Base Prospectus dated January 26, 2024

CANADIAN IMPERIAL BANK OF COMMERCE

(a Canadian chartered bank)

UK Structured Note Prospectus

Nature of this document

This document (the "**Base Prospectus**") constitutes a base prospectus for the purposes of Article 8 of the UK Prospectus Regulation (as defined below) and relates to a Structured Note Issuance Programme (the "**Programme**") under which Notes of the type described below may be issued from time to time. When used in this Base Prospectus, "**Prospectus Regulation**" means Regulation (EU) 2017/1129 and "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**").

This Base Prospectus has been approved by the Financial Conduct Authority (the "**FCA**"), as competent authority under the UK Prospectus Regulation. The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Approval by the FCA should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus or of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes (as defined below). This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the United Kingdom (the "**UK**") and/or offered to the public in the UK other than in circumstances where an exemption is available under Section 86 of the Financial Services and Markets Act 2000 ("**FSMA**"), as the case may be. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Defined terms

Capitalised terms used in this Base Prospectus are defined in the section "*Definitions Condition*" or in the particular section where the capitalised terms are first used herein. Definitions are designated by the capitalised term being in bold text.

The Issuer

Notes (as defined below) may be issued by Canadian Imperial Bank of Commerce ("**CIBC**" or the "**Issuer**").

This Base Prospectus contains information describing (i) the business activities of, (ii) certain financial information relating to and (iii) material risks faced by the Issuer.

The Notes

This Base Prospectus relates to the issuance of various types of notes ("**Notes**") including Notes that bear interest at a fixed rate, floating rate, variable rate, a rate linked to an underlying asset class or bear no interest. Notes may be redeemed at a fixed amount, including at par value, or at an amount linked to an underlying asset class, which may in some cases be zero. Notes may be redeemed on the scheduled maturity date or on an early redemption date. The underlying asset classes (each, an "**Underlying Asset Class**") to which interest and/or redemption amounts of Notes may be linked are indices, equities, funds, a formula or formulae (which may, in turn, be determined by reference to indices, equities, funds, benchmarks or factors, or a basket).

The amount payable (if any) on redemption in respect of a Note may be linked to the performance of preference shares (a "**Preference Share Linked Note**"). The performance of such preference shares is in turn linked to the performance of indices, equities, funds or exchange traded funds ("**ETFs**") thereby providing investors in the Preference Share Linked Notes with a return linked to such underlying indices, equities, funds or ETFs.

Notes may be denominated in any currency.

Subject to restrictions arising as a matter of law, there is no general restriction on the category of potential investors to which Notes may be offered under this Base Prospectus. Depending on the terms of a particular Series of Notes, Notes may be offered to retail and/or institutional investors as specified in the applicable Final Terms (as defined below).

Listing and admission to trading

Application has been made to the FCA for Notes issued during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's main market (the "**Main Market**").

References in this Base Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to trading on the Main Market and have been admitted to the Official List. The Main Market is a UK regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**").

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of the Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the* Notes") of Notes will be set out in a final terms document (the "**Final Terms**") which will be delivered to the FCA and, where listed, the London Stock Exchange.

Copies of Final Terms in relation to Notes to be listed on the Main Market will also be published on the website of the London Stock Exchange through a regulatory information service.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer and as set out below.

Credit ratings

The credit ratings of the Issuer included and referenced in this Base Prospectus are assigned by Moody's Investors Service, Inc. ("**Moody's USA**"), Standard & Poor's Financial Services LLC ("**S&P USA**"), Fitch Ratings, Inc. ("**Fitch**") and DBRS Limited ("**DBRS**").

None of S&P USA, Moody's USA, Fitch or DBRS is established in the European Union or in the UK or has applied for registration under Regulation (EC) No. 1060/2009 (the "**EU CRA Regulation**") or the Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (the "**UK CRA Regulation**" and together with the EU CRA Regulation, the "**CRA Regulations**")), respectively. However, S&P Global Ratings Europe Limited has endorsed the ratings of S&P USA, Moody's Deutschland GmbH has endorsed the ratings of Moody's USA, Fitch Ratings Ireland Limited has endorsed the ratings of Fitch and DBRS Ratings GmbH has endorsed the ratings of DBRS. Each of S&P Global Ratings Europe Limited, Moody's Deutschland GmbH, Fitch Ratings Ireland Limited and DBRS Ratings GmbH is established in the European Union and is registered under the EU CRA Regulation. Standard & Poor's Global Ratings UK Limited has endorsed the ratings of S&P USA, Moody's Investors Service Ltd. has endorsed the ratings of Moody's USA, Fitch Ratings Limited has endorsed the ratings of Fitch and DBRS Ratings Limited has endorsed the ratings of DBRS. Each of Standard & Poor's Global Ratings UK Limited, Moody's Investors Service Ltd., Fitch Ratings Limited and DBRS Ratings Limited is established in the UK and is registered under the UK CRA Regulation. Credit ratings may be adjusted over time and there is no assurance that any credit ratings will be effective after the date of the document in which they appear.

Notes may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms, however, such rating will not necessarily be the same as the ratings assigned to the Programme, the Issuer or to Notes already issued.

Whether or not each credit rating applied for in relation to the relevant Tranche of Notes will be issued by a credit rating agency established in the European Union or in the UK or registered under the EU CRA Regulation or the UK CRA Regulation will be disclosed in the applicable Final Terms.

In general, European and UK regulated investors are restricted under the CRA Regulations from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU or the UK and

registered under the applicable CRA Regulation (and such registration has not been withdrawn or suspended) subject to transitional provisions that apply in certain circumstances while the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU and non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an EU or UK registered credit rating agency or the relevant non-EU or non-UK rating agency is certified in accordance with the applicable CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

ESMA is obliged to maintain on its website a list of credit rating agencies registered in accordance with the EU CRA Regulation. This list must be updated within five working days of ESMA's adoption of any decision to withdraw the registration of a credit rating agency under the EU CRA Regulation. The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

The FCA is obliged to maintain on its website a list of credit rating agencies registered in accordance with the UK CRA Regulation. The list of registered and certified rating agencies published by the FCA on its website in accordance with the UK CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated FCA list.

A Note rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. There is no assurance that the rating of a Tranche of Notes will remain for any given period of time or that the rating will not be lowered or withdrawn by the rating agencies if in their judgment circumstances so warrant. Investors are cautioned to evaluate each rating independently of any other rating.

Reading this Base Prospectus

This Base Prospectus (together with any supplements to this Base Prospectus published from time to time (each a "**Supplement**" and together the "**Supplements**")), including the documents listed in the section of this Base Prospectus entitled "*Documents Incorporated By Reference*" (which are documents that are deemed to be incorporated by reference into this Base Prospectus but which are separately available upon request), is intended to provide prospective investors with information necessary to enable them to make an informed investment decision before purchasing any Notes. Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of CIBC. This Base Prospectus and the documents incorporated by reference hereto will also be published on (i) the London Stock Exchange website (**https://www.londonstockexchange.com**) and (ii) CIBC's website (**CIBC Debt Information | Investor Relations**). This Base Prospectus includes the terms and conditions that may apply to the Notes, which will be completed for each Series of Notes by a set of Final Terms (the "**Conditions**"). Further detail on Final Terms is set out below. As not all of the terms and conditions contained in this Base Prospectus may be relevant to a particular Series of Notes, this Base Prospectus contains a User's Guide at page 89 which is intended to help investors to navigate the terms and conditions which apply to a particular Series of Notes.

In addition to the Conditions of the Notes, this Base Prospectus includes other information such as information related to the Issuer, information about the material risks related to any investment in the Notes and information on selling and transfer restrictions. Investors should read this information in full before making any decision to invest in Notes.

What information is included in the Final Terms?

While the Base Prospectus includes general information about all Notes, the "**Final Terms**" is the document that sets out the specific applicable commercial details of each particular Series of Notes.

In relation to a Series of Notes, the Final Terms will set out, for example and among other things:

- the issue date;
- the scheduled maturity date;
- the interest payment date(s) (if any);
- the basis on which interest (if any) and the amount payable on redemption will be determined and/or calculated;

- whether or not the Notes may be redeemed early at the option of the Issuer or the investor;
- information relating to any relevant Underlying Asset Class; and
- any other information needed to complete the terms and conditions of the Notes (identified by the words "as specified in the applicable Final Terms" or other equivalent wording).

Wherever the Conditions contain optional provisions, the Final Terms will specify which of those provisions apply to a specific Series of Notes.

Arranger and Dealer
CIBC Capital Markets

OTHER IMPORTANT INFORMATION

This Base Prospectus (together with any Supplements thereto) constitutes a base prospectus for the purposes of Article 8 of the UK Prospectus Regulation in respect of, and for the purpose of giving information with regard to the Issuer, which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the rights attaching to the Notes and the reason for the issuance and its impact on the Issuer.

The requirement to publish a prospectus under the FSMA only applies to Notes which are admitted to trading on a UK regulated market as defined in UK MiFIR and/or offered to the public in the United Kingdom other than in circumstances where an exemption is available under Section 86 of the FSMA.

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus does not omit anything likely to affect its import.

This Base Prospectus is to be read and construed in conjunction with any Supplements hereto and all documents which are deemed to be incorporated herein by reference (see *"Documents Incorporated by Reference"* below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Base Prospectus. This Base Prospectus may only be used for the purposes for which it has been published.

Notes may be issued on a continuing basis to the Dealer specified under *"Subscription and Sale"* below and any additional dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an on-going basis. References in this Base Prospectus to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed or purchased by more than one Dealer, be to all Dealers agreeing to subscribe or purchase such Notes.

No person has been authorized to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer or any of Dealer. Neither the delivery of this Base Prospectus or any Final Terms nor any offering or sale made in connection herewith shall, under any circumstances, create any implication that there has been no adverse change in the affairs or financial condition of the Issuer since the date hereof or that any other the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented by a Supplement or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

No Dealer has independently verified the information contained in this Base Prospectus. No Dealer makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability with respect to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

Neither this Base Prospectus, nor any Final Terms, financial statements or any other information supplied in connection with the Programme or any Notes are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or any Dealer that any recipient of this Base Prospectus, any Final Terms, financial statements or any other

information supplied in connection with the Programme or any Notes should purchase any Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in or incorporated by reference in this Base Prospectus and the applicable Final Terms and its purchase of Notes should be based upon such investigation as it deems necessary. Each potential investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and of the terms of such Notes.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any Dealer to any person to subscribe for or to purchase any Notes. In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved.

The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus or to advise any investor or potential investor in the Notes of any information coming to their attention.

This Base Prospectus does not constitute, and may not be used for or in connection with, an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The distribution of this Base Prospectus and any Final Terms and the offering or sale of the Notes in certain jurisdictions may be restricted by law. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer or any Dealer, which is intended to permit a Public Offer (as defined below) of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus, any Final Terms or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in, *inter alia*, the United States, the United Kingdom and the European Economic Area (including The Netherlands, Italy and Belgium) (see *"Subscription and Sale"*).

Any person (an "**Investor**") purchasing the Notes under the Programme is solely responsible for ensuring that any offer or resale of the Notes it purchased under the Programme occurs in compliance with applicable laws and regulations.

The information on the websites or URLs to which this Base Prospectus refers does not form part of this Base Prospectus, unless that information is incorporated by reference into the Base Prospectus (see *"Documents Incorporated by Reference"*) and has not been scrutinised or approved by the FCA.

MiFID II product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into

consideration the target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID product governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer as defined in MiFID II in respect of such Notes, but otherwise none of the Arranger, any Dealer or any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MiFIR product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**UK Distributor**") should take into consideration the target market assessment; however, a UK Distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arranger, any Dealer or any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

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

UK PRIIPs / IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "*Prohibition of Sales to 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 United Kingdom ("**UK**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation. For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of

the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

All references in this document to "**euro**" and **"€"** refer to the lawful currency introduced at the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, references to "**U.S. dollars**", "**U.S.$**", "**USD**" and "**$**" refer to the currency of the United States of America, references to "**C$**" and "**CAD**" refer to the currency of Canada and references to "**Sterling**", "**GBP**" and "**£**" refer to the currency of the United Kingdom.

Notification under Section 309B(1)(C) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "SFA") - Unless otherwise stated in the applicable Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in Monetary Authority of Singapore ("**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). This notification or any such legend included in the relevant Final Terms will constitute notice to "relevant persons" for purposes of Section 309B(1)(c) of the SFA.

CANADA'S BANK RECAPITALIZATION REGIME

The Issuer is a domestic systemically important bank and is subject to Canada's bank recapitalization regime for banks (or "**Bail-in Regime**", as more fully described in the section entitled "*Risk Factors - Factors which are material for the purpose of assessing the bail in risks associated with Notes issued under the Programme - Risks related to Bail-inable Notes*" herein), which would apply if the relevant Canadian authorities are of the opinion that the Issuer has ceased, or is about to cease, to be viable and viability cannot be restored or preserved. Notes that are Bail-inable Notes are subject to conversion in whole or in part, by means of a transaction or series of transactions and in one or more steps, into common shares of the Issuer or any of its affiliates under subsection 39.2(2.3) of the Canada Deposit Insurance Corporation Act (Canada) (the "**CDIC Act**") and to variation or extinguishment in consequence, and are subject to the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to such Bail-inable Notes. See General Condition 3(b) and the discussion under the risk factors included under "*Risk Factors – Factors which are material for the purpose of assessing the bail-in risks associated with Notes issued under the Programme - Risks related to Bail-inable Notes*". The applicable Final Terms will indicate whether Notes are Bail-inable Notes or not.

BANK ACT (CANADA) NOTICE

Notes issued by the Issuer do not evidence or constitute deposits that are insured under the CDIC Act.

BRANCH OF ACCOUNT

For each issue of Notes, the Issuer will designate a "**branch of account**" (a "**Branch of Account**") for purposes of the Bank Act (Canada) (the "**Bank Act**"). Irrespective of the Branch of Account designation, the Issuer is (a) the legal entity that is the issuer of the Notes and (b) the legal entity obligated to repay the Notes. The Issuer is the only legal entity that will issue Notes pursuant to this Base Prospectus. The determination by the Issuer of the Branch of Account for Notes will be based on various considerations, including, without limitation, those relating to (i) the market or jurisdiction into which the Notes are being issued, based on factors including investors' preferences in a specific market or jurisdiction, (ii) specific regulatory requirements, such as a regulator requiring that a branch increase its liquidity through locally sourced funding, or (iii) specific tax implications that would affect

the Issuer or investors, such as the imposition of a new tax if an alternative branch was used, in relation to which please see further details in the Section entitled "*Taxation*" on page 444. A branch of the Issuer is not a subsidiary of the Issuer, or a separate legal entity from the Issuer.

U.S. INFORMATION

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, the Notes may not be offered or sold 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**")). Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, United States persons, except in certain transactions permitted by U.S. tax regulations.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC"), the securities commission of any State or other jurisdiction in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

UK BENCHMARKS REGULATION

Amounts payable under the Notes may be calculated or otherwise determined by reference to an index, a rate or a combination of indices. Any such index or rate may constitute a benchmark for the purposes of Regulation (EU) No 2016/1011 as it forms part of domestic law by virtue of the EUWA ("**UK Benchmarks Regulation**"). If any such index or rate does constitute such a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the FCA (the "**Register**") pursuant to article 36 of the UK Benchmarks Regulation. Not every index or rate will fall within the scope of the UK Benchmarks Regulation. Furthermore, transitional provisions in the UK Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the Register at the date of the applicable Final Terms. The registration status of any administrator under the UK Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the applicable Final Terms to reflect any change in the registration status of the relevant administrator.

STABILISATION

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

INDEPENDENT DETERMINATION OF LEGALITY AND SUITABILITY OF INVESTMENT

Investors whose investment authority is subject to legal restrictions should consult their legal advisors to determine whether and to what extent the Notes constitute legal investments for them. See "*Risk Factors – Legal investment considerations may restrict certain investments*".

Each potential investor in the Notes must determine the suitability of that investment in light of his or her own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional investors, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus (including any applicable Supplement) and any applicable Final Terms;

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

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the Specified Currency or Settlement Currency is different from the potential investor's currency, or Bail-inable Notes which may be converted (in whole or in part) into common shares of the Issuer or an affiliate upon a bail-in conversion (as defined in herein);

(iv) has knowledge of and access to appropriate analytical resources to analyse quantitatively the effect (or value) of any redemption, cap, floor or other features of the Notes and the resulting impact upon the value of the Notes;

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

(vi) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Neither the Issuer nor any Dealer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should satisfy itself that it is able to bear the economic risk of an investment in the Notes for an indefinite period of time.

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.

Investors are advised that as at the date of this Base Prospectus (and since April 2018), Notes do not meet the eligibility criteria to be recognised as Eurosystem eligible collateral. Investors who wish to use Notes as eligible collateral with the Eurosystem should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria at the relevant time. 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.

THE PURCHASE OF NOTES MAY INVOLVE SUBSTANTIAL RISKS

THE PURCHASE OF NOTES MAY INVOLVE SUBSTANTIAL RISKS AND MAY BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS BASE PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH IN THE SECTION ENTITLED "*RISK FACTORS*" AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS. PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER OR ANY DEALER.

AN INVESTMENT IN NOTES LINKED TO ONE OR MORE UNDERLYING ASSET CLASS MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT UNDER THE HEADING "*RISK FACTORS*". THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OF THE NOTES MAY BE LESS THAN THE PURCHASE PRICE OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST OR ADDITIONAL AMOUNTS (AS APPLICABLE), AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. WHERE THE NOTES ARE REDEEMED BY THE ISSUER BY DELIVERY OF UNDERLYING ASSET(S), THE VALUE OF THE UNDERLYING ASSET(S) MAY BE LESS THAN THE PURCHASE PRICE OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST OR ADDITIONAL AMOUNTS (AS APPLICABLE), AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.

