that is explicitly

linked to a dividend. The regulations provide for certain exceptions to the withholding requirements, in particular for instruments linked to certain broad-based indices (a “qualified index”) that meet standards set forth in the regulations, as well as certain notes that track a qualified index.

Pursuant to an IRS Notice, Section 871(m) will not apply to Notes issued before January 1, 2023, that do not have a “delta” of one with respect to any U.S. equity. If the terms of a U.S. equity linked Note are significantly modified (including in the event that the Issuer substitutes another entity in place of the Issuer as principal debtor under the Note) and if such modification or substitution results in a deemed exchange of the Notes for U.S. federal income tax purposes, the U.S. equity linked Note will generally be treated as reissued at the time of the significant modification. Under proposed Treasury regulations (which taxpayers can rely on prior to their finalization if the taxpayers apply them consistently), certain “benchmark” rate replacements would not give rise to deemed exchanges for U.S. federal income tax purposes, provided that certain conditions set forth in the proposed regulations are met.

The calculations of “delta” are generally made at the “calculation date,” which is the earlier of (i) the time of pricing of the U.S. equity linked Note, i.e., when all material terms have been agreed on, and (ii) the issuance of the U.S. equity linked Note. However, if the time of pricing is more than 14 calendar days before the issuance of the U.S. equity linked Note, the calculation date is the date of the issuance of the U.S. equity linked Note. In those circumstances, information regarding the Issuer’s final determinations for purposes of Section 871(m) may be available only after the issuance of the U.S. equity linked Note. As a result, a Non-U.S. Holder should acquire such a U.S. equity linked Note only if it is willing to accept the risk that the U.S. equity linked Note is treated as subject to withholding.

The amount of a “dividend equivalent” is equal to, for a “simple” contract, the product of (a) the per-share dividend amount, (b) the number of shares of the underlying U.S. equity referenced in the U.S. equity linked Note and (c) the delta, and, for a “complex” contract, the product of (a) the per-share dividend amount and (b) the initial hedge.

The dividend equivalent amount will be determined on the earlier of (a) the record date of the dividend and (b) the day prior to the ex-dividend date. The dividend equivalent amount will include the amount of any actual or, under certain circumstances, estimated dividend. If a U.S. equity linked Note is subject to withholding in respect of dividend equivalents, withholding will, depending on the applicable withholding agent’s circumstances, generally be required either (i) on the underlying dividend payment date or (ii) when cash payments are made on the relevant U.S. equity linked Note or upon the date of maturity, lapse or other disposition thereof by the Non-U.S. Holder.

The relevant Issuer will determine whether a U.S. equity linked Note is subject to withholding under Section 871(m). If the relevant Issuer has determined, as specified in the Final Terms, that a U.S. equity linked Note should not be subject to withholding under Section 871(m), the Issuer will be deemed to instruct its agents and withholding agents that no withholding is required, unless such agent or withholding agent knows or has reason to know otherwise. If withholding is required, the relevant Issuer will not be required to pay any additional amounts with respect to the amounts so withheld.

The relevant Issuer’s determination is not binding on the IRS, and the IRS may disagree with its determination. Section 871(m) is complex and its application may depend on the Non-U.S. Holder’s particular circumstances. For example, the application of Section 871(m) may be affected if a Non-U.S. Holder enters into another transaction in connection with the acquisition of a U.S. equity linked Note. Accordingly, Non-U.S. Holders should consult their tax advisers regarding the potential application of Section 871(m) to the U.S. equity linked Notes in their particular circumstances.

FATCA

Legislation commonly referred to as “FATCA” generally imposes a withholding tax of 30 per cent. on payments to certain non-U.S. entities (including financial intermediaries) with respect to certain financial instruments, unless various U.S. information reporting and due diligence requirements have

been satisfied, including compliance with certain U.S. tax identification and certification requirements (generally by furnishing the appropriate IRS Form W-8BEN or W-8BEN-E). An intergovernmental agreement between the United States and the non-U.S. entity's jurisdiction may modify these requirements. FATCA generally applies to certain financial instruments that are treated as paying U.S.-source interest or dividends or other U.S.-source "fixed or determinable annual or periodical" income. Withholding (if applicable) applies to any payment of amounts treated as U.S. source interest or dividend equivalents (as discussed above under "—Dividend Equivalent Amounts") on the Notes and any payment of gross proceeds of the disposition (including upon retirement) of Notes treated as providing for U.S.-source interest or dividends. However, under recently proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on them pending finalization) no withholding will apply to payments of gross proceeds (other than amounts treated as "fixed or determinable, annual or periodical" income).