CERTAIN ISSUES OF NOTES INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Base Prospectus and the documents incorporated herein by reference contain forward-looking statements within the meaning of certain securities laws. All such statements are made pursuant to the "safe harbour" provisions of, and are intended to be forward-looking statements under applicable Canadian and U.S. securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements CIBC makes about its operations, business lines, financial condition, risk management, priorities, targets and sustainability commitments (including with respect to net-zero emissions and its environmental, social and governance ("**ESG**") related activities), ongoing objectives, strategies, the regulatory environment in which CIBC operates and outlook for calendar year 2024 and subsequent periods. Forward-looking statements are typically identified by the words "believe", "expect", "anticipate", "intend", "estimate", "forecast", "target", "predict", "commit", "ambition", "goal", "strive", "project", "objective" and other similar expressions or future or conditional verbs such as "will", "may", "should", "would" and "could". By their nature, these statements require CIBC to make assumptions, including economic assumptions, and are subject to inherent risks and uncertainties that may be general or specific. Given the continuing impact of high inflation, rising interest rates, ongoing adverse developments in the U.S. banking sector which adds pressure on liquidity and funding conditions for the financial industry, the impact of hybrid work arrangements and higher interest rates on the U.S. real estate sector, potential recession and the war in Ukraine and conflict in the Middle East on the global economy, financial markets, and CIBC's business, results of operations, reputation and financial condition, there is inherently more uncertainty associated with CIBC's assumptions as compared to prior periods. A variety of factors, many of which are beyond CIBC's control, affect its operations, performance and results, and could cause actual results to differ materially from the expectations expressed in any of CIBC's forward-looking statements. These factors include: inflationary pressures; global supply-chain disruptions; geopolitical risk, including from the war in Ukraine and conflict in the Middle East, the occurrence, continuance or intensification of public health emergencies, such as the impact of post-pandemic hybrid work arrangements, and any related government policies and actions; credit, market, liquidity, strategic, insurance, operational, reputation, conduct and legal, regulatory and environmental risk; currency value and interest rate fluctuations, including as a result of market and oil price volatility; the effectiveness and adequacy of CIBC's risk management and valuation models and processes; legislative or regulatory developments in the jurisdictions where CIBC operates, including the Organisation for Economic Co-operation and Development Common Reporting Standard, and regulatory reforms in the United Kingdom and Europe, the Basel Committee on Banking Supervision's global standards for capital and liquidity reform, and those relating to bank recapitalization legislation and the payments system in Canada; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions, and interest rate and liquidity regulatory guidance; exposure to, and the resolution of, significant litigation or regulatory matters, CIBC's ability to successfully appeal adverse outcomes of such matters and the timing, determination and recovery of amounts related to such matters; the effect of changes to accounting standards, rules and interpretations; changes in CIBC's estimates of reserves and allowances; changes in tax laws; changes to CIBC's credit ratings; political conditions and developments, including changes relating to economic or trade matters; the possible effect on CIBC's business of international conflicts, such as the war in Ukraine and conflict in the Middle East, and terrorism; natural disasters, disruptions to public infrastructure and other catastrophic events; reliance on third parties to provide components of CIBC's business infrastructure; potential disruptions to CIBC's information technology systems and services; increasing cyber security risks which may include theft or disclosure of assets, unauthorized access to sensitive information, or operational disruption; social media risk; losses incurred as a result of internal or external fraud; anti-money laundering; the accuracy and completeness of information provided to CIBC concerning clients and counterparties; the failure of third parties to comply with their obligations to CIBC and its affiliates or associates; intensifying competition from established competitors and new entrants in the financial services industry including through internet and mobile banking; technological change including the use of data and artificial intelligence in CIBC's business; global capital market activity; changes in

monetary and economic policy; general business and economic conditions worldwide, as well as in Canada, the U.S. and other countries where CIBC has operations, including increasing Canadian household debt levels and global credit risks; climate change and other ESG related risks; CIBC's success in developing and introducing new products and services, expanding existing distribution channels, developing new distribution channels and realizing increased revenue from these channels; changes in client spending and saving habits; CIBC's ability to attract and retain key employees and executives; CIBC's ability to successfully execute its strategies and complete and integrate acquisitions and joint ventures; the risk that expected benefits of an acquisition, merger or divestiture will not be realized within the expected time frame or at all; and CIBC's ability to anticipate and manage the risks associated with these factors. This list is not exhaustive of the factors that may affect any of CIBC's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on CIBC's forward-looking statements. CIBC does not undertake to update any forward-looking statement except as required by law.

Additional information about these factors can be found in the "*Risk Factors*" section of this Base Prospectus and in the documents incorporated herein by reference.

The forward-looking statements included in this Base Prospectus are made only as of the date of this Base Prospectus. Except as may be required by applicable law or stock exchange rules or regulations, CIBC expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in CIBC's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. New factors emerge from time to time, and it is not possible to predict which will arise. In addition, CIBC cannot assess the effect of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statement.

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GENERAL DESCRIPTION OF THE PROGRAMME

This section provides a general description of the Programme.

The following general description of the Programme does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

*This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Delegated Regulation (EU) No 2019/980 as it forms part of domestic law by virtue of the EUWA (the "**UK Delegated Regulation**").*

Words and expressions defined in the section "Definitions Condition" or in the particular section where the capitalised terms are first used herein shall have the same meanings in this general description of the Programme.

Issuer	Canadian Imperial Bank of Commerce ("**CIBC**" or the "**Issuer**")
Legal Entity Identifier	2IGI19DL77OX0HC3ZE78
Arranger	Canadian Imperial Bank of Commerce, London Branch
Dealer	Canadian Imperial Bank of Commerce, London Branch and any other Dealers appointed in accordance with the Programme Agreement.
Fiscal Agent, Principal Paying Agent and Transfer Agent	Deutsche Bank AG, London Branch
Registrar and Paying Agent	Deutsche Bank Luxembourg S.A.
Calculation Agent	Canadian Imperial Bank of Commerce, London Branch or such other calculation agent specified in the applicable Final Terms.
Notes that may be issued under the Programme	The Issuer may from time to time issue Notes which may be Fixed Rate Notes, Floating Rate Notes, Index Linked Notes, Equity Linked Notes, Fund Linked Notes, Preference Share Linked Notes or any combination of the foregoing. Notes may be settled in cash or (if specified in the applicable Final Terms) by physical delivery. Notes may not be settled by delivery of the Issuer's own equity securities (save as provided under Bail-inable Notes below) and cannot be converted or exchanged into shares or other equity securities within the meaning of Article 19 of Delegated Regulation (EU) No 2019/980 as it forms part of domestic law by virtue of the EUWA. In each case, the applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as completed by the applicable Final Terms attached to, or endorsed on, or incorporated by reference into such Notes, as more fully described under "**Form of the Notes**" below.
Public Offers of Notes	Notes issued under this Base Prospectus may be offered in circumstances that do not fall within an exemption from the obligation under the FSMA to publish a prospectus (a "**Public Offer**").

Currency

Subject to compliance with all applicable laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer at the time of issue.

Status of Notes

Notes will constitute deposit liabilities of CIBC for purposes of the Bank Act and constitute legal, valid and binding unconditional and unsecured obligations of CIBC and will rank *pari passu* with all deposit liabilities of CIBC (except as otherwise prescribed by law and subject to the exercise of bank resolution powers) without any preference amongst themselves.

Bail-inable Notes

Notes that are Bail-inable Notes (as defined in General Condition 3(b)), are subject to Bail-in Conversion (defined below) and the variation or extinguishment of the Bail-inable Notes in consequence, and by the application of the laws of the province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to those Bail-inable Notes. See *Risk Factors – Risks Related to Bail-inable Notes*.

Holders of Bail-inable Notes are bound, in respect of those Bail-inable Notes, by the CDIC Act, and the Notes are subject to conversion in whole or in part, by means of a transaction or series of transactions and in one or more steps, into common shares of the Issuer or any of its affiliates under subsection 39.2(2.3) of the CDIC Act (a "**Bail-in Conversion**") and the variation or extinguishment of the Bail-inable Notes in consequence, and by the application of the laws of the province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to those Bail-inable Notes. Such Notes will be identified in the applicable Final Terms as Bail-inable Notes.

By acquiring Bail-inable Notes, each Noteholder (including each beneficial owner):

(i) agrees to be bound, in respect of the Bail-inable Notes, by the CDIC Act, including a Bail-in Conversion and the variation or extinguishment of the Bail-inable Notes in consequence, and by the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes;

(ii) attorns to the jurisdiction of the courts in the Province of Ontario in Canada with respect to the CDIC Act and the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes;

(iii) is deemed to have represented and warranted that CIBC has not directly or indirectly provided financing to the Noteholder for the express purpose of investing in the Bail-inable Notes; and

(iv) acknowledges and agrees that the terms referred to in paragraphs (i) and (ii), above, are binding on that

Noteholder despite any provisions in the Conditions, any other law that governs the Bail-inable Notes and any other agreement, arrangement or understanding between that Noteholder and the Issuer with respect to the Bail-inable Notes.

Each holder or beneficial owner of the Bail-inable Notes that acquires an interest in the Bail-inable Notes in the secondary market and any successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of any such holder or beneficial owner shall be deemed to acknowledge, accept, agree to be bound by and consent to the same provisions specified herein to the same extent as the Noteholders or beneficial owners that acquire an interest in the Bail-inable Notes upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to the terms of the Bail-inable Notes related to the Bail-in Regime. Bail-inable Notes are not subject to set-off, netting, compensation or retention rights.

Bail-inable Notes may not be redeemed prior to maturity at the option of Noteholders.

Bail-inable Notes may be redeemed by the Issuer prior to maturity, provided that where the redemption would lead to a breach of the Issuer's total loss absorbing capacity ("**TLAC**") requirements, such redemption will be subject to the prior approval of the Superintendent of Financial Institutions (Canada) (the "**Superintendent**").

If specified in the applicable Final Terms, Bail-inable Notes may be redeemed at the option of the Issuer prior to maturity at any time within 90 days following the occurrence of a TLAC Disqualification Event. All early redemptions of Bail-inable Notes for a TLAC Disqualification Event require the prior approval of the Superintendent.

Upon the making of a Conversion Order in respect of Bail-inable Notes, those Bail-inable Notes that are subject to such Conversion Order will be converted, in whole or in part, into common shares of the Issuer or any of its affiliates and all rights under the Conditions of such Bail-inable Notes that are converted into common shares will be extinguished immediately upon such conversion. See *Risk Factors – Bail-inable Notes*.

The applicable Final Terms will indicate whether the Notes will be Bail-inable Notes.

Governing Law

Notes are governed by Ontario Law unless otherwise provided in the applicable Final Terms.

Notes issued on a non-syndicated basis may be governed by English law if so provided in the applicable Final Terms. The Conditions provide that by acquiring an interest in Bail-inable Notes, holders or beneficial owners of such Bail-inable Notes attorn to the jurisdiction of courts in the Province of Ontario and the federal laws of Canada applicable therein with respect of the operation of the CDIC Act with respect to such Bail-inable Notes.

	These terms are binding on each holder of Bail-inable Notes despite any other terms of the relevant Bail-inable Notes, any other law that governs such Bail-inable Notes and any other agreement, arrangement or understanding between the Issuer and such holder with respect to such Bail-inable Notes.
Branch of Account	The Branch of Account for Notes shall be designated in the applicable Final Terms from one of the following: Main Branch, Toronto or the London Branch. The Branch of Account is the branch of account for purposes of the Bank Act. Subject to meeting certain conditions described in General Condition 18.2, the Issuer may change the Branch of Account for Notes.
Waiver of Set-Off – Bail-inable Notes	Bail-inable Notes are not subject to set-off, netting, compensation or retention rights.
Events of Default	The Conditions contain Events of Default covering non-payment of interest, principal or additional amounts when due and relating to the insolvency, bankruptcy, wind-up or liquidation of the Issuer. Holders of Bail-inable Notes may only exercise rights to accelerate the Bail-inable Notes following an Event of Default where an order has not been made pursuant to subsection 39.13(1) of the CDIC Act in respect of the Issuer and, notwithstanding the exercise of any right to accelerate the Bail-inable Notes, the Bail-inable Notes remain subject to Bail-in Conversion under the CDIC Act until repaid in full. A Bail-in Conversion will not be an Event of Default.
Substitution	Subject to certain conditions and the terms of a Deed Poll, the form of which is appended to the Agency Agreement, on 14 days prior notice to Noteholders the Issuer may, without consent of Noteholders, substitute a subsidiary for itself as principal debtor under the Notes ("**Substitution**"). Where Substitution in relation to Bail-inable Notes would lead to a breach of the Issuer's TLAC, Substitution may only occur with the prior approval of the Superintendent. The Issuer will unconditionally guarantee the obligations of the substitute under the Deed Poll, the Notes, Coupons, Talons and Deed of Covenant.
Listing and Admission to Trading	Application has been made to the FCA for Notes issued during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the Main Market. The applicable Final Terms will indicate whether the Notes of a relevant Series will be admitted to the Official List and admitted to trading on the Main Market. The Issuer may issue Notes that are not listed or admitted to trading on any stock exchange or market or that are admitted to trading on another stock exchange or market, as indicated in the applicable Final Terms. In certain circumstances, the Issuer may terminate the listing or admission to trading of Notes. The Issuer is not under any

obligation to holders of Instruments to maintain any listing of the Notes.

RISK FACTORS

This section sets out the risks inherent in investing in Notes issued under this Base Prospectus.

The Issuer believes that the factors described below represent the principal categories and subcategories of risks inherent in investing in Notes issued under this Base Prospectus but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could individually or cumulatively also have a material impact on its business operations or affect the ability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes.

Prospective purchasers of Notes should consider the categories of risks identified and discussed herein. In order to provide prospective purchasers of the Notes with a more detailed explanation of the risk factors set out below, such prospective purchasers may also wish to consider the detailed information set out elsewhere in this Base Prospectus (including information incorporated by reference herein), and any applicable Final Terms to reach their own views prior to making any investment decisions.

In each sub-category below the Issuer sets out first the most material risk, in its assessment, taking into account the expected magnitude of their negative impact and the probability of their occurrence.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. Prospective investors should consider carefully whether an investment in the Notes is suitable for them in the light of the information in this Base Prospectus and their personal circumstances. Capitalised terms not defined in this section have the meanings given to them in the Conditions of the Notes.

The Risk Factors are set out as follows: ***Page***

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1 FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

1.1 RISKS RELATED TO THE ISSUER'S BUSINESS ACTIVITIES AND INDUSTRY

(a) ***Inflation, Interest Rates and Economic Growth***

High inflation continued to drive tightening in monetary policies by major central banks in 2023, posing risks to the economic growth ahead. The rapid increase in interest rates is putting pressure on credit risks globally. U.S. regional bank failures put pressure on liquidity and funding conditions for the financial industry, while tightening credit for U.S. small and medium sized businesses. Commercial office real estate, particularly in the U.S., is facing challenges due to post-pandemic hybrid work arrangements and high interest rates, negatively impacting office asset valuations. Further details on

the U.S. office real estate exposure are provided in the "*Credit risk – U.S. office real estate exposure*" at page 69 of CIBC's 2023 Annual Report. The impact of higher interest rates on Canadian mortgages is discussed under the risk factor entitled "*Canadian consumer debt and the housing market*" below and in the "*Credit risk – Real estate secured personal lending*" at page 66 of CIBC's 2023 Annual Report. CIBC is closely monitoring the macroeconomic environment and assessing its potential adverse impact on CIBC's clients, counterparties and businesses. Further details on the macroeconomic environment are provided in the "*Economic and market environment – Outlook for calendar year 2024*" section at page 5 of CIBC's 2023 Annual Report.

High inflation and high interest rates coupled with low economic growth may adversely affect commercial office real estate and Canadian mortgages which in turn may have adverse impacts on CIBC's business, results of operations, reputation and financial condition.

(b) ***Canadian consumer debt and the housing market***

OSFI's Guideline B-20 was introduced in 2012, with a subsequent update effective January 2018, to provide its expectations for strong residential mortgage underwriting for federally regulated lenders. The revised guideline had its intended effect as debt-to-income ratios flattened in 2018–2019. Following the initial impact of COVID-19, the housing market rebounded strongly in 2021–2022, with rapid price growth, increasing the risk that new borrowers may be unable to repay loan obligations due to higher mortgage indebtedness levels.

In recent quarters, higher interest rates in Canada caused some correction to housing prices and put pressure on debt serviceability. While the mortgage debt service ratio increased, driven by higher interest payments, this has been partially offset by historic low levels of non-mortgage debt, softening household spending, and continued strong wage growth in Canada.

Given the rapid increase in housing price levels in Canada and re-ignited concerns around household indebtedness in 2021–2022, OSFI took proactive actions in assessing lenders' practices under the existing market conditions. In June 2021, CIBC started to qualify uninsured and insured mortgages at the higher of the mortgage contract rate plus 2%, or 5.25% and, in June 2022, OSFI released a new advisory and clarifications on the treatment of innovative real estate secured lending products under Guideline B-20. OSFI's public consultation for B-20 to propose complementary debt serviceability measures to control high consumer indebtedness (i.e., loan-to-income and debt-to-income restrictions) closed in April 2023.

The Capital Adequacy Requirements ("CAR") and Mortgage Insurer Capital Adequacy Test ("**MICAT**") guidelines have been updated effective November 1, 2023. These changes will result in an increase in risk weighted assets for mortgages that have been in negative-amortization for three consecutive months with loan-to-value over 65%. CIBC is implementing these changes effective November 1. CIBC continues to monitor the impact of macroeconomic factors to its clients through stress tests and scenario/sensitivity analyses. Additionally, CIBC is also closely monitoring its mortgage clients who have or will soon renew for signs of financial stress in the current high rate environment. These factors may have adverse impacts on CIBC's business, results of operations, reputation and financial condition. Further information on this risk and guidance issued by OSFI in June 2022 on the Clarification on the Treatment of Innovative Real Estate Secured Lending Products under Guideline B-20 can be found in the section entitled "*Real estate secured personal lending*" at page 66 of CIBC's 2023 Annual Report.

(c) ***Geopolitical Risk***

The level of geopolitical risk escalates at certain points in time. While the specific impact on the global economy and on global credit and capital markets would depend on the nature of the event, in general, any major event could result in instability and volatility, leading to widening spreads, declining equity

valuations, flight to safe-haven currencies and increased purchases of gold. In the short run, market disruption could hurt the net income of CIBC's trading and non-trading market risk positions. Geopolitical risk could reduce economic growth, and in combination with the potential impacts on commodity prices and the recent rise of protectionism, could have serious negative implications for general economic and banking activities and may have adverse impacts on CIBC's business, results of operations and financial condition.

Current areas of concern for CIBC and its business include: the war in Ukraine; conflict in the Middle East; ongoing U.S., Canada and China relations and trade issues; rising civil unrest and activism globally; and relations between the U.S. and Iran.

While it is impossible to predict where new geopolitical disruption will occur, CIBC does pay particular attention to markets and regions with existing or recent historical instability to assess the impact of these environments on the markets and businesses in which it operates. However, despite these efforts, there is no guarantee that CIBC will be able to identify and assess the impacts of all such risks, which could have a material adverse effect on CIBC's results of operations.

(d) ***Climate Risk***

The physical effects of climate change along with regulations designed to mitigate its negative impacts will have a measurable impact on communities and the economy. The physical risks of climate change resulting from severe weather events and systemic issues such as rising sea levels can impact CIBC's profitability through disruptions in its own operations and damage to critical infrastructure. Transition risks, which arise as society adjusts towards a low-carbon future, can impact the financial health of CIBC's clients as changes in policy, regulation and technology aimed at limiting global warming can increase their operating costs and reduce profitability, while translating into potentially higher credit losses for CIBC. CIBC is also exposed to legal and reputational risks due to changing stakeholder expectations related to action or inaction in addressing climate-related risks. As the world transitions to a low-carbon economy, CIBC is committed to understanding and responsibly managing the relevant impacts of climate change on its operations and its business activities. In support of this commitment, CIBC has established its ambition to achieve net zero greenhouse gas emissions associated with operational and financing activities by 2050, including interim targets to reduce the carbon intensity of its financed emissions in the oil and gas and power generation sectors by 2030. This builds on CIBC's environmental leadership and enhances its ability to continue creating long-term shareholder value as the landscape of climate-related risks and opportunities evolves.

Setting net-zero targets across a complex set of financing activities is an emerging practice and CIBC's methodology is informed by international standards and current industry best practices. CIBC continues to work to accelerate its climate aspirations by embedding net-zero considerations through its business practices and financing activities.

There is an increasing demand for disclosure around climate-related risk identification and mitigation. CIBC supports the Task Force on Climate-related Financial Disclosure's ("**TCFD's**") recommendations for globally consistent and comparable climate disclosure and published CIBC's third standalone report in March 2023, which presents information about CIBC's efforts towards aligning its climate disclosure with the TCFD framework.

In the past year, a number of regulators and standard-setting organizations introduced disclosure frameworks related to climate change risks, as well as environmental and social risks. Key among them is the IFRS Foundation's International Sustainability Standards Board ("**ISSB**"), which in June 2023 issued its inaugural standards IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" ("**IFRS S1**") and IFRS S2 "Climate-related Disclosures" ("**IFRS S2**"). Both standards are designed to enable companies to communicate sustainability-related risks and opportunities to investors over the short, medium and long term. IFRS S1 addresses the content and

presentation requirements for sustainability disclosures more broadly, whereas IFRS S2 focuses specifically on climate-related disclosure. Based on the transition rules set out in the standards, they will apply to CIBC for its reporting period ended October 31, 2025 to the extent they become effective in Canada. In addition, CIBC's regulators such as the SEC, OSFI and the Canadian Securities Administrators ("**CSA**") have released proposed or final requirements for climate risk disclosures including defining guidance and expectations related to climate risk management practices and metrics to measure this risk. In March 2023, OSFI released Guideline B-15 on Climate Risk Management, which will be initially effective for CIBC for its reporting period ended October 31, 2024, with the disclosures required to be made publicly available within 180 days of CIBC's fiscal year-end. OSFI's principles-based expectations set out in this guideline focus on understanding and mitigating the impact of climate-related risks to business models and strategy, governance and risk management practices used to manage climate-related risks, and remaining financially and operationally resilient through severe climate scenarios. OSFI is expected to review Guideline B-15 as practices evolve, including considering updates based on the disclosure requirements in the ISSB standards. CIBC has established an enterprise-wide working group to assess the impacts of Guideline B-15 and support its implementation. In July 2023, the European Commission adopted the European Sustainability Reporting Standards ("**ESRS**") for use by entities subject to the Corporate Sustainability Reporting Directive ("**CSRD**"). The ESRS will require disclosure on climate change and other material environmental, social and governance matters.

Potential divergence among the regulators in disclosure expectations, coupled with the pace at which the regulatory landscape changes, pose operational risks to CIBC, which could have an adverse effect on its business or results of operations. CIBC continues to monitor these developments and evolve its approach to support future regulatory requirements.

For additional information, please see the risk factor entitled "*Environmental, Social and Governance Risk*" below.

(e) *Technology, Information and Cyber Security Risk*

Financial institutions like CIBC are evolving their use of technology and business processes to improve the client experience and streamline operations. At the same time, cyber threats and the associated financial, reputational and business interruption risks have also increased. CIBC continues to actively manage these risks through strategic risk reviews, enterprise-wide technology and information security programs, with the goal of maintaining overall cyber-resilience that prevents, detects, and responds to threats such as data breaches, malware, unauthorized access, and denial-of-service attacks, which can result in damage to CIBC systems and information, theft or disclosure of confidential information, unauthorized or fraudulent activity, and service disruption at CIBC or its service providers, including those that offer cloud services.

Given the importance of electronic financial systems, including secure online and mobile banking provided by CIBC to its clients, CIBC monitors the changing environment globally, including cyber threats, mitigation strategies and evolving regulatory requirements, in order to improve its controls and processes to protect its systems and client information. In addition, CIBC performs cyber security preparedness, testing, and recovery exercises to validate its defences, benchmark against best practices and provide regular updates to its Board. CIBC has well-defined cyber incident response protocols and playbooks in the event that a security incident or breach occurs. CIBC also has cyber insurance coverage to help mitigate against certain potential losses associated with cyber incidents. CIBC's insurance coverage is subject to various terms and provisions, including limits on the types and amounts of coverage relating to losses arising from cyber incidents. CIBC periodically assesses its insurance coverage based on its risk tolerance and limits.

Despite CIBC's commitment to information and cyber security, and given the rapidly evolving threat and regulatory landscape, coupled with a changing business environment, it is not possible for CIBC

to identify all cyber risks or implement measures to prevent or eliminate all potential cyber incidents from occurring. CIBC does however monitor its risk profile for changes and continues to refine approaches to security protection and service resilience to minimize the impact of any cyber incidents that may occur. Nevertheless, there can be no guarantee that CIBC's efforts will be entirely successful and the occurrence of any cyber incident could lead to disruptions to CIBC's businesses and results of operations.

(f) *Commodity Prices Risk*

After showing strength in the third quarter of 2023, most commodities saw prices decline in the fourth quarter of 2023, with the one exception being oil. Crude oil prices continued to climb as further OPEC production cuts and storage concerns lead the fundamental analysis. Natural gas prices decreased throughout August and September as concerns over winter natural gas supply seemed to be alleviated; production remained high and demand was stable. Gold prices also fell, due to stronger U.S. dollar and "higher for longer" rates. Grain prices have stabilized following the initial volatility when Russia withdrew from the Ukrainian grain export deal. CIBC continues to monitor longer-term developments as geopolitical tensions and desire for energy independence face off against decarbonization ambitions in shaping energy policies and trade flows. Further information related to this risk factor can be found in the "*Commodity Prices*" section on page 56 of CIBC's 2023 Annual Report, incorporated by reference herein.

Fluctuating commodity prices may have adverse impacts on CIBC's business, results of operations, reputation and financial condition.

(g) *Disintermediation Risk*

Canadian banking clients, including CIBC's clients, are increasingly shifting their service transactions from brick-and-mortar banking centres to digital platforms. Competitive pressure from digital disruptors, both global technology leaders and smaller financial technology entrants, is increasing and the risk of disintermediation continues to grow due to the level of sophistication of these non-traditional competitors, and increased adoption of emerging technologies. The emergence of Decentralized Finance ("DeFi"), where fully automated financial applications are programmed into a blockchain network using digital assets, such as cryptocurrencies, is one such technology trend that enables parties to transact without third-party intermediaries such as banks. However, in Canada, the risk of blockchain technology disintermediating banks in the near-term appears low. Currently, Canadians have access to robust financial infrastructure, and while blockchain technology offers a potential approach to address counterparty risk, the value a bank brings to a client relationship extends beyond managing counterparty risk; especially as clients develop more complex financial considerations that require the expertise and empathy of a human-centered approach. DeFi may evolve in ways that make it more accessible to the public, but without appropriate regulation to address the elevated levels of volatility, fraud, theft, and associated risks, its appeal may remain limited to Canadians with a higher risk tolerance.

CIBC manages disintermediation risk through strategic reviews as well as investment in emerging channels, in data and analytics capabilities, and in technology and innovation in general, to meet its clients' changing expectations, while working to reduce its cost structure and simplify operations. CIBC maintains a central and coordinated approach to innovation to manage these risks while also benefitting from the opportunities they bring. However, despite these strategic risk reviews and investments, there is no guarantee that CIBC will be able to mitigate sufficiently any negative effects to its business that may arise due to the competitive pressure created from digital disruptors. Further information on this risk can be found in the section entitled "*Disintermediation Risk*" at page 56 of CIBC's 2023 Annual Report, incorporated by reference herein.

(h) *Data and Artificial Intelligence Risk*

Data is being used every day to further advance CIBC's strategic objectives and create competitive advantages. To support this, CIBC continues to invest in its data management and governance capabilities to ensure it has a strong data foundation to support reporting needs, business decision-making and grow its analytics practices to use data as a transformative asset. With rapid advances in technology, this includes further applications of Artificial Intelligence ("**AI**") that can drive productivity enhancements and ways to grow and better protect CIBC's organization. Alongside the potential benefits of AI tools and technology comes risks; as AI systems make decisions based on data and models, they can inherit or amplify bias or raise concerns about fairness or ethical use. In addition, transparency in AI models is required to ensure the reasoning, accuracy or appropriateness of the output is clearly understood. While CIBC is maturing its AI governance and risk management practices to ensure these risks are well managed as it considers further adoption of AI technologies, there can be no guarantee that such practices will be successful to mitigate all such risks which, if any were to occur, could have an adverse impact on CIBC's operations and financial performance.

(i) *Third Party Risk*

CIBC's Board and senior management recognize the establishment of third-party relationships as important to CIBC's business model and therefore leverage them to achieve CIBC's business objectives. With the introduction of new technologies, a more global footprint and increasing reliance on sub-contractors, the third-party landscape continues to evolve. While such relationships may benefit CIBC through reduced costs, increased innovation, improved performance and increased business competitiveness, they can also introduce risks of failure or disruption to CIBC through breakdowns in people, processes or technology or through external events that impact these third parties.

To mitigate third-party risks, prepare for future third-party risks and changing regulatory expectations, and to ensure existing processes and internal controls are operating effectively, CIBC relies on its strong risk culture and established Third Party Risk Management program, which includes policies, procedures, expertise and resources dedicated to third-party risk management. The program identifies and manages risks that arise from third-party relationships from the point of planning through the life cycle of the business arrangement and supports the maintenance of collaborative relationships that advance CIBC's strategic direction and operational needs within CIBC's risk appetite. Despite its mitigation efforts, CIBC remains exposed to failure or disruption as a result of breakdowns in people, processes or technology or through external events that impact these third parties, which could in turn have an adverse effect on its results of operations. Further information regarding risks to the CIBC's results of operations more generally can be found under the risk factor entitled "*Operational Risk*" below. Further information on this risk can also be found at page 85 of the Issuer's 2023 Annual Report, incorporated by reference herein.

(j) *Anti-Money Laundering/Anti-Terrorist Financing & Sanctions Risk*

Money laundering, terrorist financing activities and other related crimes pose a threat to the stability and integrity of a country's financial sector and its broader economy. In recognition of this threat, the international community has made the fight against these illegal activities a priority. CIBC is committed to adhering to all regulatory requirements pertaining to anti-money laundering ("**AML**"), anti-terrorist financing ("**ATF**") and sanctions in the jurisdictions where it operates and implementing best practices to minimize the impact of such activities. In Canada, to improve the effectiveness of the AML/ATF regime, amendments to the regulations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act continue to be published, with some provisions coming into force within a short span of time. In accordance with these amendments, CIBC has implemented procedures, processes and controls with respect to client due diligence, record keeping and reporting as well as mandatory annual AML/ATF and sanctions training for all employees to ensure that relevant regulatory obligations

are met in each jurisdiction where CIBC operates. Canada, the U.S., the U.K. and the European Union (EU) continue to expand and adjust economic sanctions on Russia over its war in Ukraine, which have continued to evolve since March 2022. CIBC continues to monitor and enhance controls, as required in accordance with its established processes for managing sanctions updates.

Further details on the regulatory and operational risks the Issuer faces can be found under the risk factors entitled "*Operational Risk*" and "*Regulatory Compliance Risk*", each below. However, despite adherence to CIBC's procedures and best practices, it is not possible for CIBC to prevent exposure to these types of risk and their occurrence could have an adverse impact on its Issuer's results of operations and its reputation. Further information on these types of risk can be in the section entitled "*Anti-money laundering/anti-terrorist financing and sanctions*" found at page 57 of CIBC's 2023 Annual Report, incorporated by reference herein.

(k) ***U.S. Banking Regulation Risk***

CIBC's U.S. operations are subject to supervision by the Board of Governors of the U.S. Federal Reserve System (the "**Federal Reserve**") and are also subject to a comprehensive federal and state regulatory framework. CIBC's wholly owned subsidiary, CIBC Bancorp USA Inc. (CIBC Bancorp), is a financial holding company subject to regulation and supervision by the Federal Reserve under the U.S. Bank Holding Company Act of 1956, as amended. CIBC Bank USA, CIBC's Illinois-chartered bank, is subject to regulation by the U.S. Federal Deposit Insurance Corporation (the "**FDIC**"), the Federal Reserve and the Illinois Department of Financial and Professional Regulation. CIBC's New York branch is subject to regulation and supervision by the New York Department of Financial Services and the Federal Reserve. Certain market activities of CIBC's U.S. operations are subject to regulation by the SEC and the U.S. Commodity Futures Trading Commission, as well as other oversight bodies.

The scope of these regulations impact CIBC's business in a number of ways. For example, both CIBC Bancorp and CIBC Bank USA are required to maintain minimum capital ratios in accordance with Basel III rules adopted by the U.S. bank regulatory agencies, which differ in some respects from Canada's Basel III rules. Under the U.S. bank regulatory framework, both CIBC and CIBC Bancorp are expected to provide a source of strength to the subsidiary bank and may be required to commit additional capital and other resources to CIBC Bank USA in the event that its financial condition were to deteriorate, whether due to overall challenging economic conditions in the U.S., or because of business-specific issues. The Federal Reserve (in the case of CIBC Bancorp) and the FDIC and the Illinois Department of Financial and Professional Regulation (in the case of CIBC Bank USA) also have the ability to restrict dividends paid by CIBC Bancorp or CIBC Bank USA, which could limit CIBC's ability to receive distributions on its capital investment in its U.S. banking operations.

As CIBC's combined U.S. operations grow, CIBC will become subject to additional enhanced prudential standards under the Federal Reserve's regulations applicable to foreign banking organizations. Furthermore, the Federal Reserve and the FDIC may also restrict CIBC's U.S. operations, organic or inorganic growth, if, among other things, they have supervisory concerns about risk management, anti-money laundering or compliance programs and practices, governance and controls, and/or capital and liquidity adequacy at CIBC Bancorp, CIBC Bank USA or CIBC's New York branch, as applicable. In some instances, banking regulators may take supervisory actions that may not be publicly disclosed, which may restrict or limit CIBC's New York branch and CIBC's U.S. subsidiaries from engaging in certain categories of new activities or acquiring shares or control of other companies. Any restrictions imposed by banking regulators could negatively impact CIBC by loss of revenue, limitations on the products or services CIBC offers, and increased operational and compliance costs.

The U.S. regulatory environment continues to evolve and future legislative and regulatory developments may impact CIBC. See also the risk factors entitled "*Anti-Money Laundering/Anti-Terrorist Financing & Sanctions Risk*" and "*Regulatory Compliance Risk*" for further information.

(l) *Interbank Offered Rate (IBOR) transition*

Interest rate benchmarks including the London Interbank Offered Rate ("**LIBOR**") and other similar European benchmarks have been reformed and replaced by alternative benchmark rates (alternative rates) that meet regulatory definitions. USD LIBOR ceased as at June 30, 2023. In December 2021, the Canadian Alternative Reference Rate working group ("**CARR**") recommended that the Canadian Dollar Offered Rate ("**CDOR**") should cease calculation and publication after June 2024 with Canadian Overnight Repo Rate Average ("**CORRA**") suggested as the replacement benchmark rate. On May 16, 2022, the CDOR administrator announced the cessation of CDOR consistent with the recommendations outlined by CARR. Additionally, on January 11, 2023, CARR announced the development of a Term CORRA rate. These reforms may have consequences that cannot be predicted. Any such consequence could have a material adverse effect on any of CIBC's obligations referencing such a benchmark, which in turn could have an adverse effect on its business and results of operations. See the "*Other regulatory developments*" section and Note 1 to CIBC's 2023 audited consolidated financial statements in its 2023 Annual Report, incorporated by reference herein, for further details.

(m) *Tax Reform*

Changes in tax laws, tax policy, and tax interpretations by tax authorities and the courts are occurring in Canada, the U.S., and other countries around the world. This has led to increased complexity in tax law interpretation, as well as tax increases and expanded tax-related reporting. For example, more than 135 member countries of the Organisation for Economic Co-operation and Development (OECD), G20 Inclusive Framework on Erosion and Profit Shifting have joined a Two-Pillar plan for international tax reform. Pillar One focuses on the taxation of digital services and Pillar Two establishes a new global regime that effectively implements a 15% global minimum tax. The legislative position of the tax reform proposals and its risk to CIBC remains uncertain. Tax reforms could have a material adverse effect on any of the Issuer's results, financial condition and prospects. Further information may be found in the "*Financial performance overview – Taxes*" and "*Accounting and control matters – Accounting developments*" sections of CIBC's 2023 Annual Report and Note 19 to CIBC's 2023 audited consolidated financial statements in its 2023 Annual Report, each of which are incorporated by reference herein.

(n) *Strategic Risk*

Strategic risk is the risk of ineffective or improper implementation of business strategies, including mergers, acquisitions and divestitures. It includes the potential financial loss due to the failure of organic growth initiatives or failure to respond appropriately to changes in the business environment.

Oversight of strategic risk is the responsibility of the Executive Committee and the Board. At least annually, the CEO outlines the process and presents the strategic business plan to the Board for review and approval. As part of the annual planning process, Risk Management assesses the overall and business unit strategic plans to ensure alignment with our risk appetite. The Board reviews the plan in light of management's assessment of emerging market trends, the competitive environment, potential risks and other key issues.

One of the tools for measuring, monitoring and controlling strategic risk is attribution of regulatory capital against this risk. CIBC's regulatory capital models include a strategic risk component for those businesses utilizing capital to fund an acquisition or a significant organic growth strategy.

Despite the processes the Issuer has in place to review the strategic business plan, the inherent uncertainty associated with business planning in the rapidly changing business environment in which the Issuer operates could have a material adverse effect on the Issuer's results, financial condition

and prospects. For further information see “Economic and Market Environment” on page 5 of the Issuer’s 2023 Annual Report, which is incorporated by reference in this Base Prospectus.

(o) ***Operational Risk***

Operational risk is the risk of loss resulting from people, inadequate or failed internal processes and systems, or from external events. Operational risk is inherent in all CIBC activities and transactions. Failure to manage operational risk can result in direct or indirect financial loss, reputational impact, or regulatory review and penalties. The operational risk management framework sets out the requirements and roles and responsibilities in managing operational risk at CIBC.

The Issuer uses both the advanced measurement approach (“**AMA**”), a risk-sensitive method prescribed by the Basel Committee on Banking Supervision (the “**BCBS**”) and the standardized method to quantify its operational risk exposure in the form of operation risk regulatory capital. Under AMA, operational risk capital represents the “worst –case loss” within a 99.9% confidence level. The aggregate risk to the Issuer is less than the sum of the individual parts, as the likelihood that all business groups across all regions experience a worst-case loss in every loss category in the same year is extremely low.

Given the high volume of transactions the Issuer processes on a daily basis, certain errors may be repeated or compounded before they are discovered and successfully rectified. Shortcomings or failures in, or by, the Issuer’s internal processes, systems, employees, service providers or other people, including any of the Issuer’s financial, accounting or other data processing systems could lead to, among other consequences, serious damage to the Issuer’s ability to service its clients, could breach regulations under which it operates and could cause long-term damage to the Issuer’s business and brand that could have a material adverse effect on its business, prospects, financial condition, reputation and or results of operations. Further information on this risk can be found at page 83 of the Issuer's 2023 Annual Report, incorporated by reference herein.

(p) ***Environmental and Social Risk***

Environmental risk is the risk of financial loss or damage to reputation associated with environmental issues, including but not limited to climate related issues (see “Climate *risk*” above for additional details), whether arising from CIBC’s credit and investment activities or related to its own operations. Social risk is the potential for negative impact on CIBC’s financial position, operations, legal and regulatory compliance, or reputation stemming from social considerations associated with CIBC, an activity, transaction, product, client, third-party or supplier. These social considerations include, but are not limited to inclusive banking (e.g., accessibility, reconciliation, racial equity), human rights (e.g., modern slavery, including forced labour and child labour, human trafficking), and social impacts related to climate change.

Despite CIBC’s efforts and commitment to responsible conduct in all of its business activities and operations, it remains exposed to financial loss or damage to reputation associated with environmental, social and governance issues, which could adversely affect the CIBC’s businesses and results of operations. See also the risk factor entitled “*Reputation and Legal Risk*” below for further details on CIBC’s exposure in this regard and the sections entitled “*Climate risk*” found at pages 25-26 and “*Conduct risk*” found on page 87 of the Issuer’s 2023 Annual Report, incorporated by reference herein.

(q) ***Regulatory Compliance Risk***

Regulatory compliance risk is the risk of the Issuer’s potential non-conformance with applicable regulatory requirements. For details on the specific regulatory developments affecting the Issuer related to tax, capital management, credit risk, liquidity risk and accounting and control matters, see

pages 9, 35-45, 59-70, 77-83 and 88-93 of its 2023 Annual Report, which is incorporated by reference in this Base Prospectus.

The Issuer is also exposed to risk due to regulatory reform in the United Kingdom and Europe, including in relation to the revised directive and regulation on Markets in Financial Instruments ("**MiFID II/MiFIR**") which became effective January 2018 (which includes MiFIR as it forms part of UK domestic law by virtue of the EUWA) which have a significant technological and procedural impact for certain businesses operating in the United Kingdom and the European Union. The reforms introduced changes to pre- and post-trade transparency, market structure, trade and transaction reporting, algorithmic trading, and conduct of business.