Although, under current law, payments of non-U.S. source income are not subject to withholding under FATCA, there is no assurance that future Treasury regulations will not impose such withholding with respect to certain "foreign passthru payments". Under proposed Treasury regulations, withholding on foreign passthru payments will not apply prior to the date that is two years after the date on which applicable final Treasury regulations defining "foreign passthru payments" are filed. Treasury regulations defining the term "foreign passthru payments" have not yet been filed with the Federal Register. In addition, Notes issued by MSIP or MSBV that are not treated as equity for U.S. federal income tax purposes and that pay non-U.S. source income generally will be grandfathered from withholding if issued prior to the date that is six months after final Treasury regulations that define the term "foreign passthru payments" are filed with the U.S. Federal Register. However, such grandfathered Notes may become subject to FATCA withholding if such Notes (i) are significantly modified (including in the event that the Issuer substitutes another entity in place of the Issuer), (ii) such modification or substitution results in a deemed exchange of the Notes for U.S. federal income tax purposes and (iii) such significant modification occurs after the applicable FATCA grandfathering date. Under proposed Treasury regulations (which taxpayers can rely on prior to their finalization if the taxpayers apply them consistently), certain "benchmark" rate replacements would not give rise to deemed exchanges for U.S. federal income tax purposes, provided that certain conditions set forth in the proposed regulations are met.

If withholding applies to the Notes, the relevant Issuer will not be required to pay any additional amounts with respect to amounts withheld under FATCA. Non-U.S. Holders should consult their tax advisers regarding the potential application of FATCA to the Notes.

BACKUP WITHHOLDING AND INFORMATION REPORTING

Information returns may be filed with the IRS in connection with payments on the Notes as well as in connection with the proceeds from a sale, exchange or other disposition. A Non-U.S. Holder may be subject to backup withholding in respect of amounts paid to the Non-U.S. Holder, unless such Non-U.S. Holder complies with applicable certification procedures to establish that it is not a United States person for U.S. federal income tax purposes or otherwise establishes an exemption. Compliance with the certification procedures described above will satisfy the certification requirements necessary to avoid backup withholding. The amount of any backup withholding from a payment to a Non-U.S. Holder will be allowed as a credit against the Non-U.S. Holder's U.S. federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

ESTATE TAX

Individual Non-U.S. Holders and entities the property of which is potentially includible in such an individual's gross estate for U.S. federal estate tax purposes (for example, a trust funded by such an individual and with respect to which the individual has retained certain interests or powers) should note that, absent an applicable treaty exemption, a Note that is treated as indebtedness for U.S. federal estate tax purposes will be treated as U.S. situs property subject to U.S. federal estate

tax if payments on the Note, if received by the decedent at the time of death, would have been subject to U.S. federal withholding tax (even if the IRS Form W-8BEN or W-8BENE certification requirement described above were satisfied and not taking into account an elimination of such U.S. federal withholding tax due to the application of an income tax treaty or withholding under FATCA).

Absent an applicable treaty benefit, a Note that is not treated as indebtedness for U.S. federal estate tax purposes may be treated as U.S. situs property subject to U.S. federal estate tax. Non-U.S. Holders should consult their own tax advisers regarding the U.S. federal estate tax consequences of an investment in the Notes and the availability of benefits provided by an applicable estate tax treaty, if any.

Proposed Financial Transaction Tax

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common financial transactions tax (the **FTT**) in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

If, on or after the Trade Date, due to the implementation of the proposed Financial Transaction Tax or otherwise by the adoption of or any change in any applicable law or regulation (including, without limitation, any law or regulation implementing a system of financial transaction tax in any jurisdiction, including the European Union, relating to any tax payable in respect of the transfer of, or entry into or modification or unwind of, any financial instruments), the Issuer determines that it (directly or through an Affiliate) would incur or has incurred a materially increased amount of tax, transfer tax, duty, stamp duty, stamp duty reserve tax, expense or fee (other than brokerage commissions) in relation to its obligations under the Notes or its related hedge positions (**Additional Tax**), the Issuer may (if the Conditions of the Notes so allow) adjust the Conditions of the Notes to reduce the amount otherwise payable under the Notes to holders of such Notes in order to pass on to the holders of such Notes the full amount of such Additional Tax incurred by the Issuer directly or through such Affiliate.

SUBSCRIPTION AND SALE

Morgan Stanley, MSBV, MSFL and MSFL are offering the Notes on a continuing basis through Morgan Stanley & Co. International plc of 25 Cabot Square, Canary Wharf, London E14 4QA (which may act in whole or in part through an affiliate thereof) (Legal Entity Identifier: 4PQUHN3JPFGFNF3BB653) (the **Distribution Agent**), who has agreed to use reasonable efforts to solicit, directly or through an affiliate, offers to subscribe or purchase the Notes. Morgan Stanley, MSBV and MSFL will each, respectively, have the sole right to accept offers to subscribe or purchase its Notes and may reject any offer in whole or in part. The Distribution Agent will have the right to reject any offer to subscribe or purchase Notes solicited by it in whole or in part. Morgan Stanley, MSBV and MSFL may pay the Distribution Agent, in connection with sales of Notes resulting from a solicitation by the Distribution Agent made or an offer to subscribe or purchase received by the Distribution Agent, a commission, which may be in the form of a discount from the purchase price if the Distribution Agent is purchasing the Notes for their own account. MSIP (including acting through its affiliates) will act as distributor and offeror of the Notes issued by MSIP. MSIP's representations, agreements and undertakings below are made on its own behalf and on behalf of any affiliate it is acting through.

Morgan Stanley, MSBV and MSFL may each also offer or sell Notes to the Distribution Agent as principal for its own account at a price to be agreed upon at the time of such offer or sale. The Distribution Agent may resell any Notes they purchase as principal at prevailing market prices, or at other prices, as the Distribution Agent determines.

The arrangements for the offer and sale of the Notes from time to time are set out in the Distribution Agreement dated on or about 17 July 2020 (as modified and restated from time to time, the **Distribution Agreement**) among Morgan Stanley, MSIP, MSBV, MSFL and the Distribution Agent. Pursuant to the Distribution Agreement, Morgan Stanley, MSBV, MSFL and the Distribution Agent have agreed to indemnify each other against certain liabilities, or to contribute payments made in respect thereof. Morgan Stanley, MSBV and MSFL have also agreed to reimburse the Distribution Agent for certain expenses. The Distribution Agreement makes provision for the appointment of additional Distribution Agents who may agree to become bound by its terms (either in relation to the Programme generally or in relation to a particular Series of Notes) in an accession letter provided by such additional Distribution Agent to Morgan Stanley, MSBV or MSFL.

In order to facilitate the offering of the Notes, the Distribution Agent may in accordance with all applicable laws and regulations engage in transactions that stabilise, maintain or otherwise affect the price of the Notes or any other securities the prices of which may be used to determine payments on those Notes. Specifically, the Distribution Agent may overallocate in connection with any offering of the Notes, creating a short position in the Notes for their own accounts. In addition, to cover overallocations or to stabilise the price of the Notes or of any other securities, the Distribution Agent may bid for, and purchase, Notes or any other securities in the open market. Any of these activities may stabilise or maintain the market price of the Notes above independent market levels. The Distribution Agent is not required to engage in these activities and may end any of these activities at any time.

United States of America

The Notes, any interest therein and any Guarantee in respect thereof, have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. None of the Issuers or the Guarantor are registered or will register under the Investment Company Act of 1940, as amended. Trading in the Notes has not been approved by the U.S. Commodity Futures Trading Commission pursuant to the Commodity Exchange Act of 1936, as amended. The Notes, any interest therein and any Guarantee in respect thereof, may not be offered, sold, pledged, assigned, delivered or otherwise transferred, exercised or redeemed at any time, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (**Regulation S**)). Each Distribution

Agent (1) has acknowledged that the Notes, any interest therein and any Guarantee in respect thereof, have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and the Notes are not being offered, sold, pledged, assigned, delivered or otherwise transferred, exercised or redeemed and may not be offered, sold, pledged, assigned, delivered or otherwise transferred, exercised or redeemed at any time, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons; (2) has represented, as a condition to acquiring any interest in the Notes, that neither it nor any persons on whose behalf or for whose account or benefit the Notes are being acquired is a U.S. Person, that it is not located in the United States, and was not solicited to purchase Notes while present in the United States; (3) has agreed not to offer, sell, pledge, assign, deliver or otherwise transfer, exercise or redeem any of the Notes at any time, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person; (4) has agreed that any hedging transactions involving "equity securities" of "domestic issuers" (as such terms are defined in the Securities Act and regulations thereunder), if any, will be conducted only in accordance with the Securities Act and (5) has agreed that, at or prior to confirmation of sale of any Notes (whether upon original issuance or in any secondary transaction), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it a written notice containing language substantially the same as the foregoing. As used herein, "United States" means the United States of America (including the states and the District of Columbia), its territories and possessions, and all other areas subject to the jurisdiction of the United States.