In addition, in order to promote a more resilient banking sector and strengthen global capital standards, the Basel Committee on Banking Supervision ("**BCBS**") implemented significant capital reform to the risk-based capital framework. The reform is being referred to as Basel III and its objective is to improve the quality of capital and increase the quantity of capital supporting global financial intermediation. While Basel III became effective on 1 January 2013, the capital reform is ongoing as the BCBS has issued and continues to issue consultative proposals on numerous topics to further enhance the capital standards. The Issuer currently complies with Basel III capital requirements, but the Issuer cannot predict the effects of future regulatory changes on both its own financial performance or the impact on the pricing of the debt or derivative securities issued by the Issuer. Prospective investors should consult their own advisers as to the potential consequences for them and for the Issuer relating to the application of future changes in the Basel III capital framework.

Despite the Issuer's regulatory compliance programme, the Issuer nonetheless remains exposed to potential non-conformance with applicable regulatory requirements in the normal course of operating its business, which could adversely affect the Issuer's businesses and results of operations. See the risk factor entitled "*Operational Risk*" above for more details about other operational risks facing the Issuer.

(r) ***Insurance Risk***

Insurance risk is the risk of loss arising from the obligation to pay out benefits and expenses on insurance policies in excess of expected amounts. Unfavourable actual experience could emerge due to adverse fluctuations in timing, size and frequency of actual claims (e.g., mortality, morbidity), policyholder behaviour (e.g., cancellation of coverage), or associated expenses.

Insurance contracts provide financial compensation to the beneficiary in the event of an insured risk occurring in exchange for premiums. CIBC is exposed to insurance risk in its insurance business and in its reinsurance business within the respective subsidiaries.

Senior management of the insurance and reinsurance subsidiaries have primary responsibility for managing insurance risk with oversight by CIBC's risk management committee. The insurance and reinsurance subsidiaries also have their own boards of directors, and an independent appointed actuary who provide additional input to risk management oversight. Processes and oversight are in place to manage the risk to CIBC's insurance business. Underwriting risk on business assumed is managed through risk policies that limit exposure to an individual life, to certain types of business and to regions.

CIBC's risk governance practices ensure strong independent oversight and control of risk within the insurance businesses. The subsidiaries' boards outline the internal risk and control structure to manage insurance risk, which includes risk, capital and control policies, processes as well as limits and governance. Senior management of the insurance and reinsurance subsidiaries and risk management attend the subsidiaries' board meetings.

Despite these strong risk governance practices, the occurrence of large claims could have a negative impact on the Issuer's insurance and reinsurance subsidiaries which could in turn have a negative impact on the Issuer's performance and results of operations. Further information on this risk can be found at page 87 of the Issuer's 2023 Annual Report, incorporated by reference herein.

(s) ***Reputation and Legal Risk***

The Issuer's reputation and financial soundness are of fundamental importance to it and to its clients, shareholders, third parties, regulators, team members and communities. Reputation risk is the risk of negative publicity regarding the Issuer's business conduct or practices which, whether true or not, could significantly harm the Issuer's reputation as a leading financial institution, or could materially and adversely affect its business, operations or financial condition. Legal risk is the risk of financial loss arising from one or more of the following factors: (a) civil, criminal or regulatory enforcement proceedings against the Issuer (see Note 22 to the Issuer's 2023 audited consolidated financial statements in its 2023 Annual Report, which is incorporated by reference in this Base Prospectus, for a description of the Issuer's significant legal proceedings); (b) its failure to correctly document, enforce or comply with contractual obligations; (c) failure to comply with its legal obligations to clients, investors, team members, counterparties or other stakeholders; (d) failure to take appropriate legal measures to protect its assets or security interests; or (e) misconduct by its team members or agents.

Conduct risk is the risk that actions or omissions (i.e. behaviour) of the Issuer, team members or third parties: do not align with the Issuer's desired culture and values, deliver poor or unfair outcomes for clients, team members or shareholders; result in adverse market practices and outcomes; impact CIBC's reputation as a leading financial institution; or materially and adversely affect CIBC's business, operations or financial condition. Further information on this risk can be found at page 87 of the Issuer's 2023 Annual Report, incorporated by reference herein.

Despite the operation of the Issuer's policies and procedures, there is no guarantee the Issuer will be able to anticipate the occurrence of a particular risk event, which if it were to occur would have an adverse effect on the Issuer's prospects and results of operations.

(t) ***Corporate transactions***

CIBC seeks out acquisition and divestiture opportunities that align with its strategy, risk appetite and financial goals. The ability to successfully execute on CIBC's strategy to integrate acquisitions, and the ability to anticipate and manage risks associated with such corporate transactions are subject to various factors such as receiving regulatory and shareholder approval on a timely basis and on favourable terms, retaining clients and key personnel, realizing synergies and efficiencies, controlling integration and acquisition costs, and changes in general business and economic conditions, among others. Given the inherent uncertainty involved in such corporate transactions, CIBC cannot anticipate all potential events, facts and circumstances that may arise and there could be an adverse impact on its operations and financial performance as a result of such corporate transactions.

1.2 RISKS RELATED TO THE ISSUER'S FINANCIAL SITUATION

The value of the Issuer's Notes may be affected by the general creditworthiness of the Issuer.

(a) ***The Issuer's results could be affected by legislative and regulatory developments in the jurisdictions where the Issuer conducts business***

As the Issuer operates in a number of jurisdictions (see the section entitled "*Strategic business units overview*" on pages 21-33 of the Issuer's 2023 Annual Report which is incorporated by reference in this Base Prospectus for further details on the Issuer's business operations and related jurisdictions) and its activities are subject to extensive regulation in those jurisdictions, the Issuer's financial

performance and position could be affected by changes to law, statutes, regulations or regulatory policies, rules or guidelines in those jurisdictions where the Issuer operates, including changes in their interpretation, implementation or enforcement. Such changes could adversely affect the Issuer in a number of ways including, but not limited to, increasing the ability of competitors to compete with the products and services the Issuer provides, limiting the products and services the Issuer can provide and increasing the Issuer's costs of compliance. Any such change may require the Issuer to reallocate capital resources among its business lines, which could have a material impact on the Issuer's financial results and the Issuer's ability to make payments on the Notes issued by the Issuer. Also, in spite of the precautions the Issuer takes to prevent such an eventuality, failure to comply with law, statutes, regulations, rules and guidelines could give rise to penalties and fines that could have an adverse impact on its financial results and reputation.

(b) ***Risks related to legal proceedings and other contingencies***

In the ordinary course of its business, the Issuer is a party to a number of legal proceedings, including regulatory investigations, in which claims for substantial monetary damages are asserted against the Issuer and its subsidiaries. A description of significant ongoing matters to which the Issuer is a party can be found in Note 22 to the Issuer's Consolidated Financial Statements contained in the 2023 Annual Report, incorporated by reference in this Base Prospectus. The provisions disclosed in Note 22 include all of the Issuer's accruals for legal matters as at October 31, 2023, including amounts related to the significant legal proceedings described in the relevant note and to other legal matters. The Issuer believes the estimate of the aggregate range of reasonably possible losses, in excess of the amounts accrued, for its significant legal proceedings, where it is possible to make such estimate, is from nil to approximately $0.6 billion as at October 31, 2023. While there is inherent difficulty in predicting the outcome of legal proceedings, based on current knowledge and in consultation with legal counsel, the Issuer does not expect the outcome of these matters, individually or in aggregate, to have a material adverse effect on its consolidated financial statements. However, the outcome of these matters, individually or in aggregate, may be material to the Issuer's operating results for a particular reporting period. The Issuer regularly assesses the adequacy of its litigation accruals and makes the necessary adjustments to incorporate new information as it becomes available.

In addition, criminal prosecutions of financial institutions in Europe for, among other alleged misconduct, breaches of AML and sanctions regulations, anti-trust violations, market manipulation, aiding and abetting tax evasion, and providing unlicensed cross-border banking services have become more commonplace and may increase in frequency due to increased media attention and higher expectations from prosecutors and the public.

While the Issuer takes what it believes are reasonable measures designed to ensure compliance with law, statutes, regulations and regulatory policies, rules or guidelines in the jurisdictions in which it conducts business, there can be no assurance that the Issuer will always be in compliance or deemed to be in compliance. It is possible that the Issuer could receive judicial or regulatory decisions or judgments that result in fines, criminal prosecution, damages and other costs that could damage its reputation and have a negative impact on the Issuer's results.

(c) ***The Issuer relies on third parties to provide certain key components of its business infrastructure***

Third parties provide key components of the Issuer's business infrastructure such as Internet connections and network access and other voice or data communication services. Given the high volume of transactions the Issuer processes on a daily basis, certain errors may be repeated or compounded before they are discovered and successfully rectified. Despite any contingency plans the Issuer may have in place, the Issuer's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the Issuer's businesses and the communities in which they are located. This may include a disruption involving electrical, communications, transportation or

other services used by the Issuer or by third parties with which the Issuer conducts business. Such disruptions could adversely affect the Issuer's ability to deliver products and services to clients and otherwise conduct business which may expose the Issuer to service disruptions, regulatory action or litigation and may have an adverse effect on its financial results and reputation. For additional information regarding risks to the Issuer in connection with third parties, see the risk factor entitled "*Third Party Risk*" above.

(d) ***Borrower and Counterparty Risk Exposure***

The ability of the Issuer to make payments in connection with any Notes is subject to general credit risks, including credit risks of borrowers. The failure to effectively manage credit risk across the Issuer's products, services and activities can have a direct, immediate and material impact on the Issuer's earnings and reputation. Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include borrowers under loans granted, trading counterparties, counterparties under derivative contracts, agents and financial intermediaries. These parties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons, adversely impacting the Issuer's financial position and prospects.

A number of the Issuer's counterparties are EU and UK credit institutions and investments firms, including certain of any Dealer under the Programme (collectively, "**BRRD Firms**"), which are subject to Directive 2014/59/EU (as amended, and including, in the case of UK credit institutions and investment firms, as implemented in the United Kingdom by virtue of the UK Banking Act, as amended by The Bank Recovery and Resolution and Miscellaneous Provisions (Amendment) (EU Exit) Regulations 2018, "**BRRD**"), which is intended to enable a range of actions to be taken in relation to BRRD firms considered to be at risk of failing. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing BRRD Firm so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of the institution's failure on the economy and financial system. The BRRD was applied in Member States of the EEA and in the UK from 1 January 2015 with the exception of the bail-in tool (referred to below) which was applicable from 1 January 2016.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) any of the Issuer's BRRD Firm counterparties is failing or likely to fail; (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest. Such resolution tools and powers are: (i) sale of business; (ii) bridge institution; (iii) asset separation; and (iv) bail-in. The bail-in tool gives the resolution authority the power to write down or convert certain unsecured debt instruments of any of the Issuer's BRRD Firm counterparties into shares (or other instruments of ownership), to reduce the outstanding amount due under such debt instruments (including reducing such amounts to zero) or to cancel, modify or vary the terms of such debt instruments (including varying the maturity of such instruments) and other contractual arrangements. The BRRD also provides for a member state of the EEA and the United Kingdom (each a "**Relevant State**") as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the applicable state aid framework.

An institution will be considered as failing or likely to fail when: (i) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances).

In the normal course of business, the Issuer deals with BRRD Firms to whom the BRRD and its bail-in power applies. The powers set out in the BRRD will impact how such BRRD Firms are managed as well as, in certain circumstances, the rights of their creditors including the Issuer. For instance, the Issuer and the Note holders may be affected by disruptions due to an BRRD Firm party to the Programme not being able to fulfil its obligations as issuing and paying agent, European registrar, calculation agent or similar roles. Further information on credit risk and the Issuer's exposure can be found at pages 59-70 of the Issuer's 2023 Annual Report, incorporated by reference herein.

(e) ***Changes in financial markets, market rates and prices may adversely affect the value of financial products held by the Issuer***

The performance of financial markets may affect the value of financial products held by the Issuer. This market risk arises from positions in securities and derivatives held in the Issuer's trading portfolios, and from its retail banking business, investment portfolios and other non-trading activities. Market risk is the risk of economic financial loss in the Issuer's trading and non-trading portfolios from adverse changes in underlying market factors, including interest rates, foreign exchange rates, equity market prices, commodity prices, credit spreads, and customer behaviour for retail products. Further details on the Issuer's exposure to market risks in its trading and non-trading portfolios can be found on pages 71-76 of the Issuer's 2023 Annual Report, incorporated by reference herein.

While the Issuer has implemented risk management methods to mitigate and control these and other market risks to which the Issuer is exposed, it is difficult to predict with accuracy changes in economic and market conditions and to anticipate the effects that such changes could have on the Issuer's financial performance.

(f) ***Failure to obtain accurate and complete information from or on behalf of the Issuer's clients and counterparties could adversely affect the Issuer's results***

The Issuer depends on the accuracy and completeness of information about clients and counterparties. When deciding to authorise credit or enter into other transactions with clients and counterparties, the Issuer may rely on information provided to it by or on behalf of clients and counterparties, including financial statements and other financial and non-financial information. The Issuer also may rely on representations of clients and counterparties as to the completeness and accuracy of that information. The Issuer's financial results could be adversely impacted if the financial statements and other financial information relating to clients and counterparties on which it relies do not comply with recognised accounting standards such as International Financial Reporting Standards ("**IFRS**"), are materially misleading, or do not fairly present, in all material respects, the financial condition and results of operations of the clients and counterparties. See also the risk factor entitled "*Third Party Risk*", above, for information regarding risks to the Issuer in connection with business relationships with third parties.

(g) ***The Issuer faces intense competition in all aspects of its business from established competitors and new entrants in the financial services industry***

The competition for clients among financial services companies is intense. Client loyalty and retention can be influenced by a number of factors, including new technology used or services offered by competitors, the attributes of the Issuer's products or services, the Issuer's relative service levels and prices, the Issuer's reputation and actions taken by the Issuer's competitors and adherence with competition and anti-trust laws. Non-financial companies are increasingly providing consumers with services traditionally provided by banks (as further described in the risk factor entitled "*Disintermediation Risk*" above). Securities transactions can be conducted through the Internet and other alternative, non-trading systems. In addition, the shadow banking system may create additional competition for the Issuer. The Issuer expects these trends to continue. Such developments could reduce revenues and adversely affect the Issuer's earnings.

(h) ***The Issuer's revenues and earnings are substantially dependent on the economies of Canada, the United States, Europe and the Caribbean, which can in turn be affected by general business and economic conditions worldwide***

The Issuer's revenues and earnings are dependent on the level of financial services its customers require. Levels of customer activity can be affected by factors such as interest rates, foreign exchange rates, consumer spending, business investment, government spending, the health of the capital markets, inflation and terrorism. The Issuer conducts most of its business in Canada, the United States, Europe and the Caribbean. Further details on the Issuer's business activities can be found in the section entitled "*Strategic business units overview*" on pages 21-33 of the Issuer's 2023 Annual Report which is incorporated by reference in this Base Prospectus. Consequently, the Issuer's performance is influenced by the level and cyclical nature of business and home lending activity in these countries, which is in turn impacted by both domestic and international economic and political events. There can be no assurance that a weakening in the Canadian, United States, European or Caribbean economies will not materially affect the Issuer's financial condition and results of operations. The economic conditions of other regions where the Issuer conducts operations can also affect the future performance of the Issuer.

(i) ***The Issuer's success in developing and introducing new products and services, expanding distribution channels, developing new distribution channels and realizing revenue from these channels could affect the Issuer's revenues and earnings***

The Issuer's ability to maintain or increase its market share depends, in part, on its ability to adapt products and services to evolving industry standards. For a description of the Issuer's products and services see the section entitled "*Strategic business units overview*" on pages 21-33 of the Issuer's 2023 Annual Report, which is incorporated by reference in this Base Prospectus. There is increasing pressure on financial services companies to provide products and services at lower prices. This can reduce the Issuer's net interest income and revenues from fee-based products and services. In addition, the widespread adoption of new technologies by the Issuer, including Internet-based services, could require the Issuer to make substantial expenditures to modify or adapt existing products and services without any guarantee that such technologies could be deployed successfully. These new technologies could be used in unprecedented ways by the increasingly sophisticated parties who direct their attempts to defraud the Issuer or its customers through many channels. For additional details on the risks involved with new technologies, see also the risk factor entitled "*Technology, Information and Cyber Security Risk*" above. The Issuer might not be successful in developing and introducing new products and services, achieving market acceptance of its products and services, developing and maintaining loyal clients, developing and expanding distribution channels and/or realizing revenue from these channels, and this may adversely affect its financial position and prospects.

(j) ***Movements of the Canadian dollar relative to other currencies, particularly the U.S. dollar and the currencies of other jurisdictions in which the Issuer conducts business, may affect the Issuer's revenues, expenses and earnings***

The majority of the Issuer's trading exposure to foreign exchange risk arises from transactions involving the Canadian dollar, U.S. dollar, Euro, pound sterling, Australian dollar, Chinese yuan, and Japanese yen, whereas the primary risks of losses in equities are in the U.S., Canadian, and European markets. Trading exposure to commodities arises primarily from transactions involving North American natural gas, crude oil products, and precious metals. Further details on the Issuer's exposure to commodities risk can be found under the risk factor entitled "*Commodity Risk*" above. Currency exchange rate movements in Canada, the U.S., Europe and the other jurisdictions in which the Issuer conducts business impact the Issuer's financial position (as a result of foreign currency translation adjustments) and the Issuer's future earnings. For example, if the value of the Canadian dollar rises

against the U.S. dollar, the Issuer's investments and earnings in the U.S. may be negatively affected. Changes in the value of the Canadian dollar relative to the U.S. dollar may also affect the earnings of the Issuer's small business, commercial and corporate clients in Canada.

(k) ***The Issuer's earnings are affected by the monetary policies of central banks and other financial market developments***

Changes in central banks' monetary policies and the general level of interest rates can impact the Issuer's profitability. A change in the level of interest rates can affect the interest spread between the Issuer's deposits and loans and as a result could impact the Issuer's net interest income. A discussion of the Issuer's net interest income and margin for fiscal 2023 can be found on page 7 of the Issuer's 2023 Annual Report which is incorporated by reference in this Base Prospectus. Changes in monetary policy and developments in the financial markets are beyond the Issuer's control and difficult to predict or anticipate and could have an adverse effect on the Issuer's ability to fulfil its obligations under the Notes.

The accounting policies and methods the Issuer utilizes determine how it reports its financial condition and results of operations, and they may require management to make judgments and estimates about matters that are uncertain; such judgments and estimates may require revision, which could have a material impact on the Issuer's financial results and financial condition.

The Issuer's financial condition and results of operations are reported using IFRS. In certain cases, IFRS allows accounting policies and methods to be selected from two or more alternatives, any of which might be reasonable, yet could result in the reporting of materially different amounts. Significant accounting policies applicable to the consolidated financial statements of the Issuer are described in Note 1 thereto on pages 121-132 of the 2023 Annual Report, which pages are incorporated herein by reference.

Certain accounting policies require the Issuer to make judgments and estimates, some of which may relate to matters that are uncertain, including fair value adjustments, the estimation of expected credit losses and determination of the amount of impairments. The Issuer believes that it has made appropriate fair value adjustments, provisions for expected credit losses and has taken appropriate impairments to date. The establishment of fair value adjustments, provisions for expected credit losses and the determination of the amount of impairments involve estimates that are based on accounting processes and judgments by management. The Issuer evaluates the adequacy of the fair value adjustments, provisions for expected credit losses and the amount of impairments on an ongoing basis. The levels of fair value adjustments, provisions for expected credit losses and the amount of the impairments could change as events warrant and may not reflect ultimate realizable amounts. The estimates and judgments made by management may require revision, and changes to them could have a material impact on the Issuer's financial results and financial condition.