In addition, the Distribution Agent has represented and agreed that it has not offered or sold Notes and any Guarantee in respect thereof and will not offer or sell Notes and any Guarantee in respect thereof at any time except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, the Distribution Agent has represented and agreed that neither it, its affiliates (if any) nor any person acting on behalf of any of them has engaged or will engage in any directed selling efforts with respect to Notes and any Guarantee in respect thereof, and they have all complied and will comply with the offering restrictions requirements of Regulation S. Terms used in this paragraph have the meanings given to them in Regulation S.

An offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act.

European Economic Area and United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each, a **Relevant State**), the Distribution Agent has represented and agreed, and each further Distribution Agent appointed under the Programme will be required to represent and agree, in relation to each Tranche of Notes that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Distribution Agent or Distribution Agents nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the relevant Issuer or any Distribution Agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant State means the communication to persons in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.

Prohibition of Sales to EEA and UK Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", the Distribution Agent has represented and agreed, and each further Distribution Agent appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA or in the United Kingdom. For the purposes of this provision:

- (A) the expression "retail investor" means a person who is one (or more) of the following:
 - (1) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (2) a customer within the meaning of Directive 2016/97/EU as amended (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (3) not a qualified investor as defined in the Prospectus Regulation; and
- (B) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

In relation to each Tranche of Notes, the Distribution Agent has represented and agreed, subscribing for or purchasing such Notes, and each further Distribution Agent appointed under the Programme will be required to represent and agree, with the relevant Issuer and, if the Notes are issued by MSBV or MSFL, the Guarantor, that:

Notes with maturities of less than one year: in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes

of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (**FSMA**) by the Issuer;

Financial promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor, if applicable; and

General compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Netherlands

For selling restrictions in respect of The Netherlands, see "European Economic Area" above and in addition:

Regulatory capacity to offer Notes in The Netherlands: The Distribution Agent, and each further Distribution Agent appointed under the Programme, which did and does not have the requisite Dutch regulatory capacity to make offers or sales of financial instruments in The Netherlands has represented and agreed respectively will be required to represent and agree with the Issuers that it has not offered or sold and will not offer or sell any of the Notes of any Issuer in The Netherlands, other than through one or more investment firms acting as principals and having the Dutch regulatory capacity to make such offers or sales.

DESCRIPTION OF THE ISSUERS

For a description of each Issuer, please refer to the 2019 Registration Document and First Registration Document Supplement (see section “*Documents Incorporated by Reference*”).

FORM OF GUARANTEE OF MORGAN STANLEY

Guarantee of Morgan Stanley

Morgan Stanley (the **Guarantor**) hereby guarantees unconditionally and irrevocably the payment obligations of Morgan Stanley B.V. or Morgan Stanley Finance LLC (each, an **Issuer**) in respect of the notes issued by it (the **Notes**) under the Morgan Stanley (as issuer and guarantor), Morgan Stanley B.V. (as issuer), Morgan Stanley Finance LLC (as issuer) and Morgan Stanley & Co. International plc (as issuer) €2,000,000,000 Programme, as may be increased by Morgan Stanley from time to time, for the Issue of Notes (the **Programme**).

The Guarantor covenants to each person who is for the time being shown (i) in the books of Euroclear France Account Holders, with respect to Notes in bearer dematerialised form (*au porteur*), or (ii) with respect to Notes in registered dematerialised form (*nominatif*) either (A) in the books of a Euroclear France Account Holder (with respect to Notes in administered registered form (*nominatif administré*)) or (B) in an account in the books of Euroclear France maintained by or on behalf of an Issuer (with respect to Notes in fully registered form (*nominatif pur*)), as the holder of a principal amount of the Notes (each a **Beneficiary of the Guarantee**) that it shall make such payments under this Guarantee and acknowledges that each Beneficiary of the Guarantee may take proceedings to enforce this Guarantee directly against the Guarantor.

For the purpose of this Guarantee, **Euroclear France Account Holder** means any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (**Euroclear**) and the depositary bank for Clearstream Banking, *société anonyme*, Luxembourg (**Clearstream**).