The Issuer has established control procedures to ensure accounting policies are applied consistently and processes for changing methodologies are well controlled. Despite these procedures, changes in the judgments and estimates required in the critical accounting policies could have a material impact on the Issuer's financial results.

(l) ***Changes to the Issuer's credit ratings***

There is no assurance that the Issuer's credit ratings, which are set out on page 438 of this Base Prospectus, will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances in the future so warrant. In the event that a rating assigned to the Issuer, or any Notes the Issuer may issue, is subsequently suspended, lowered or withdrawn for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes issued by the Issuer, the Issuer

may be adversely affected, the market value of the Notes issued by the Issuer is likely to be adversely affected and the ability of the Issuer to make payments under the Notes issued by the Issuer may be adversely affected.

The Issuer's ability to access unsecured funding markets and to engage in certain collateral business activities on a cost-effective basis is primarily dependent upon maintaining competitive credit ratings. A lowering, suspension or withdrawal of the Issuer's credit ratings may have potentially adverse consequences for the Issuer's funding capacity or access to capital markets and may also affect the Issuer's ability, and the cost, to enter into normal course derivatives or hedging transactions and may require it to post additional collateral under certain contracts.

(m) ***Liquidity Risk***

Liquidity risk is the risk of having insufficient cash or its equivalent in a timely and cost-effective manner to meet financial obligations as they come due. Common sources of liquidity risk inherent in banking services include unanticipated withdrawals of deposits, the inability to replace maturing debt, credit and liquidity commitments, and additional pledging or other collateral requirements.

The Issuer's approach to liquidity risk management supports its business strategy, aligns with its risk appetite and adheres to regulatory expectations. The Issuer's management strategies, objectives and practices are regularly reviewed to align with changes to the liquidity environment, including regulatory, business and/or market developments. Liquidity risk remains within the Issuer's risk appetite.

The Issuer manages liquidity risk in a manner that enables it to withstand liquidity stress without an adverse impact on the viability of its operations. Actual and anticipated cash flows generated from on- and off-balance sheet exposures are routinely measured and monitored to ensure compliance with established internal and regulatory thresholds, including those prescribed by OSFI's Liquidity Adequacy Requirements ("**LAR**"). Furthermore, CIBC incorporates stress testing into its management and measurement of liquidity risk.

CIBC continuously evaluates opportunities to diversify into new funding products and investor segments in an effort to maximize funding flexibility and minimize concentration and financing costs. CIBC regularly monitors wholesale funding levels and concentrations to internal limits consistent with its desired liquidity risk profile. Failure to effectively manage liquidity risk may have adverse impacts on CIBC's business, results of operations, reputation and financial condition.

2 FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE BAIL-IN RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

(a) ***Risks related to Bail-inable Notes***

Bail-inable Notes will be subject to risks, including non-payment in full or conversion in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Issuer or any of its affiliates, under Canadian bank resolution powers

Notes that are Bail-inable Notes (as defined below) are subject to conversion in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Issuer or any of its affiliates under subsection 39.2(2.3) of the Canada Deposit Insurance Corporation Act (Canada) (the "**CDIC Act**") and to variation or extinguishment in consequence, and subject to the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes. Notwithstanding any other terms of the Issuer's liability, any other law that governs the Issuer's liability and any other agreement, arrangement or understanding between the parties with respect to the

Issuer's liability, each holder or beneficial owner of an interest in the Bail-inable Notes is deemed to be bound by the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes and, by acquiring an interest in the Bail-inable Notes, is deemed to attorn to the jurisdiction of the courts in the Province of Ontario in Canada.

Certain provisions of and regulations under the Bank Act (Canada) (the "**Bank Act**"), the CDIC Act and certain other Canadian federal statutes pertaining to banks (collectively, the "**Bail-in Regime**"), provide for a bank recapitalization regime for banks designated by the Superintendent of Financial Institutions (Canada) (the "**Superintendent**") as domestic systemically important banks ("**D-SIBs**"), which include the Issuer.

The expressed objectives of the Bail-in Regime include reducing government and taxpayer exposure in the unlikely event of a failure of a D-SIB, reducing the likelihood of such a failure by increasing market discipline and reinforcing that bank shareholders and creditors are responsible for the D-SIBs' risks and not taxpayers, and preserving financial stability by empowering the Canada Deposit Insurance Corporation ("**CDIC**"), Canada's resolution authority, to quickly restore a failed D-SIB to viability and allow it to remain open and operating, even where the D-SIB has experienced severe losses.

Under the CDIC Act, in circumstances where the Superintendent is of the opinion that the Issuer has ceased, or is about to cease, to be viable and viability cannot be restored or preserved by exercise of the Superintendent's powers under the Bank Act, the Superintendent, after providing the Issuer with a reasonable opportunity to make representations, is required to provide a report to CDIC. Following receipt of the Superintendent's report, CDIC may request the Minister of Finance for Canada (the "**Minister of Finance**") to recommend that the Governor in Council (Canada) make an Order (as defined below) and, if the Minister of Finance is of the opinion that it is in the public interest to do so, the Minister of Finance may recommend that the Governor in Council (Canada) make, and on such recommendation, the Governor in Council (Canada) may make, one or more Orders including a Conversion Order (see "*Risks relating to Notes generally - Canadian bank resolution powers confer substantial powers on Canadian authorities designed to enable them to take a range of actions in relation to the Issuer where a determination is made that the Issuer has ceased, or is about to cease, to be viable and such viability cannot be restored or preserved, which if taken could result in holders or beneficial owners of Notes being exposed to loss*es").

Upon the making of a Conversion Order, prescribed shares and liabilities under the Bail-in Regime that are subject to that Conversion Order will, to the extent converted, be converted into common shares of the Issuer or any of its affiliates, as determined by CDIC (a "**Bail-in Conversion**"). Subject to certain exceptions discussed below, the Bail-in Regime provides that senior debt issued on or after September 23, 2018, with an initial or amended term to maturity, (including explicit or embedded options) greater than 400 days, that is unsecured or partially secured and that has been assigned a CUSIP or ISIN or similar identification number are subject to a Bail-in Conversion. Shares, other than common shares, and subordinated debt of the Issuer will also be subject to a Bail-in Conversion, unless they are non-viability contingent capital. All Notes that are subject to Bail-in Conversion will be identified as Bail-inable Notes in the applicable Final Terms ("**Bail-inable Notes**"). See General Condition 3 – *Status of Notes* on page 204 of this Base Prospectus for further details on the terms applicable to Bail-inable Notes.

Covered bonds, derivatives and certain structured notes (as such term is used under the Bail-in Regime) are expressly excluded from a Bail-in Conversion. To the extent that any Notes constitute structured notes (as such term is used under the Bail-in Regime) they will not be Bail-inable Notes and will not be identified as Bail-inable Notes in the applicable Final Terms. As a result, claims of some creditors whose claims would otherwise rank equally with those of the holders of Bail-inable Notes would be excluded from a Bail-in Conversion and thus the holders and beneficial owners of Bail-inable

Notes will have to absorb losses ahead of these other creditors as a result of the Bail-in Conversion while other creditors may not be exposed to losses.

If the CDIC were to take action under the Canadian bank resolution powers with respect to the Issuer, this could result in holders or beneficial owners of Bail-inable Notes being exposed to conversion of the Bail-inable Notes in whole or in part. Upon a Bail-in Conversion, the holders of Bail-inable Notes that are converted will be obligated to accept the common shares of the Issuer or any of its affiliates into which such Bail-inable Notes, or any portion thereof, are converted even if such Noteholders do not at the time consider such common shares to be an appropriate investment for them, and despite any change in the Issuer or any of its affiliates, or the fact that such common shares are issued by an affiliate of the Issuer or any disruption to or lack of a market for such common shares or disruption to capital markets generally. The terms and conditions of the Bail-in Conversion will be determined by CDIC in accordance with and subject to certain requirements discussed below (see "*The number of common shares to be issued in connection with, and the number of common shares that will be outstanding following, a Bail-in Conversion are unknown. It is also unknown whether the shares to be issued will be those of the Issuer or one of its affiliates" below).* See also *"Investors in Bearer Notes who hold less than the minimum Specified Denomination (including after a partial Bail-in Conversion or any other resolution action) may be unable to sell their Bearer Notes and may be adversely affected if definitive Bearer Notes are subsequently required to be issued*" below for a risk of partial conversions.

As a result, holders of Bail-inable Notes should consider the risk that they may lose all or part of their investment, plus any accrued interest or additional amounts, if CDIC were to take action under the Canadian bank resolution powers, including the Bail-in Regime, and that any remaining outstanding Notes, or common shares of the Issuer or any of its affiliates into which Bail-inable Notes are converted, may be of little value at the time of a Bail-in Conversion and thereafter.

Bail-inable Notes will provide only limited acceleration and enforcement rights and will include other provisions intended to qualify such Notes as TLAC

In connection with the Bail-in Regime, the Office of the Superintendent of Financial Institutions' ("**OSFI**") guideline as interpreted by the Superintendent (the "**TLAC Guideline**") on Total Loss Absorbing Capacity ("**TLAC**") applies to and establishes standards for D-SIBs, including the Issuer. Under the TLAC Guideline, from November 1, 2021, the Issuer is required to maintain a minimum capacity to absorb losses composed of unsecured external long-term debt that meets the prescribed criteria and regulatory capital instruments to support recapitalisation in the event of a failure. Bail-inable Notes and regulatory capital instruments that meet the prescribed criteria will constitute TLAC of the Issuer.

In order to comply with the TLAC Guideline, Bail-inable Notes must provide for terms and conditions necessary to meet the prescribed criteria and qualify at their issuance as TLAC instruments of the Issuer under the TLAC Guideline. Those criteria include the following:

- the Issuer cannot directly or indirectly have provided financing to any person for the express purpose of investing in the Bail-inable Notes;

- the Bail-inable Notes are not subject to set-off, netting, compensation or retention rights;

- the Bail-inable Notes must not provide rights to accelerate repayment of principal or interest payments outside of bankruptcy, insolvency, wind-up or liquidation, except that events of default relating to the non-payment of scheduled principal and/or interest payments will be permitted where they are subject to a cure period of no less than 30 business days and clearly disclose to investors that: (i) acceleration is only permitted where an Order (as defined below)

has not been made in respect of the Issuer; and (ii) notwithstanding any acceleration, the instrument could still be subject to a Bail-in Conversion prior to its repayment;

- the Bail-inable Notes may be redeemed or purchased for cancellation (as applicable) only at the initiative of the Issuer and, where the redemption or purchase would lead to a breach of the Issuer's minimum TLAC requirements, that redemption or purchase would be subject to the prior approval of the Superintendent;

- the Bail-inable Notes do not have credit-sensitive dividend or coupon features that are reset periodically based in whole or in part on the Issuer's credit standing; and

- where an amendment or variance of the Bail-inable Notes' terms and conditions would affect their recognition as TLAC, that amendment or variance will only be permitted with the prior approval of the Superintendent.

As a result, the terms of the Bail-inable Notes provide that acceleration will only be permitted (i) if the Issuer defaults in the payment of the principal or interest for a period of more than 30 business days, or (ii) certain bankruptcy, insolvency or reorganisation events occur. Holders and beneficial owners of Bail-inable Notes may only exercise, or direct the exercise of, such rights in respect of Bail-inable Notes where an Order has not been made under Canadian bank resolution powers pursuant to subsection 39.13(1) of the CDIC Act in respect of the Issuer. Notwithstanding the exercise of those rights, Bail-inable Notes will continue to be subject to Bail-in Conversion until paid in full. See also General Condition 10 – *Events of Default* on page 248 of this Base Prospectus

The terms of the Bail-inable Notes also provide that holders or beneficial owners of Bail-inable Notes will not be entitled to exercise, or direct the exercise of, any set-off or netting rights with respect to Bail-inable Notes. In addition, where an amendment, modification or other variance that can be made to the Bail-inable Notes would affect the recognition of the Bail-inable Notes by the Superintendent as TLAC, that amendment, modification or variance will require the prior approval of the Superintendent.

The circumstances surrounding a Bail-in Conversion are unpredictable and can be expected to have an adverse effect on the market price of Bail-inable Notes

The decision as to whether the Issuer has ceased, or is about to cease, to be viable is a subjective determination by the Superintendent that is outside the control of the Issuer. Upon a Bail-in Conversion, the interests of depositors and holders of liabilities and securities of the Issuer that are not converted will effectively all rank in priority to the portion of Bail-inable Notes that are converted. In addition, except as provided for under the compensation process, the rights of Noteholders in respect of the Bail-inable Notes that have been converted will rank on parity with other holders of common shares of the Issuer (or, as applicable, common shares of the affiliate whose common shares are issued on the Bail-in Conversion).

There is no limitation on the type of Order that may be made where it has been determined that the Issuer has ceased, or is about to cease, to be viable. As a result, Noteholders holding Bail-inable Notes may be exposed to losses through the use of Canadian bank resolution powers other than a Conversion Order or in liquidation.

Because of the uncertainty regarding when and whether an Order will be made and the type of Order that may be made, it will be difficult to predict when, if at all, Bail-inable Notes could be converted into common shares of the Issuer or any of its affiliates, and there is not likely to be any advance notice of an Order. As a result of this uncertainty, trading behaviour in respect of the Bail-inable Notes may not follow trading behaviour associated with convertible or exchangeable securities or, in circumstances where the Issuer is trending towards ceasing to be viable, other senior debt. Any indication, whether real or perceived, that the Issuer is trending towards ceasing to be viable can be expected to have an

adverse effect on the market price of the Bail-inable Notes. Therefore, in those circumstances, Noteholders of Bail-inable Notes may not be able to sell their Bail-inable Notes easily or at prices comparable to those of senior debt securities not subject to Bail-in Conversion.

The number of common shares to be issued in connection with, and the number of common shares that will be outstanding following, a Bail-in Conversion are unknown. It is also unknown whether the shares to be issued will be those of the Issuer or one of its affiliates

Under the Bail-in Regime there is no fixed and pre-determined contractual conversion ratio for the conversion of the Bail-inable Notes, or other shares or liabilities of the Issuer that are subject to a Bail-in Conversion, into common shares of the Issuer or any of its affiliates, nor are there specific requirements regarding whether liabilities subject to a Bail-in Conversion are converted into common shares of the Issuer or any of its affiliates. See Condition 3 – *Status of Notes* on page 204 of this Base Prospectus for further details on the terms applicable to Bail-inable Notes.

CDIC determines the timing of the Bail-in Conversion, the portion of bail-inable shares and liabilities to be converted and the terms and conditions of the Bail-in Conversion, subject to parameters set out in the Bail-in Regime. Those parameters include that:

- in carrying out a Bail-in Conversion, CDIC must take into consideration the requirement in the Bank Act for banks to maintain adequate capital;

- CDIC must use its best efforts to ensure that shares and liabilities subject to a Bail-in Conversion are only converted after all subordinate ranking shares and liabilities that are subject to a Bail-in Conversion and any subordinate non-viability contingent capital instruments have been previously converted or are converted during the same restructuring period;

- CDIC must use its best efforts to ensure that the converted part of the liquidation entitlement of a share subject to a Bail-in Conversion, or the converted part of the principal amount and accrued and unpaid interest of a liability subject to a Bail-in Conversion, is converted on a pro rata basis for all shares or liabilities subject to a Bail-in Conversion of equal rank that are converted during the same restructuring period;

- holders of shares and liabilities that are subject to a Bail-in Conversion must receive a greater number of common shares per dollar of the converted part of the liquidation entitlement of their shares, or the converted part of the principal amount and accrued and unpaid interest of their liabilities, than holders of any subordinate shares or liabilities subject to a Bail-in Conversion that are converted during the same restructuring period or of any subordinate non-viability contingent capital that is converted during the same restructuring period;

- holders of shares or liabilities subject to a Bail-in Conversion of equal rank that are converted during the same restructuring period must receive the same number of common shares per dollar of the converted part of the liquidation entitlement of their shares or the converted part of the principal amount and accrued and unpaid interest of their liabilities; and

- holders of shares or liabilities subject to a Bail-in Conversion must receive, if any non-viability contingent capital of equal rank to the shares or liabilities is converted during the same restructuring period, a number of common shares per dollar of the converted part of the liquidation entitlement of their shares, or the converted part of the principal amount and accrued and unpaid interest of their liabilities, that is equal to the largest number of common shares received by any holder of the non-viability contingent capital per dollar of that capital.

As a result, it is not possible to anticipate the potential number of common shares of the Issuer or its affiliates that would be issued in respect of any Bail-inable Notes converted on a Bail-in Conversion, the aggregate number of such common shares that will be outstanding following the Bail-in Conversion, the effect of dilution on the common shares received in respect of any Bail-inable Notes converted on a Bail-in Conversion from other issuances of common shares of the same issuer under or in connection with an Order or related actions in respect of the Issuer or its affiliates or the value of any common shares received by Noteholders of converted Bail-inable Notes, which could be significantly less than the amount which may otherwise have been due under the converted Bail-inable Notes. It is also not possible to anticipate whether shares of the Issuer or shares of its affiliates would be issued in a Bail-in Conversion. There may be an illiquid market, or no market at all, in the common shares issued upon a Bail-in Conversion and such Noteholders may not be able to sell those common shares at a price equal to the value of the converted Bail-inable Notes and as a result may suffer significant losses that may not be offset by compensation, if any, received as part of the compensation process. Fluctuations in exchange rates may exacerbate such losses.

By acquiring Bail-inable Notes, each Noteholder or beneficial owner of that Bail-inable Note is deemed to agree to be bound by a Bail-in Conversion and so will have no further rights in respect of its Bail-inable Notes to the extent those Bail-inable Notes are converted in a Bail-in Conversion, other than those provided under the Bail-in Regime. Any potential compensation to be provided through the compensation process under the CDIC Act is unknown

The CDIC Act provides for a compensation process for Noteholders holding Bail-inable Notes who immediately prior to the making of an Order, directly or through an intermediary, own Bail-inable Notes that are converted in a Bail-in Conversion. While this process applies to successors of such Noteholders it does not apply to assignees or transferees of the Noteholder following the making of the Order and does not apply if the amounts owing under the relevant Bail-inable Notes are paid in full.

Under the compensation process, the compensation to which such Noteholders are entitled is the difference, to the extent it is positive, between the estimated liquidation value and the estimated resolution value of the relevant Bail-inable Notes. The liquidation value is the estimated value the Bail-inable Noteholders would have received if an order under the *Winding-up and Restructuring Act* (Canada) had been made in respect of the Issuer, as if no Order had been made and without taking into consideration any assistance, financial or otherwise, that is or may be provided to the Issuer, directly or indirectly, by CDIC, the Bank of Canada, the Government of Canada or a province of Canada, after any order to wind up the Issuer has been made.

The resolution value in respect of relevant Bail-inable Notes is the aggregate estimated value of the following: (a) the relevant Bail-inable Notes, if they are not held by CDIC and they are not converted, after the making of an Order, into common shares under a Bail-in Conversion; (b) common shares that are the result of a Bail-in Conversion after the making of an Order; (c) any dividend or interest payments made, after the making of the Order, with respect to the relevant Bail-inable Notes to any person other than CDIC; and (d) any other cash, securities or other rights or interests that are received or to be received with respect to the relevant Bail-inable Notes as a direct or indirect result of the making of the Order and any actions taken in furtherance of the Order, including from CDIC, the Issuer, the liquidator of the Issuer, if the Issuer is wound up, the liquidator of a CDIC subsidiary incorporated or acquired by order of the Governor in Council for the purposes of facilitating the acquisition, management or disposal of real property or other assets of the Issuer that CDIC may acquire as the result of its operations that is liquidated or the liquidator of a bridge institution if the bridge institution is wound up.

In connection with the compensation process, CDIC is required to estimate the liquidation value and the resolution value in respect of the portion of converted Bail-inable Notes and is required to consider

the difference between the estimated day on which the liquidation value would be received and the estimated day on which the resolution value is, or would be, received.

CDIC must, within a reasonable period following a Bail-in Conversion, make an offer of compensation by notice to the relevant Noteholders that held Bail-inable Notes equal to, or in value estimated to be equal to, the amount of compensation to which such Noteholders are entitled or provide a notice stating that such Noteholders are not entitled to any compensation. In either case such notice is required to include certain prescribed information, including important information regarding the rights of such Noteholders to seek to object and have the compensation to which they are entitled determined by an assessor (a Canadian Federal Court judge) where holders of liabilities representing at least 10 per cent. of the principal amount and accrued and unpaid interest of the liabilities of the same class object to the offer or absence of compensation. The period for objecting is limited (45 days following the day on which a summary of the notice is published in the Canada Gazette) and failure by Noteholders holding a sufficient principal amount plus accrued and unpaid interest of affected Bail-inable Notes to object within the prescribed period will result in the loss of any ability to object to the offered compensation or absence of compensation, as applicable. CDIC will pay each relevant Noteholder the offered compensation within 135 days after the date on which a summary of the notice is published in the Canada Gazette if the offer of compensation is accepted by the Noteholder, the Noteholder does not notify CDIC of acceptance or objection to the offer within the aforementioned 45-day period or the holder objects to the offer but the 10 per cent. threshold described above is not met within the aforementioned 45-day period.

Where an assessor is appointed, the assessor could determine a different amount of compensation payable, which could either be higher or lower than the original amount. The assessor is required to provide holders, whose compensation it determines, notice of its determination. The assessor's determination is final and there are no further opportunities for review or appeal. CDIC will pay the relevant holders the compensation amount determined by the assessor within 90 days of the assessor's notice.

By its acquisition of an interest in any Bail-inable Note, each Noteholder or beneficial owner of those Bail-inable Notes is deemed to agree to be bound by a Bail-in Conversion and so will have no further rights in respect of its Bail-inable Notes to the extent those Bail-inable Notes are converted in a Bail-in Conversion, other than those provided under the Bail-in Regime. See Condition 3 – *Status of Notes* on page 204 of this Base Prospectus for further details on the terms applicable to Bail-inable Notes.

A similar compensation process to the one set out above applies, in certain circumstances, where as a result of CDIC's exercise of bank resolution powers, Notes are assigned to an entity which is then wound-up.

Following a Bail-in Conversion, Noteholders that held Bail-inable Notes that have been converted will no longer have rights against the Issuer as creditors

As described in Condition 3 – *Status of Notes* on page 204 of this Base Prospectus, upon a Bail-in Conversion, the rights, terms and conditions of the portion of Bail-inable Notes that are converted, including with respect to priority and rights on liquidation, will no longer apply as the portion of converted Bail-inable Notes will have been converted on a full and permanent basis into common shares of the Issuer or any of its affiliates ranking on parity with all other outstanding common shares of that entity. If a Bail-in Conversion occurs, then the interest of the depositors, other creditors and holders of liabilities of the Issuer not bailed-in as a result of the Bail-in Conversion will all rank in priority to those common shares.

Given the nature of the Bail-in Conversion, holders or beneficial owners of Bail-inable Notes that are converted will become holders or beneficial owners of common shares at a time when the Issuer's and potentially its affiliates' financial condition has deteriorated. They may also become holders or

beneficial owners of common shares at a time when the relevant entity may have received or may receive a capital injection or equivalent support with terms that may rank in priority to the common shares issued in a Bail-in Conversion with respect to the payment of dividends, rights on liquidation or other terms although there is no certainty that any such capital injection or support will be forthcoming.

Bail-inable Notes may be redeemed after the occurrence of a TLAC Disqualification Event

If the applicable Final Terms for the Notes of such Series specify that a TLAC Disqualification Event Call Option is applicable, the Issuer may, at its option, with the prior approval of the Superintendent on not less than 30 days' and not more than 60 days' prior notice to the holders of the particular Bail-inable Notes, redeem all, but not less than all of the particular Bail-inable Notes of that Series prior to their stated maturity date on, or within 90 days after the occurrence of the TLAC Disqualification Event (as defined in the Conditions) at the Early Redemption Amount specified in the applicable Final Terms, together (if applicable) with any accrued but unpaid interest to (but excluding) the date fixed for redemption. If Bail-inable Notes are redeemed, Noteholders or beneficial holders of such Bail-inable Notes may not be able to reinvest the redemption proceeds in securities offering a comparable anticipated rate of return. Additionally, although the terms of each Series of Bail-inable Notes are anticipated to be established to satisfy the TLAC criteria within the meaning of the TLAC Guideline to which the Issuer is subject, it is possible that any Series of Bail-inable Notes may not satisfy the criteria in future rulemaking or interpretations.

(b) ***Bail-in risks related to Notes issued by the Issuer's London Branch***

The United Kingdom's Banking Act 2009 (as amended, the "UK Banking Act") confers substantial powers on a number of UK authorities designed to enable them to take a range of actions in relation to UK banks, UK building societies, UK investment firms and UK recognised central counterparties which are considered to be at risk of failing. In certain circumstances such actions may also be taken with modifications, against a third country institution or investment firm. The exercise of any of these actions in relation to the Issuer could materially adversely affect the value of any Notes

Under the UK Banking Act, substantial powers are granted to HM Treasury, the Bank of England, the Financial Conduct Authority and the Prudential Regulation Authority (the "**PRA**") (together, the "**Authorities**") as part of a special resolution regime (the "**SRR**"). These powers can be exercised, as applicable, by the Authorities in respect of the UK branch of a third country incorporated credit institution (such as the Bank) or a third country incorporated investment firm ("**third country entity**") either where that third country entity is subject to resolution in its jurisdiction of incorporation (a "**third country resolution action**") or where no third country resolution actions have been taken, but the Authorities consider that the commencement of resolution proceedings is in the public interest. The Authorities' powers (such as those to bail-in liabilities) are subject to additional conditions where they are used in respect of branches of third-country entities (such as the Bank) as compared with their use in respect of UK banks. As set out in General Condition 18.2 – *Branch of Account* on page 257 of this Base Prospectus, the Notes may be issued from the Bank's London Branch.

Noteholders may be subject to the relevant powers listed above, which may result in such Noteholders losing some or all of their investment. As at the date of this Base Prospectus, the Authorities have not exercised any powers under the SRR in respect of either the Issuer or the Issuer's London branch and there has been no indication that they will do so. However, there can be no assurance that this will not change and any exercise of any power under the SRR or any suggestion of such exercise could, therefore, adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the relevant Notes.

Risks related to Notes issued by the Issuer's London Branch

Notes may be issued by the Issuer's London Branch if the Branch of Account specified in the Final Terms is London. See General Condition 18.2 – *Branch of Account* on page 257 of this Base Prospectus.

Where the Authorities choose to recognise a third country resolution action, in whole or in part, they must make a statutory instrument which may provide for the exercise of the stabilization options in relation to the third country entity. This instrument may apply to: (i) assets of the third country entity or its group located in the UK or governed by UK law; and (ii) rights or liabilities of the third country entity (including the Notes) that are booked by its London branch, governed by English law, or where the claims in relation to such rights and liabilities are enforceable in the UK. Accordingly, exercise of these powers is possible where the relevant Authorities are acting to support or give full effect to a resolution carried out by the Canadian resolution authority and the Authorities' actions may include actions such as transferring assets located in the UK to a purchaser under the Canadian equivalent of a sale of business tool, or to a bridge bank in Canada.

In addition, under the BRRD, which has been implemented in the UK through the UK Banking Act, the UK has provided the Bank of England with the necessary powers to resolve the London branch of a third country entity (such as the Issuer's London branch) that is not subject to third country resolution action (including resolution proceedings of the Canadian authorities), or where the Authorities have refused to recognize or enforce third country resolution action. The powers available to the Bank of England, when acting independently to resolve a London branch of a third country entity are: (i) powers to transfer some or all of the assets, rights and liabilities (the "business of the branch") to a private sector purchaser, bridge bank or asset management vehicle; and (ii) the power to bail in liabilities (including the Notes) in connection with the transfer to the private-sector purchaser, bridge bank or asset management vehicle (the "**Independent Resolution of UK Branch Powers (IRUKBPs)**" or "**IRUKBPs**"). These powers could affect the Notes, to the extent that they are considered to be within the "business of the UK branch".

The Notes will be considered to be within the "business of the UK branch" where they arise 'as a result of the operations of' the Issuer's London branch. Where the Notes are issued in the name of the Issuer's London branch and/or are included within the London branch's annual return form (a type of annual account for the branch) to the PRA it is likely that such Notes will be considered by the Authorities to be within the "business of the UK branch". However, these powers are untested, and if there is an adequate degree of operational involvement by the Issuer's London branch in the issuance, there is a risk that the Authorities may consider that the Notes issued by the Issuer in Canada to be within the "business of the UK branch" due to the broad definition of this term. An exercise by the Authorities of these powers may materially adversely affect the value of Notes issued by the Issuer's London Branch.

Risks for Noteholders as a consequence of the exercise of the powers under the SRR

Noteholders may be subject to the relevant powers listed above, which may result in investments being modified, which may alter the price or value of such investments. As at the date of this Base Prospectus, the Authorities have not exercised any powers under the SRR in respect of the Issuer's London branch and there has been no indication that they will do so. However, there can be no assurance that this will not change and any exercise of any power under the SRR or any suggestion of such exercise could, therefore, adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the relevant Notes.

3 RISKS RELATED TO THE NOTES ISSUED UNDER THE PROGRAMME

3.1 RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

(a) Risks related to the interest rate

(i) *Fixed Rate Notes*

Fixed Rate Notes bear interest at a fixed rate. Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes. Investors should note that (i) if market interest rates start to rise then the income to be paid on the Notes might become less attractive and the price the investors get if they sell such Notes could fall and (ii) inflation will reduce the real value of the Notes over time which may affect what investors can buy with the investments in the future and which may make the fixed interest rate on the Notes less attractive in the future.

(ii) *Floating Rate Notes*

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the relevant Final Terms provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, Noteholders may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to issue Fixed Rate Notes may affect the market value and secondary market (if any) of the Floating Rate Notes (and vice versa).

The degree to which the reference rates may vary is uncertain. The interest amount payable on any Interest Payment Date may be different from the amount payable on the initial or previous Interest Payment Date and may negatively impact the return under the Floating Rate Notes and result in a reduced market value of the Notes if a Noteholder were to dispose of such Notes.

(iii) *Risks relating to Notes linked to a "benchmark" rate, index or price source*

Various interest rates, other rates, indices and other published values or benchmarks which are deemed to be "benchmarks" are the subject of 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 some benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, amongst other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark. In addition, the EU Benchmarks Regulation stipulates that each administrator of a benchmark regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain benchmarks will fail to obtain a necessary licence, preventing them from continuing to provide such benchmarks.

Other administrators may cease to administer certain benchmarks because of the additional costs of compliance with the EU Benchmarks Regulation or the UK Benchmarks Regulation and other applicable regulations, and the risks associated therewith.

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

It is not possible to predict the further effect of any changes in the methods pursuant to which relevant benchmark rates and indices are determined, or any other reforms to or other proposals affecting various rates or indexes which are benchmarks that will be enacted in the U.K., the EU, the U.S. and elsewhere, each of which may adversely affect the trading market for certain benchmarks, including any Notes that bear interest at rates based on a benchmark. In addition, any future changes in the method pursuant to which relevant benchmarks are determined or the transition to a successor benchmark may result in, among other things, a sudden or prolonged increase or decrease in the reported benchmark rates or indices, a delay in the publication of any such benchmark rates or indices, trigger changes in the rules or methodologies in certain benchmarks discouraging market participants from continuing to administer or participate in certain benchmarks, and, in certain situations, could result in a benchmark rate or index no longer being determined and published. This could result in (i) the substitution of replacement rates for such benchmark(s), (ii) adjustments to the terms of the relevant Notes, (iii) early redemption of the relevant Notes, (iv) discretionary valuation of the rate by the Calculation Agent, (iv) delisting of the relevant Notes and/or (v) other consequences for Notes linked to any such benchmark(s). Any such consequence could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The General Conditions provide for certain fallback arrangements in the event of a Benchmark Transition Event (including a published benchmark and any page on which such benchmark may be published (or any successor service) being discontinued or otherwise becoming unavailable or unrepresentative), including the possibility that the rate of interest could be determined by the Issuer, which determination may be in consultation with an Independent Adviser solely by the Issuer, acting in good faith and in a commercially reasonable manner, or set by reference to a successor rate or an alternative reference rate and that such successor rate or alternative reference rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. However, it may not be possible to determine or apply any such adjustment and even if an adjustment is applied, such adjustment may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment can be determined, a successor rate or alternative rate may nonetheless be used to determine the rate of interest. Where the Issuer has been unable to appoint an Independent Adviser or has failed to determine a successor rate or alternative reference rate in respect of any given interest period, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding interest

determination date and/or to determine a successor rate or alternative reference rate to apply to the next succeeding and any subsequent interest periods, as necessary.

Investors should be aware that:

a) any of the reforms or pressures described above or any other changes to a relevant benchmark could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;

b) when any relevant benchmark is discontinued or ceases to be calculated or administered and no alternative, successor or replacement base rate is identified or selected in accordance with General Condition 4.2(b)(iv)(A) or (B), as applicable, then the rate of interest on the Notes will be determined for a period by the fallback provisions provided for under General Condition 4.2(b)(iv)(A) or (B), as applicable, although such provisions, being dependent in part upon the provision by major banks of offered quotations for loans to leading European banks, may not operate as intended depending on market circumstances and the availability of rates information at the relevant time and may result in, to the extent that other fallback provisions under General Condition 4.2(b)(iv)(A) or (B), as applicable are not applicable, the rate of interest for the last preceding Interest Period for any reference rate or, in the case of SONIA or SOFR, the last published rate being used for all remaining calendar days in the relevant period for purposes of determining the applicable compounded daily rate in accordance with the applicable formula. This may result in the effective application of a fixed rate based on the rate which applied in the previous period when any such relevant benchmark was available; and

c) while an amendment may be made under General Condition 4.2(b)(iv)(A) to change the base rate on the Floating Rate Notes from a relevant benchmark to an alternative base rate under certain circumstances broadly related to benchmark discontinuation and subject to certain conditions being satisfied there can be no assurance that any such amendment will be made or, if made, that they (i) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest rates on the Floating Rate Notes which could result in a material adverse effect on the value of and return on such Notes or (ii) will be made prior to any date on which any of the risks described in this risk factor may arise.

In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser or the Issuer, the relevant fallback provisions may not operate as intended at the relevant time.

More generally, any of the above matters or any other significant change to the setting or existence of or any relevant benchmark could affect the amounts available to the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. No assurance may be provided that relevant changes will not be made to any relevant benchmark and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and the UK Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes referencing a benchmark.

(iv) The market continues to develop in relation to SONIA as a reference rate for Floating Rate Notes

Investors should be aware that the market continues to develop in relation to the Sterling Overnight Index Average ("**SONIA**") as a reference rate in the capital markets and its adoption as an alternative to Pounds Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term).

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the General Conditions and used in relation to Notes that reference a SONIA rate issued under this Base Prospectus. The Issuer may in the future also issue Notes referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA referenced Notes issued by it under the Programme. The development of Compounded Daily SONIA as an interest reference rate for the Eurobond markets, as well as continued development of SONIA-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Notes issued under the Programme from time to time.

Furthermore, interest on Notes which reference Compounded Daily SONIA is only capable of being determined at the end of the relevant Interest Accrual Period or Observation Period (as applicable and as defined in the General Conditions) and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference Compounded Daily SONIA to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes.

Further, in contrast to LIBOR-linked Notes, if Notes referencing Compounded Daily SONIA become due and payable as a result of an event of default under General Condition 10 (*Events of Default*), the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined immediately prior to or on the date on which the Notes become due and payable and shall not be reset thereafter.

In addition, the manner of adoption or application of SONIA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SONIA.

Since SONIA is a relatively new market index, Notes linked to SONIA may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SONIA, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Further, if SONIA does not prove to be widely used in securities like the Notes, the trading price of such Notes linked to SONIA may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that SONIA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in

Notes referencing SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

(v) The market continues to develop in relation to SOFR as a reference rate for Notes

The New York Federal Reserve notes on its publication page for SOFR that use of SOFR is subject to important limitations, indemnification obligations and disclaimers, including that the New York Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice.

Because SOFR is published by the New York Federal Reserve based on data received from other sources, the Issuer has no control over its determination, calculation or publication.

Where the relevant Final Terms for a series of Notes identifies that the Rate of Interest for such Notes will be determined by reference to SOFR, the Rate of Interest will be determined on the basis of Compounded Daily SOFR (as defined in the Conditions).

Hypothetical or actual historical performance data are not indicative of the future performance of SOFR or the Notes. Changes in the levels of SOFR will affect Compounded Daily SOFR and Weighted Average SOFR and, therefore, trading price and market value of any SOFR-referenced Notes issued under the Programme from time to time. There can be no assurance that SOFR or Compounded Daily SOFR or Weighted Average SOFR will be positive.

SOFR was developed for use in certain U.S. dollar derivatives and other financial contracts as an alternative to U.S. Dollar LIBOR in part because it is considered a good representation of general funding conditions in the overnight U.S. Treasury repurchase agreement (repo) market. However, as a rate based on transactions secured by U.S. Treasury securities, it does not measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. This may mean that market participants would not consider SOFR a suitable substitute or successor for all of the purposes for which U.S. Dollar LIBOR historically had been used (including, without limitation, as a representation of the unsecured short-term funding costs of banks), which may, in turn, lessen market acceptance of SOFR. Any failure of SOFR to gain market acceptance could adversely affect the trading price and market value of any SOFR-referenced Notes.

The New York Federal Reserve (or a successor), as administrator of SOFR, may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. The New York Federal Reserve may alter, discontinue or suspend the calculation or determination of SOFR (in which case a fallback method of determining the interest rate on the Notes as further described in General Condition 4(b)(iv) and as specified in the applicable Final Terms will apply). The New York Federal Reserve has no obligation to consider the interests of the holders of the Notes in calculating, adjusting, revising or discontinuing the publication of SOFR.

Compounded Daily SOFR is calculated using the specific formula under the General Conditions, not the SOFR rate published on or in respect of a particular date during an Interest Period or an arithmetic average of SOFR rates during such period. For this and other reasons, the interest rate on the Notes whose Rate of Interest is determined by reference to SOFR will not be the same as the interest rate on other SOFR-linked investments that use an alternative basis to determine the applicable interest rate. Further, if the SOFR rate in respect of a particular date during an Interest Period is negative, its contribution to Compounded Daily

SOFR will be less than one, resulting in a reduction to Compounded Daily SOFR used to calculate the interest payable on the Notes on the Interest Payment Date for such Interest Period.

The level of Compounded Daily SOFR applicable to a particular Interest Period and, therefore, the amount of interest payable with respect to such Interest Period will be determined on the U.S. Government Securities Business Day immediately following the Interest Period End Date for such Interest Period (or the Rate Cut-Off Date for the final Interest Period, if applicable). Because each such date is near or after the end of such Interest Period, investors in Notes will not know the amount of interest payable with respect to a particular Interest Period until shortly prior to the related Interest Payment Date and it may be difficult for investors in Notes to reliably estimate the amount of interest that will be payable on each such Interest Payment Date. In addition, some investors may be unwilling or unable to trade such Notes without changes to their information technology systems, both of which could adversely impact the liquidity of such Notes.