The Guarantor hereby agrees that it shall not be necessary, as a condition to enforce this guarantee, that suit be first instituted against the applicable Issuer or that any rights or remedies against such Issuer be first exhausted. Rather, it is understood and agreed that the liability of the Guarantor hereunder shall be primary, direct, and in all respects, unconditional. The obligations of the Guarantor under this Guarantee constitute direct, unconditional and unsecured obligations of the Guarantor and rank without preference among themselves and, subject as aforesaid, *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by laws affecting creditors' rights.

The Guarantor shall be fully liable as if it were the principal debtor under the Notes whether any time has been granted to the applicable Issuer, whether the obligations of the Issuer under the Notes have ceased to exist pursuant to bankruptcy, corporate reorganization or other similar event, whether the applicable Issuer has been dissolved or liquidated or consolidated or has changed or lost its corporate identity and whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or defense to a guarantor.

If any moneys shall become payable by the Guarantor under this Guarantee, the Guarantor shall not for so long as the same remain unpaid in respect of any amount paid by it under this Guarantee exercise any right of subrogation in relation to the applicable Issuer or any other right or remedy which may accrue to it in respect of or as a result of any such payment.

All payments pursuant to this Guarantee will be made without withholding or deduction for any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied collected, withheld or assessed by the United States of America, or any political subdivision or any authority thereof having power to tax unless such withholding or deduction is required by law. The Guarantor shall not be required to make any additional payments on account of such withholding or deduction. If the Guarantor becomes subject at any time to any taxing jurisdiction other than the United States of America,

references in the Guarantee to the United States shall be construed as references to such other jurisdiction.

This guarantee shall be governed and construed in accordance with New York law, without regard to the conflict of laws principles.

This guarantee of the Guarantor provided in respect of Notes issued by an Issuer will terminate upon the merger of such Issuer with and into the Guarantor.

This guarantee shall expire and is no longer effective once all amounts payable on or in respect of the Notes has been paid in full.

Dated as of 17 July 2020

MORGAN STANLEY

By:

Name: [●]

Title: [●]

GENERAL INFORMATION

AMF approval

This Base Prospectus has been approved by the AMF in France in its capacity as competent authority pursuant to the Prospectus Regulation. The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Issuer or of the quality of the Notes which are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

This Base Prospectus is valid until 17 July 2021. The obligation to supplement the Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Base Prospectus is no longer valid.

Corporate authorisation

The role of Morgan Stanley as issuer under the Programme was authorised by resolutions of the Board of Directors of Morgan Stanley on 19 September 2006, 25 December 2009, 15 July 2010, 19 January 2011 and 31 October 2013.

The role of MSIP as issuer under the Programme was authorised by resolutions of the Board of Directors of MSIP on 24 October 2011 and reaffirmed on 12 December 2012.

The role of MSBV as issuer under the Programme was authorised by resolutions of the Board of Directors of MSBV on 24 October 2011 and reaffirmed on 28 January 2013, 18 December 2013, 19 December 2014, 14 January 2016, 12 January 2017, 29 November 2017, 5 December 2018, 17 July 2019 and 14 July 2020.

The role of MSFL as issuer under the Programme was authorised by resolutions of the Board of Managers of MSFL passed on 5 February 2016.

Auditors

Morgan Stanley

The auditors of Morgan Stanley are Deloitte & Touche LLP, 30 Rockefeller Plaza, New York, NY, 10112-0015, U.S.A., who have (i) audited the financial statements of Morgan Stanley for the year ended 31 December 2018, (ii) audited the financial statements of Morgan Stanley for the year ended 31 December 2019, and (iii) reviewed the consolidated financial statements for the three-month period ended 31 March 2020 and issued a report thereon.

MSIP

The auditors of MSIP are Deloitte LLP of 1 New Street Square, London EC4A 3HQ2, United Kingdom, who have audited MSIP's financial statements in accordance with International Standards on Auditing (UK) and applicable law for the year ended 31 December 2018 and the year ended 31 December 2019 and unqualified audit reports have been issued thereon.

MSBV

Deloitte Accountants B.V., independent auditors and certified public accountants of Gustav Mahlerlaan 2970, 1081, LA Amsterdam, The Netherlands, a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*) have audited the financial statements of MSBV for the year ended 31 December 2018 and the year ended 31 December 2019 and unqualified opinions have been reported thereon.

This document does not contain any other information that has been audited by Deloitte Accountants B.V.

The financial information in respect of MSBV has been prepared in accordance with IFRS as adopted by the European Union for the year ended 31 December 2018 and the year ended 31 December 2019.

MSFL

Deloitte & Touche LLP, 30 Rockefeller Plaza, New York, NY 10112-0015, U.S.A., independent auditors, have audited the financial statements of MSFL as of and for the year ended 31 December 2018; and as of and for the year ended 31 December 2019, and unqualified opinions have been reported thereon, which include an explanatory paragraph referring to significant transactions with affiliates.

The financial information in respect of MSFL has been prepared in accordance with U.S. Generally Accepted Accounting Principles.

Trend Information

Save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of Morgan Stanley since 31 December 2019 (being the end of the last financial period for which audited financial statements have been published) at the date of this Prospectus.

Save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of MSIP, since 31 December 2019 (being the end of the last financial period for which audited financial statements have been published) at the date of this Prospectus.

Save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of MSBV since 31 December 2019 (being the end of the last financial period for which audited financial statements have been published) at the date of this Prospectus.

Save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of MSFL since 31 December 2019 (being the end of the last financial period for which audited financial statements have been published) at the date of this Prospectus.

No significant change in the financial position or financial performance

Save as disclosed in this Base Prospectus, there has been at the date of this Base Prospectus no significant change in the financial position or financial performance of Morgan Stanley since 31 March 2020.

Save as disclosed in this Base Prospectus, there has been at the date of this Base Prospectus no significant change in the financial position or financial performance of the MSIP Group since 31 December 2019.

Save as disclosed in this Base Prospectus, there has been at the date of this Base Prospectus no significant change in the financial position or financial performance of MSBV since 31 December 2019.

Save as disclosed in this Base Prospectus, there has been at the date of this Base Prospectus no significant change in the financial position or financial performance of MSFL since 31 December 2019.

Material Contracts

None of Morgan Stanley, MSIP, MSBV and MSFL has entered into any material contracts in the ordinary course of their business, which could result in it being unable to meet its obligation to Noteholders in respect of the Notes to be issued under the Programme.

Conflicts of Interests

To the knowledge of each of Morgan Stanley, MSIP, MSBV and MSFL, the duties owned by the members of their Board of Directors to Morgan Stanley, MSIP or, as the case may be, MSBV or MSFL do not give rise to any potential conflicts of interest with such members' private interests or other duties at the date of this Prospectus.

Clearing

Notes will be inscribed in the books of Euroclear France (acting as central depository). The address of Euroclear France is 66 rue de la Victoire, 75009 Paris, France.

The Notes will be accepted for clearance through Euroclear and Clearstream. The common code and the International Securities Identification Number (**ISIN**), in relation to the Notes of each Series will be specified in the Final Terms relating thereto.

The address of Euroclear is Euroclear Bank SA/NV, 1 boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream is Clearstream Banking, 42 avenue JF Kennedy, L-1855 Luxembourg.

Admission to trading

Upon the approval of this Base Prospectus, application may be made for Notes issued under the Programme during a period of twelve (12) months from the date of this Base Prospectus to be listed and/or admitted to trading on Euronext Paris or on any other regulated market in the European Union (each such regulated market, a **Regulated Market**). Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU of the European Parliament and of the Council as amended. References in this Base Prospectus to securities being "listed" (and all related references) shall mean that such securities have been listed and admitted to trading on Euronext Paris, on the regulated market or on the EuroMTF Market of the Luxembourg Stock Exchange, displayed on the Luxembourg Stock Exchange Securities Official List (**LuxSE SOL**) (without admission to trading) or listed and admitted to trading on any other stock exchange(s) as may be specified in the applicable Final Terms. Each Issuer may also issue unlisted Notes. The relevant final terms (the **Final Terms**) (a form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading on Euronext Paris, on the regulated market or on the EuroMTF Market of the Luxembourg Stock Exchange, displayed on LuxSE SOL (without admission to trading) or listed and admitted to trading on any other stock exchange(s).

Ratings

This Base Prospectus includes details of the long-term and short-term credit ratings assigned to (i) Morgan Stanley by DBRS, Inc. (**DBRS**), Fitch Ratings, Inc. (**Fitch**), Moody's Investors Service, Inc. (**Moody's**), Rating and Investment Information, Inc. (**R&I**) and Standard & Poor's Financial Services LLC through its business unit Standard & Poor's Global Ratings (**S&P**), (ii) MSIP by Moody's and S&P and (iii) MSFL by Moody's, S&P and Fitch. MSBV is not rated.