If Lock-out is specified in the applicable Final Terms, because the level of SOFR for any day that is not a Reference Day will be the level of SOFR in respect of the immediately preceding the last Reference Day of the relevant Interest Accrual Period, investors in Notes will not receive the benefit of any increase in the level in respect of SOFR on any date following the last Reference Day in connection with the determination of the interest payable with respect to such Interest Period, which could adversely impact the amount of interest payable with respect to that Interest Period.

(b) **Risks related to the redemption of the Notes**

(i) *Notes subject to optional redemption by the Issuer*

An optional redemption feature of Notes is likely to limit the market value and could reduce secondary market liquidity of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

If the Notes have an optional redemption feature, the Issuer may be more likely to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid for the Notes by the investor. As a consequence, part of the capital invested by the investor may be lost, so that the investor in such case would not receive the total amount of capital invested.

(ii) *Risks related to Redemption Methods*

The redemption method applicable to the Final Redemption Amount may be different to the redemption method applicable to the Early Redemption Amount. The Early Redemption Amount or Final Redemption Amount, as applicable, may be calculated by reference to a Redemption Payoff. Noteholders should therefore also refer to the relevant risk factors set out below which apply to the Redemption Payoff specified in the applicable Final Terms to be applicable for determining the Early Redemption Amount or the Final Redemption Amount, as the case may be. The calculation of such Redemption Payoff may be linked to the value of

one or more Underlying(s) that have been selected under the relevant Redemption Payoff. The performance of the Underlying(s) will consequently affect the Early Redemption Amount or Final Redemption Amount an investor will receive.

As a result, the Early Redemption Amount or Final Redemption Amount may be less than the nominal amount of the Notes and Noteholders may lose all or part of the amount of the capital invested.

(iii) *Fair Market Value Redemption Amount*

Where a Note is subject to early redemption, it may (where specified in the applicable Final Terms) be redeemed at its Fair Market Value Redemption Amount, which may be different from the amount due on the scheduled redemption or maturity date. Save in respect of Notes where the Fair Value Redemption Amount is determined by reference to a fixed percentage, the Fair Market Value Redemption Amount in respect of a Note will be an amount equal to the fair market value of the Note (subject to a minimum of zero). Following the early redemption of the Notes, a Noteholder may not be able to reinvest the redemption proceeds at an equivalent rate of return to the Notes being redeemed and may only be able to do so at a significantly lower rate or in worse investment conditions.

(iv) *Redemption Unwind Costs*

Redemption Unwind Costs, if applicable, reflect an amount, equal to such Note's pro rata portion of the value (determined in the currency in which the Notes are denominated) of any losses, expenses and costs to the Issuer and/or any of its Affiliates who may have hedged the price risk of the Notes and any loss of tax relief or other tax consequences of unwinding or adjusting any underlying or related swap agreement or other hedging arrangements, all as calculated by the Calculation Agent in its sole discretion. The investor has no way of knowing if the Notes have been hedged, the terms of any such hedge and the consequences of when such hedge is unwound or adjusted and so have no way of knowing what this amount will be and the effect on the amount paid on redemption of the Notes.

(v) *Risks related to Disruption Events*

Index Linked Notes, Equity Linked Notes, Fund Linked Notes and Preference Share Linked Notes may be subject to risks related to additional disruption events, market disruption events, disrupted days and other events that have a material effect on the Notes, if applicable (each as defined in the relevant Asset Conditions, the "**Disruption Events**").

The occurrence of any Disruption Event may result in the postponement of the relevant observation date relating to any Underlying or affected component Underlying of a Basket, the postponement of the relevant payment date for interest or redemption or the redemption of the Notes by the Issuer. The amount to be paid following any postponement of the payment date will not be adjusted to take into account any interest or other sum in respect of the postponement of the payment.

Investors should be aware that the Calculation Agent has a large amount of discretion upon the occurrence of any Disruption Event. The Calculation Agent may make adjustments to the Conditions as it considers appropriate and may determine the fair market value of the relevant Underlying or good faith estimate of the level of the Index, as applicable, in accordance with the relevant Asset Conditions.

Any postponement of the observation date or payment date or any amendment to the Conditions may have an adverse effect on the value of the Notes. The occurrences of any

such event may also adversely affect the investors' investment schedule, timetable or plans in relation to which the payment dates of the Notes are connected.

(c) **Risks related to the Linked Notes**

(i) *Risks related to Index Linked Notes*

Chapter 1 of Annex 1 (*Asset Conditions: Index Linked Asset Conditions*) allows for Index Linked Notes to be issued. The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the level of an index or indices.

Noteholders should be aware that depending on the terms of the Index Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the level of the index or indices may be subject to significant fluctuations that may not correlate with changes in the relevant index or indices and the timing of changes in the relevant level of the index or indices may affect the actual yield of the Notes, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index, the greater the effect on yield.

The market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the level of the index or indices. The level of the index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including but not limited to the stock exchange(s) or quotation system(s) on which any securities comprising the index or indices may be traded. Noteholders are exposed to the risk that changes in the levels of the index or indices may adversely affect the value of Index Linked Notes and as a result, could lose all or part of their investment.

Indices are comprised of a synthetic portfolio of shares, bonds, currency exchange rates, commodities and 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 equity securities) 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.

Depending on the terms of the Index Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and/or (iii) they may lose all or a substantial portion of their principal investment. In addition, movements in the level of the index or basket of indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

If the amount of principal and/or interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the index or the indices on principal and/or interest payable will be magnified.

Returns on Index Linked Notes that reference indices may not reflect the return an investor would realise if it actually owned the relevant assets comprising the components of the index or owned a different form of interest in the relevant index and in the same proportion as the

weighting of such relevant assets in the index or, as the case may be, indices in an index basket. For example, if the components of the indices are equity securities, Noteholders will not receive any dividends paid or distributions made on those equity securities and will not participate in the return on those dividends or distributions unless the relevant index takes dividends into account for purposes of calculating the relevant level. Similarly, an investor in the Notes will not benefit from any voting rights or rights to receive cash dividends or other distributions or rights that it would have benefited in case of direct investment in the securities. Accordingly, holders of Notes that reference indices as Reference Items may receive a lower payment on the redemption/settlement of such Notes than such holders would have received if they had invested in the components of the index directly or other comparable instruments linked to the index.

The Calculation Agent may determine that an event giving rise to a Disrupted Day (as defined in the Conditions) and/or, if Additional Disruption Events is specified as applying in the applicable Final Terms, an Additional Disruption Event has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Notes and/or may delay any applicable payments or settlement. Prospective purchasers should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

The Index Sponsor of any relevant Index can add, delete or substitute the assets comprised in the Index or amend in any other way the methodology of the Index. Investors should be aware that those decisions by the Index Sponsor may adversely affect the value of the Notes (for example, if the components of the indices are equity securities, if a newly added company performs significantly worse or better than the company it replaces).

No Index Sponsor of any relevant Index has to consider interests of Noteholders in calculating and revising the Index.

If an Index Adjustment Event occurs, prospective purchasers should note that the Issuer may redeem the Notes early at the Early Redemption Amount specified in the applicable Final Terms.

(ii) *Risks related to Equity Linked Notes*

Chapter 2 of Annex 1 (*Asset Conditions: Equity Linked Asset Conditions*) allows for Equity Linked Notes to be issued. The Issuer may issue Notes where the amount of principal payable is dependent upon the price or changes in the price of shares. As a result, Noteholders are exposed to the risk that changes in the price of shares may adversely affect the value of Equity Linked Notes and as a result, Noteholders could lose all or part of their investment.

Depending on the terms of the Equity Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected and/or (iii) they may lose all or a substantial portion of their investment. In addition, movements in the price of the equity security or basket of equity securities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the equity security or basket of equity securities may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the equity security or equity securities, the greater the effect on yield.

If the amount of principal and/or interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the

price of the equity security or equity securities on principal and/or interest payable will be magnified.

(1) Limited anti-dilution protection

The Calculation Agent may make adjustments to elements of the Notes as described in the Equity Linked Asset Conditions. The Calculation Agent is not required to make an adjustment for every corporate event that may affect the underlying shares. Those events or other actions by the issuer of underlying shares or a third party may nevertheless adversely affect the market price of the underlying shares and, therefore, adversely affect the value of the Notes. The issuer of underlying shares or depositary receipts or a third party could make an offering or exchange offer or the issuer of underlying shares could take another action that adversely affects the value of the underlying shares and the Notes but does not result in an adjustment.

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

(2) No issuer of the relevant equity security(ies) will have participated in the preparation of the applicable Final Terms or in establishing the terms of the Equity Linked Notes

No equity issuer will have participated in the preparation of the applicable Final Terms or in establishing the terms of the Equity Linked Notes and neither the Issuer nor any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such equity issuer contained in such Final Terms or in the documents from which such information was extracted. The Issuer does not control any equity issuer and is not responsible for any disclosure made by any equity issuer. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the adequacy, accuracy or completeness of the publicly available information described in this paragraph or in any applicable Final Terms) that would affect the trading price of the relevant equity securities will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such equity issuer could affect the trading price of the equity security(ies) and therefore the trading price of the Notes.

(3) Factors affecting the performance of equity securities may adversely affect the value of the Equity Linked Notes

The performance of equity securities 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. These factors are not within the Issuer’s control and may result in a decline in the value of the Equity Linked Notes.

(4) Noteholders have no claim against the equity issuers or recourse to the equities

Equity Linked Notes do not represent a claim against or an investment in any equity issuer and investors will not have any right of recourse under the Equity Linked Notes against the equity issuer. Equity Linked Notes are not in any way sponsored, endorsed or promoted by

any equity issuer and such companies have no obligation to take into account the consequences of their actions for any investors. Accordingly, the equity issuer may take any actions in respect of such equity securities without regard to the interests of the investors in the Equity Linked Notes, and any of these actions could adversely affect the market value of the Equity Linked Notes.

(5) Determinations made by the Calculation Agent in respect of Potential Adjustment Events, Merger Events, Tender Offers, De-listing, Nationalizations, Insolvencies and Additional Disruption Events may have an adverse effect on the value of the Equity Linked Notes

Upon determining that a Potential Adjustment Event, Merger Event, Tender Offer, De-listing, Nationalization, Insolvency or Additional Disruption Event has occurred in relation to an underlying equity issuer, the Calculation Agent has broad discretion to make certain determinations to account for such event including to (i) make adjustments to the terms of the Equity Linked Notes and/ or (ii) (in the case of a Merger Event, Tender Offer, De-listing, Nationalization, Insolvency or an Additional Disruption Event) cause early redemption of the Equity Linked Notes, any of which determinations may have an adverse effect on the value of the Equity Linked Notes. In particular, in the event that the Equity Linked Notes are redeemed early, the amount payable to investors may be significantly less than the investor's initial investment, and may be as low as zero. Potential Adjustment Events include (a) a sub-division, consolidation or re-classification of the equity securities, (b) an extraordinary dividend, (c) a call of the Equities that are not fully paid, (d) a repurchase by the Share Company, or an affiliate thereof, of the Equities, (e) a separation of rights from the Equities or (f) any event having a dilutive or concentrative effect on the value of the Equities.

If Additional Disruption Events is specified as applying in the applicable Final Terms, the Calculation Agent may determine that an Additional Disruption Event has occurred at any relevant time. 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 Equities or more expensive for the Issuer to hedge its obligations under the relevant Equity 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. Increased Cost of Hedging and Hedging Disruption do not constitute Additional Disruption Events for Notes where Belgian Securities Annex is specified as applying in the applicable Final Terms.

Any such determination may have an effect on the timing of valuation and consequently the value of the Notes and/or may delay any applicable payments. Prospective purchasers should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

(6) Adoption of the euro

In respect of Equity Linked Notes relating to an equity security or equity securities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the euro, if such equity security or equity securities is/are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant stock exchange or quotation system, prospective purchasers should note that the Calculation Agent will adjust any one or more of the relevant Interest Amount and/or the Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of the Conditions and/or the applicable Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Notes. Prospective purchasers should also note that the Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the relevant Valuation

Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the relevant Valuation Time.

(7) Noteholders will have no voting rights or may have no right to receive dividends or distributions in respect of the relevant equity securities

Except as provided in the relevant Conditions in relation to Physical Delivery Notes, holders of Equity Linked Notes will not have voting rights or any other rights with respect to the relevant equity securities to which such Equity Linked Notes relate. Holders of Equity Linked Notes will not have rights to receive dividends or distributions. As a result, the return on the Equity Linked Notes may not reflect the return an investor would realize if the investor actually owned those relevant equity securities and received the dividends paid or other distributions made in connection with them.

(8) Noteholders may receive physical delivery of equity securities in lieu of payment of cash amounts

Where the Equity Linked Notes include the right of the Issuer, subject to the fulfillment of a particular condition, to redeem the Equity Linked Notes at their maturity by delivering equity securities to the investor, the investors will receive such equity securities rather than a monetary amount upon maturity. Noteholders will, therefore, be exposed to the equity issuer and the risks associated with such equity securities. The investor should not assume that he or she will be able to sell such equity securities for a specific price after the redemption/settlement of the Notes, and in particular not for the purchase price of the Equity Linked Notes. Under certain circumstances the equity securities may only have a very low value or may, in fact, be worthless.

Noteholders may also be subject to certain documentary or stamp taxes in relation to the delivery and/or disposal of such equity securities. Noteholders may be subject to United Kingdom stamp duty reserve tax if (a) the equity securities are not shares of a body corporate, (b) they are shares of a body corporate but either (i) the body corporate is incorporated in the United Kingdom, (ii) the equity securities are registered in a register kept in the United Kingdom by or on behalf of the body corporate by which they are issued or raised or (iii) the equity securities are paired with shares of a body corporate incorporated in the United Kingdom, or (c) the equity securities are issued or raised by a UK Societas.

(9) Non-delivery of Equities will not constitute an Event of Default

Where physical delivery applies to the Notes, if the Issuer and/or any of its affiliates have not received the Equities and/or cash for whatever reason, including as a result of a failure to deliver by a third party under the terms of any hedging transaction, such event will not constitute an Event of Default for the purpose of the Notes. In such circumstances settlement of the Notes, may be substantially delayed and/or may be in cash (in whole or in part) which may affect Noteholders.

Additional considerations relevant for Index Linked Notes or Equity Linked Notes where an equity security, basket of equity securities or equity index is the Reference Item

Noteholders will not have voting rights or rights to receive dividends or other distributions or any other rights that holders of the reference equity securities would have and Noteholders will not have any beneficial interest in or right to acquire the reference equity securities or any derivative instruments related thereto.

The Calculation Agent may not be required to make an adjustment for every event that can affect the reference index or equity securities. If an event occurs that does not require the

Issuer to adjust the amount payable at maturity in respect of the reference equity security or reference index of equity securities, the market price of the associated Reference Item Linked Notes and the amount of interest or the principal amount payable at the maturity may be materially and adversely affected.

The Issuer or one or more of its affiliates may, at present or in the future, engage in business with an issuer of reference equity securities or its competitors, including making loans to or equity investments in an issuer of reference equity securities or its competitors or providing either with investment banking, asset management or other advisory services, including merger and acquisition advisory services. These activities may present a conflict between the Issuer's or its affiliates' obligations and the interests of Noteholders. Moreover, the Issuer or one or more of its affiliates may have published and may in the future publish research reports on an issuer of reference equity securities or upon any reference index which may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Reference Item Linked Notes. Any of these activities could affect the price of the reference equity securities or index and, therefore, the value of the associated Reference Item Linked Notes.

If the Issuer and its affiliates are not affiliated with the issuers of the reference equity securities, the Issuer will have no ability to control or predict the actions of these issuers, including any corporate actions of the type that would require the Issuer to adjust the amount payable on the Reference Item Linked Notes, and will have no ability to control the public disclosure of these corporate actions or any other events or circumstances affecting the issuers of reference equity securities. The issuers of the reference equity securities will have no obligation to consider the interests of Noteholders in taking any corporate actions that might affect the value of the associated Reference Item Linked Notes. The issuers of the reference equity securities may take actions that will adversely affect the value of the associated Reference Item Linked Notes. None of the money paid for the Reference Item Linked Notes will go to the issuers of the reference equity securities.

Neither the Issuer nor any of its affiliates assumes any responsibility for the adequacy or accuracy of the information about the issuers of the reference equity securities contained in any terms supplement or in any publicly available filings made by the issuers of the reference equity securities. Prospective investors should make their own investigation into the relevant issuers of the reference equity securities.

(iii) *Risks related to Fund Linked Notes*

Chapter 3 of Annex 1 (Asset Conditions: Fund Linked Asset Conditions) allows for Fund Linked Notes to be issued. An investment in Fund Linked Notes will entail significant risks not associated with an investment in a conventional debt Note.

The Issuer may issue Notes where the amounts payable are dependent upon the price or changes in the price of one or more Fund Interests or Fund Shares or where, depending on the price or changes in the price of one or more Fund Interests or Fund Shares, the Issuer has an obligation to deliver specified assets. Accordingly, an investment in Fund Linked Notes may bear similar market risks to a direct fund investment and investors should take advice accordingly. Funds may also include exchange traded funds ("**ETFs**") and references herein to a Fund includes an ETF where the context so admits.

Potential investors in any such Notes should be aware that depending on the terms of the Fund Linked Notes (i) they may receive no or a limited amount of interest or additional amounts, as applicable, (ii) payments or delivery of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their

investment. In addition, the movements in the price of one or more Fund Shares or Fund Interests may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the one or more Fund Shares or Fund Interests may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of one or more Fund Shares or Fund Interests, the greater the effect on yield.

If certain events specified as Fund Events occur, the Calculation Agent may replace the Fund by other Funds and thereafter the amount payable in respect of the Fund Linked Notes will depend on and be calculated by reference to the performance of an alternate asset. This may have a considerable impact on the value of the Fund Linked Notes and the amount payable in respect of the Fund Linked Notes. Alternatively, any determination dates and payment dates may be changed by the Calculation Agent, or the amount paid per Fund Linked Notes may be based on the only cash amounts that an investor in the fund actually received, which might be as low as zero.

Neither the Issuer nor its affiliates have the ability to control or predict the actions of the Fund Adviser or other Fund Service Provider. The Fund Adviser is not involved in the offer of the Notes in any way and has no obligation to consider the interests of the Noteholders in taking any corporate actions that might affect the value of the Notes. The management company of a Fund (the "**Fund Manager**") can, without regard to the interests of the investors in the Fund Linked Notes, add, delete or substitute any Funds by reference to which the value of a Fund is calculated or make other methodological changes that could change the investment profile of a Fund. The Fund Manager may also determine to discontinue a Fund. If a Fund is discontinued, it may be replaced by other assets and/or the Fund Linked Notes may be redeemed or exercised early. In the event that a Fund is materially modified or permanently cancelled or the Fund Manager fails to calculate or announce the net asset value of a Fund, the Calculation Agent will either make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other Conditions of the Fund Linked Notes as the Calculation Agent determines appropriate to account for the effect on the Fund Linked Notes of such events, or may redeem or exercise the Fund Linked Notes early. Any of these decisions or determinations may adversely impact the value of the Fund Linked Notes. In the event that the Fund Linked Notes are redeemed early, that amount payable to an investor may be less than the investor's initial investment, and may be as low as zero.

Funds and the assets thereof may be subject to transfer restrictions arising by way of applicable securities laws or otherwise. Such restrictions may mean that purchasers of the Fund Linked Notes are not entitled to acquire interests in the Funds directly. Holders of units or shares in a Fund may have the right to transfer or withdraw their investment in the Funds only at certain times and upon completion of certain documentary formalities and such rights may be subject to suspension or alteration. These circumstances may affect the net asset value of the Funds in question. Potential investors should familiarize themselves with the features of the Funds in this regard.