None of DBRS, Fitch, Moody's and S&P is established in the European Economic Area (**EEA**) or the United Kingdom or has applied for registration under Regulation 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the **CRA Regulation**). However, certain of their respective affiliates are established in the EEA or the United Kingdom and registered under CRA Regulation by European Securities and Markets Authority (**ESMA**) on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>). Such affiliates endorse the ratings of DBRS, Fitch, Moody's and S&P for use for regulatory purposes in the EEA or the United Kingdom.

R&I is not incorporated in the EEA or the United Kingdom and is not registered under the CRA Regulation in the EU.

As of the date of this Base Prospectus, Morgan Stanley's short-term and long-term debt has been respectively rated (i) R-1 (middle) and A (high), with a stable outlook, by DBRS, (ii) F1 and A, with a negative outlook, by Fitch, (iii) P-2 and A3, with a rating under review for upgrade outlook, by Moody's, (iv) a-1 and A, with a stable outlook, by R&I and (v) A-2 and BBB+, with a stable outlook, by S&P.

As of the date of this Base Prospectus, MSIP's short-term and long-term debt has been respectively rated (i) P-1 and A1, with a rating under review for upgrade outlook, by Moody's and (ii) A-1 and A+, with a stable outlook, by S&P.

MSBV is not rated.

As of the date of this Base Prospectus, MSFL's long-term debt has been respectively rated (i) A3, with a rating under review for upgrade outlook, by Moody's, (ii) BBB+, with a stable outlook, by S&P and (iii) A, with a negative outlook, by Fitch.

Notes issued under the Programme may be rated or unrated. The rating of Notes, if any, will be disclosed in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning credit rating agency.

Documents Available

For so long as this Base Prospectus remains in effect or any Notes issued by Morgan Stanley, MSIP, MSBV or MSFL remain outstanding, the following documents will be available from the date hereof in electronic form on the website of the Issuers (<http://sp.morganstanley.com/EU/Documents>):

- (a) copies of the Distribution Agreement, the Agency Agreement, the Guarantee;
- (b) copies of all of Morgan Stanley, MSIP and MSBV's future published financial statements and all of Morgan Stanley's future Annual and Current Reports;
- (c) the Certificate of Incorporation and Amended and Restated By-laws of Morgan Stanley;
- (d) the Certificate of Incorporation and the Articles of Association of MSIP will be available at the registered office of MSIP;
- (e) the Deed of Incorporation of MSBV will be available at the registered office of MSBV;
- (f) the Limited Liability Company Agreement of MSFL dated 27 March 2002 (as amended and restated from time to time);
- (g) all reports, letters and other documents, historical financial information, valuations and statements by any expert any part of which is included or referred to herein;
- (h) the 2019 Morgan Stanley Annual Report and Morgan Stanley's First Quarterly Report for 2020;
- (i) 2019 Registration Document and the First Registration Document Supplement;
- (j) Morgan Stanley Proxy Statement;
- (k) the 2019 MSIP Annual Report and 2018 MSIP Annual Report will be available at the registered office of MSIP;
- (l) the 2019 MSBV Report and Financial Statements and the 2018 MSBV Report and Financial Statements will be available at the registered office of MSBV;

- (m) Annual Reports of MSFL for the financial years ended 31 December 2018 and 31 December 2019;
- (n) a copy of this Base Prospectus and any document incorporated by reference herein;
- (o) any supplement to this Base Prospectus; and
- (p) any Final Terms (save that any Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area or in the United Kingdom nor offered in the European Economic Area or in the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must provide evidence satisfactory to the Issuer as to the identity of such holder).

Any statement contained in this Base Prospectus or in a document incorporated or deemed to be incorporated by reference in this Base Prospectus will be deemed to be modified or superseded for purposes of this Base Prospectus, to the extent that a statement contained in this Base Prospectus or in any subsequently filed document that also is or is deemed to be incorporated by reference in this Base Prospectus and in respect of which a supplement to this Base Prospectus has been prepared modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

Stabilisation

In connection with the issue of any tranche of notes under the programme, any Distribution Agent or any other agent specified for that purpose in the applicable Final Terms as the stabilising manager (or any person acting for the stabilising manager) may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, stabilisation might not necessarily occur. Any stabilising action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if commenced, may cease at any time, but must be brought to an end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilising action or over-allotment must be conducted by the stabilising manager (or any person acting for the stabilising manager) in accordance with all applicable laws and rules.

Benchmarks Regulation: Article 29(2) statement on benchmarks

Amounts payable under the Notes may be calculated by reference to one or more specific indices or price sources or a combination of indices or price sources. Any such index or price source may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the **Benchmarks Regulation**). In cases where amounts payable under the Notes are calculated by reference to one or more indices or price sources, the relevant Final Terms will specify:

- the name of each index or price source so referenced;
- the legal name of the administrator of each such index or price source; and
- whether or not the legal name of the administrator of each such index or price source appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to Article 36 of the Benchmarks Regulation at the date of the relevant Final Terms.

Not every index or price source will fall within the scope of the Benchmarks Regulation. Where an index or price source falls within the scope of the Benchmarks Regulation, the transitional provisions

in Article 51 or the provision of Article 2 of the Benchmarks Regulation may apply, such that the administrator of such index or price source is not at the date of the relevant Final Terms required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the relevant Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

Websites

Any websites included in this Base Prospectus are for information purposes only and the information in such websites does not form any part of this Base Prospectus unless that information is incorporated by reference into the Base Prospectus.

**PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE
PROSPECTUS**

We hereby certify that the information contained in this Base Prospectus (except the information relating to Morgan Stanley, MSIP and MSFL) is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Morgan Stanley B.V.

Luna Arena
Herikerbergweg 238
1101 CM Amsterdam
The Netherlands

Duly represented by:
TMF Management BV
in its capacity as Managing Director

Duly represented by:

Peter de Reus and Saskia Engel

in their capacity as attorney in fact of TMF Management BV

on 17 July 2020

We hereby certify that the information contained in this Base Prospectus (except the information relating to Morgan Stanley, MSBV and MSFL) is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Duly represented by:

Jessica Wright
in her capacity as authorised signatory

on 17 July 2020

We hereby certify that the information contained in this Base Prospectus (except the information relating to Morgan Stanley, MSIP and MSBV) is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Morgan Stanley Finance LLC

1585 Broadway
New York, New York 10036
U.S.A.

Duly represented by:

Keval Shah
in his capacity as authorised signatory

on 17 July 2020

We hereby certify that the information contained in this Base Prospectus (except the information relating to MSIP, MSBV and MSFL) is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Morgan Stanley
1585 Broadway
New York, New York 10036
U.S.A.

Duly represented by:

Michael Aquino
in his capacity as authorised signatory

on 17 July 2020



Autorité des marchés financiers

This Base Prospectus has been approved by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129. The AMF has approved this Base Prospectus after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval is not a favourable opinion on the Issuer and on the quality of the Notes described in this Base Prospectus. Investors should make their own assessment of the opportunity to invest in such Notes.

This Base Prospectus has been approved on 17 July 2020 is valid until 17 July 2021 and shall, within this period and pursuant to the conditions set by Article 23 of Regulation (EU) 2017/1129, be completed by a supplement to the Base Prospectus in the event of new material facts or substantial errors or inaccuracies. The Base Prospectus has the following approval number: 20-363.

**PRINCIPAL EXECUTIVE OFFICE OF
MORGAN STANLEY**

1585 Broadway
New York, New York 10036
U.S.A.

**REGISTERED OFFICE OF MORGAN
STANLEY IN DELAWARE**

The Corporation Trust Center
1209 Orange Street
Wilmington, Delaware 19801
U.S.A.

REGISTERED OFFICE OF MORGAN STANLEY & CO. INTERNATIONAL PLC

25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

REGISTERED OFFICE OF MORGAN STANLEY B.V.

Luna Arena
Herikerbergweg 238
1101 CM Amsterdam
The Netherlands

PRINCIPAL EXECUTIVE OFFICES OF MORGAN STANLEY FINANCE LLC

1585 Broadway
New York, New York 10036
U.S.A.

REGISTERED OFFICE OF MORGAN STANLEY FINANCE LLC

The Corporation Trust Center
1209 Orange Street
Wilmington, Delaware 19801
U.S.A.

PRINCIPAL PAYING AGENT AND FISCAL AGENT

Citibank N.A. London Branch
6th Floor, Citigroup Centre
Canada Square
Canary Wharf, London, E14 5LB
United Kingdom

LEGAL ADVISER TO THE PROGRAMME

As to French law:

Allen & Overy LLP
52, avenue Hoche
CS 90005
75379 Paris Cedex 08
France

AUDITORS OF MORGAN STANLEY AND MORGAN STANLEY FINANCE LLC

Deloitte & Touche LLP
30 Rockefeller Plaza
New York, New York 10112-0015
U.S.A.

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Deloitte LLP
1 New Street Square
London EC4A 3HQ
United Kingdom

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