The occurrence of any of the following events could materially and adversely affect the value of shares or units in a Fund, and have a consequent material and adverse effect on the value of Fund Linked Notes:

- *Valuation*: The valuation of Funds is generally controlled by the management company of the Fund. Valuations are performed in accordance with the terms and conditions governing the Fund. Such valuations may be based upon the unaudited financial records of the Fund and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset values of the Fund and accounts. The Fund may hold a significant number of investments which are illiquid or otherwise not

actively traded and in respect of which reliable net asset values may be difficult to obtain. In consequence, the management company may vary certain quotations for such investments held by the Fund in order to reflect its judgement as to the fair value thereof. Therefore, valuations may be subject to subsequent adjustment upward or downward. Uncertainties as to the valuation of Fund assets and/or accounts may have an adverse effect on the net asset value of the Fund where such judgements regarding valuations prove to be incorrect.

- *Trading charges*: The performance of a Fund will be affected by the charges incurred thereby relating to the investments of such Fund. The Fund may engage in short-term trading which may result in increased turnover and associated higher than normal brokerage commissions and other expenses.

- *Legal and regulatory changes*: Future changes to applicable law or regulation may be adverse to a Fund.

- *Investment risk*: All investments risk the loss of capital and/or the diminution of investment returns. A Fund may utilize (inter alia) strategies such as short-selling, leverage, securities lending and borrowing, investment in sub-investment grade or non-readily realizable investments, uncovered options transactions, options and futures transactions and foreign exchange transactions and the use of concentrated portfolios, each of which could, in certain circumstances, magnify adverse market developments and losses.

- *Illiquidity*: A Fund may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for positions therein to be opened or liquidated.

- *Performance risk*: No assurance can be given relating to the present or future performance of a Fund. The performance of a Fund is dependent on the performance of the management company thereof. Certain management companies may utilize analytical models upon which investment decisions are based. No assurance can be given that these persons will succeed in meeting the investment objectives of the Fund, that any analytical model used thereby will prove to be correct or that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which the Funds have invested or will invest will prove accurate.

- *Effect of exchange rates and exchange controls*: The net asset value of a Fund could be adversely affected not only by hedging costs and changes in exchange rates, but also by local exchange control regulations and other limitations, including currency exchange limitations and political and economic developments in the relevant countries.

- *Market risks*: The markets in which a Fund invests may prove to be highly volatile from time to time as a result of, for example, sudden changes in government policies on taxation and currency repatriation or changes in legislation relating to the value of foreign ownership in companies, and this may affect the net asset value at which a Fund may liquidate positions to meet repurchase requests or other funding requirements.

- *Hedging risks*: A Fund may in certain cases employ various hedging techniques to reduce the risk of investment positions. A substantial risk remains, nonetheless, that such techniques will not always be available and when available, will not always be effective in limiting losses. A Fund may take substantial unhedged positions.

- *Interest rate risks*: The values of securities held by a Fund (or by any underlying Fund) tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding net asset values of a Fund's positions to move in directions which were not initially anticipated. To the extent that interest rate assumptions underlie the hedge ratios implemented in hedging a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose a Fund to losses.

- *Absence of regulation*: A Fund will generally not be regulated under the laws of any country or jurisdiction. As a result, certain protections of such laws (which, among other things, may require investment companies to have disinterested directors, require securities to be held in custody and segregated, regulate the relationship between the investment company and its adviser and mandate investor approval before fundamental investment policies may be changed) do not apply to a Fund. This absence of regulation may adversely affect the performance of a Fund.

- *Suspension of trading*: A securities exchange typically has the right to suspend or limit trading in any instrument traded on that exchange. A suspension could render it impossible for a Fund to liquidate positions and thereby expose a Fund to losses.

- *Dependence on key individuals*: The success of a Fund is dependent on the expertise of its managers. The loss of one or more individuals could have a material adverse effect on the ability of a Fund Manager to direct a fund's portfolio, resulting in losses for a Fund and a decline in the value of a Fund. Indeed, certain fund managers may have only one principal, without whom the relevant Fund Manager could not continue to operate.

- *Experience of Fund Managers*: Certain Funds may be managed by investment managers who have managed hedge funds for a relatively short period of time. The previous experience of such investment managers is typically in trading proprietary accounts of financial institutions or managing unhedged accounts of institutional asset managers or other investment firms. As such investment managers do not have direct experience in managing Funds or hedge funds, including experience with financial, legal or regulatory considerations unique to Fund management, and there is generally less information available on which to base an opinion of such managers' investment and management expertise, investments with such investment managers may be subject to greater risk and uncertainty than investments with more experienced Fund Managers.

- *Risk of fraud*: There is a risk that a Fund Manager could divert or abscond with the assets, fail to follow agreed-upon investment strategies, provide false reports of operations or engage in other misconduct.

- *Performance compensation payable to Fund Managers*: The performance-based compensation paid to a Fund Manager is typically calculated on a basis that includes unrealized appreciation and may consequently be greater than if such compensation were based solely on realized gains. Each Fund generally calculates its own performance compensation based on its individual performance, irrespective of increases in the overall value of the Fund. Furthermore, when the Fund is rebalanced and an unprofitable underlying asset is removed, the loss carried forward by such Fund's trading is eliminated for purposes of calculating subsequent performance compensation due to the Fund Manager of any replacement underlying asset. Thus, there may be substantial incentive compensation due to the relevant Fund Manager even during a period when the portfolio of assets is incurring significant losses.

- *Concentration risk*: As many hedge funds have the authority to concentrate their investments in securities of a single issuer or industry, the overall adverse impact on one or more components of the fund, and correspondingly on the value of the Fund, of adverse movements in the value of such securities could be considerably greater than if the Fund were not permitted to concentrate their investments. Moreover, a number of hedge funds included as components in a Fund might accumulate substantial positions in the same or related instruments at the same time. As information regarding the actual investments made by such funds is not generally available, the management company will be unable to identify any such accumulations, which could expose the relevant Fund to the risk of sudden and severe declines.

- *Risks of leverage*: A Fund may borrow without limitation and typically utilizes various lines of credit and other forms of leverage. In addition, certain of a Fund's investment strategies (primarily those utilizing derivative instruments) may involve indirect forms of leverage. While leverage presents opportunities for increasing a Fund's total return, it increases the potential risk of loss as well. Any event which adversely affects the value of an investment by a Fund is magnified to the extent that such investment is leveraged. Leverage can have a similar effect on issuers in which a Fund invests. The use of leverage by a Fund could result in substantial losses which would be greater than if leverage had not been used. A Fund's assets may be further leveraged or hedged by the use of derivatives. In addition, investments of a fund may include investments in partnerships and other pooled investment vehicles, which themselves employ leverage to a significant extent. Such investments are subject to the same leverage risks as described above and a Fund could lose its entire investment. As a general matter, the banks and dealers that provide financing to a fund can apply essentially discretionary margin, haircut, financing and security and collateral valuation policies. Changes by banks and dealers in these policies may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous net asset values.

- *Non-deductible taxes*: As Funds may be resident in so-called off-shore jurisdictions, which have not entered into any double taxation conventions with other countries, any income of such Fund may be subject to taxation in the countries of origin. As such withholding taxes are non-deductible due to the fact that such Funds are not subject to income taxation in their countries of residence, the Fund's net income may be reduced which may have a negative impact on the performance of such Fund.

- *Investment criteria*: It may be difficult to specify precisely or comprehensively the strategies of a Fund. As a result, it may not sometimes be clear whether or not a Fund fulfills the investment criteria set out in its offering document.

- *Risks of equity investments*: The investment orientation of a Fund may be based to a significant extent on equity investments. Investment in equity securities to aggressively seek capital appreciation is speculative and is generally perceived to encompass greater risks than those involved in connection with an investment in debt securities of comparable issuers.

- *Risks of fixed income investments*: A Fund may invest in fixed income securities and, therefore, may be exposed to the risk of default by the issuers of such securities. Such default may result in delays in payment, or non-payment of interest or principal when due. Furthermore, the net asset value of fixed income securities may also fluctuate with changes in prevailing interest rates and/or in the creditworthiness of the issuer, and these fluctuations may result in a loss of capital by a Fund.

- *Risks of collective investment schemes*: Some Funds may invest in other collective investment schemes. Investment in schemes of this type may afford the investor less transparency in respect of the ultimate assets of the scheme.

- *Large transactions*: Large subscriptions and redemptions may result in the liquidation or dilution of fund assets that may affect the net asset value of such Fund.

- *Emerging markets*: A Fund may invest in securities of governments of, or companies domiciled in, less-developed or emerging markets. Custody arrangements in such countries may also present enhanced risk.

- *Risks of repos*: A Fund may use repurchase agreements. Under a repurchase agreement, a security is sold to a buyer and at the same time the seller of the security agrees to buy back the security at a later date at a higher net asset value. In the event of a bankruptcy or other default of the transferor of securities in a repurchase agreement, a Fund could experience delays in liquidating the underlying securities and losses, including possible declines in the value of the collateral during the period while it seeks to enforce its rights thereto; possible subnormal levels of income and lack of access to income during this period and the expenses of enforcing its rights. In the case of a default by the transferee of securities in a repurchase agreement, the management company bears the risk that the transferee may not deliver the securities when required.

- *Risks of currency speculation*: A Fund may engage in exchange rate speculation. Foreign exchange rates have been highly volatile in recent years. The combination of volatility and leverage gives rise to the possibility of large profit but also carries a high risk of loss. In addition, there is counterparty credit risk since foreign exchange trading is done on a principal to principal basis.

- *Risks of commodity futures*: Commodity futures prices can be highly volatile. As a result of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested.

- *Risks of derivative and certain other financial instruments*: A Fund may use derivative and other financial instruments, such as collateralized debt obligations, stripped mortgage-backed securities, options and swaps. There are uncertainties as to how the derivatives market will perform during periods of unusual price volatility or instability, market illiquidity or credit distress. Substantial risks are also involved in borrowing and lending against such instruments. The prices of these instruments are volatile, market movements are difficult to predict and financing sources and related interest rates are subject to rapid change. One or more markets may move against the positions held by a Fund, thereby causing substantial losses. Most of these instruments are not traded on exchanges but rather through an informal network of banks and dealers. These banks and dealers have no obligation to make markets in these instruments and may apply essentially discretionary margin and credit requirements (and thus, in effect, force a Fund to close out its relevant positions). In addition, such instruments carry the additional risk of failure to perform by the counterparty to the transaction. Government policies, especially those of the U.S. Board of Governors of the Federal Reserve System (the “Federal Reserve Board”) and non-U.S. central banks, have profound effects on interest and exchange rates which, in turn, affect prices of derivative instruments. Many other unforeseeable events, including actions by various

government agencies and domestic and international political events, may cause sharp market fluctuations.

- *Risks of short selling*: A Fund may sell securities short. Short selling exposes a Fund to theoretically unlimited risk due to the lack of an upper limit on the price to which a security may rise. Short selling involves the sale of borrowed stock. If a stock loan is called, the short seller may be forced to repurchase the stock at a loss. In addition, some traders may attempt to profit by forcing short sellers to incur a loss. Traders may make large purchases of a stock that has been sold short. The large purchases are intended to drive up the stock price, and cause the short sellers to incur losses. By doing this, the traders hope the short sellers will limit their losses by repurchasing the stock and force the stock price even higher.

- *Risks of arbitrage*: The use of arbitrage strategies by a Fund in no respect should be taken to imply that such strategies are without risk. Substantial losses may be incurred on “hedge” or “arbitrage” positions, and illiquidity and default on one side of a position may effectively result in the position being transformed into an outright speculation. Every arbitrage strategy involves exposure to some second order risk of the market, such as the implied volatility in convertible bonds or warrants, the yield spread between similar term government bonds or the net asset value spread between different classes of stock for the same underlying firm. Further, there are few examples of “pure” arbitrage Funds. Most Funds also employ limited directional strategies which expose them to market risk.

- *Credit risk*: Many of the markets in which a Fund effects its transactions are “over-the-counter” or “inter-dealer” markets. The participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange based” markets. To the extent that a Fund invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, such Fund may take a credit risk with regard to parties with which it trades and also may bear the risk of settlement default. These risks may differ materially from those involved in exchange-traded transactions, which generally are characterized by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from these protections, which in turn may subject a Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem. Such “counterparty risk” is increased for contracts with longer maturities when events may intervene to prevent settlement. The ability of a Fund to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses.

- *Risks relating to controlling stakes*: A Fund may take controlling stakes in companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise and other types of related liability.

- *Price volatility*: The market price of Fund Linked Notes may be volatile and may depend on the time remaining to the redemption date or settlement date (as applicable) and the volatility of the price of Fund share(s) or unit(s). The price of Fund share(s) or unit(s) may be affected by the economic, financial and political events in one or more

jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any units in the Fund or Funds may be traded.

Noteholders may receive physical delivery of shares of a Fund in lieu of payment of cash amounts

Where the Fund Linked Notes include the right of the Issuer, subject to the fulfillment of a particular condition, to redeem the Fund Linked Notes at their maturity by delivering shares of a Fund to the investor, the investors will receive such Fund Shares rather than a monetary amount upon maturity. Noteholders will, therefore, be exposed to the Fund and the risks associated with such Fund Shares. The investor should not assume that he or she will be able to sell such Fund Shares for a specific price after the redemption/settlement of the Notes, and in particular not for the purchase price of the Fund Linked Notes. Under certain circumstances the Fund Shares may only have a very low value or may, in fact, be worthless.

Noteholders may also be subject to certain documentary or stamp taxes in relation to the delivery and/or disposal of such Fund Shares. Noteholders may be subject to United Kingdom stamp duty reserve tax if (a) the Fund Shares are not shares of a body corporate, (b) they are shares of a body corporate but either (i) the body corporate is incorporated in the United Kingdom, (ii) the Fund Shares are registered in a register kept in the United Kingdom by or on behalf of the body corporate by which they are issued or raised or (iii) the Fund Shares are paired with shares of a body corporate incorporated in the United Kingdom, or (c) the Fund Shares are issued or raised by a UK Societas.

The shares of a Fund may only be redeemable on certain redemption dates, subject to the prescribed notice period in respect of such Fund. This gives rise to a time delay between the execution of an order for redemption and payment of the proceeds on such redemption. If the Fund becomes insolvent following the date on which a redemption order would have to be notionally placed or the Calculation Agent determines that the relevant Fund would fail to pay to any shareholder in cash the full redemption proceeds owing to them if they redeemed their shares on the relevant date, an adjustment may be made by the Calculation Agent when calculating the return on the Notes to the net asset value per share of the relevant Fund, thereby reducing the return on the Notes.

In the case of Fund Linked Notes linked to ETFs, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred at any relevant time, any such determination may have an effect on the timing of valuation and consequently the value of the Notes and/or may delay settlement in respect of the Fund Linked Notes. Potential investors should review the relevant Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Fund Linked Notes.

In the case of Fund Linked Notes linked to ETFs following the declaration by the ETF of the occurrence of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical relevant Fund Shares and, if so, will (i) make the corresponding adjustment, if any, to any of the terms of the relevant Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect and (ii) determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Fund Linked Notes. In addition, in the case of Fund Linked Notes linked to ETFs, if a Merger Event, Tender Offer, De-Listing, Material Underlying Event, Nationalization or Insolvency occurs in relation to any Fund Share, the Issuer in its sole and absolute discretion may take the action described in (a) or (b) below:

(a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the relevant Conditions and/or the applicable Final Terms to account for the Merger Event, Tender Offer, De-Listing, Material Underlying Event, Nationalization or Insolvency and determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Fund Linked Notes; or

(b) redeem or cancel, as applicable, all of the Fund Linked Notes. In the event of such redemption or cancellation the amount payable to an investor may be less than the investor's initial investment, and may be as low as zero.

(iv) Risks related to Preference Share Linked Notes

(i) *Noteholders are exposed to Preference Share Linked Notes*

The Issuer may issue Preference Share Linked Notes where the Final Redemption Amount (as defined in the Preference Share Linked Conditions) is dependent upon changes in the market value of the relevant Preference Shares, which may fluctuate up or down depending on (A) the performance of a specified index or basket of indices, equity or basket of equities, funds or exchange traded funds (the "**Preference Share Underlying**") as set out in the terms and conditions of the Preference Shares (the "**Preference Share Conditions)**" and (B) the financial condition and standing of the Preference Share Issuer. If as a result of the performance of the Preference Share Underlying(s), the market value of the Preference Shares decreases, the value of the Preference Share Linked Notes will be adversely affected.

This could negatively affect the value of the Preference Share and therefore the value of the Preference Share Linked Notes.

In addition, an investment in Preference Share Linked Notes does not confer any legal or beneficial interest in the Preference Shares or any Preference Share Underlying or any voting rights, right to receive dividends or other rights that a holder of the Preference Shares or any Preference Share Underlying may have. This means that potential losses in value of the Notes cannot be compensated by other income.

Investors should be aware that the Preference Share Linked Notes are not principal protected, they are exposed to the performance of the relevant Preference Shares and accordingly they risk losing all or a part of their investment if the value of the Preference Shares does not move in a positive direction.

(ii) *Adjustments or early redemptions*

In certain circumstances (such as the Issuer receiving notice from the Preference Share Issuer or the Preference Share Calculation Agent that the Preference Shares will be redeemed early following the occurrence of certain events in relation to the Preference Shares or the Preference Share Issuer (such as an illegality, a change in law that results in the Preference Share Issuer being subject to additional regulation or an external event affecting an underlying asset to which the Preference Shares are linked)), the Issuer will redeem the Preference Share Linked Notes early at the Early Redemption Amount in accordance with the Preference Share Linked Conditions, as determined by it or the Calculation Agent without the consent of the holders of the Preference Share Linked Notes. The Calculation Agent may determine the occurrence of an Extraordinary Event or Additional Disruption Event in relation to the Preference Share Linked Notes. Upon such determination, the Issuer may, at its option redeem the Preference Share Linked Notes in whole at the Early Redemption Amount.

Preference Share Linked Notes can also be early redeemed upon the occurrence of an Auto-Call Trigger Event, in which case, they shall be redeemed at the auto-call redemption amount.

If certain events occur in relation to the relevant Preference Share Underlying, the Preference Share Issuer and/or the Preference Share Calculation Agent (as applicable) may make adjustments to certain of the terms of the Preference Shares as it determines appropriate or, if it determines that it is unable to make any such adjustment, elect to redeem the Preference Shares early at their fair market value less any costs associated with the early redemption of the Preference Shares including the costs of unwinding any hedging arrangements relating to the Preference Shares or the Preference Share Linked Notes. Preference Share Linked Notes will be subject to early redemption if a Preference Share Early Redemption Event (as defined in the Preference Share Linked Conditions) occurs. Upon the occurrence of a Preference Share Early Redemption Event, the Issuer will redeem the Preference Share Linked Notes at the Early Redemption Amount. The Early Redemption Amount may be less (and in certain circumstances, significantly less) than investors' initial investment in the relevant Notes and could be as low as zero (0).

(d) **Risks related to Payoff Features**

The Notes may be subject to the application of Linked Interest and/or Linked Redemption, as specified in the applicable Final Terms.

The Linked Interest Rate and/or Redemption Method determined under the Linked Interest or Linked Redemption may be linked to the value of the Underlying(s) that have been selected under the relevant Interest Payoff Conditions and/or Redemption Method Conditions. Negative performance of the Underlying(s) will consequently affect the value of the Linked Interest Rate and/or Redemption Amount determined under the Linked Interest or Linked Redemption. Principal and/or interest paid as a result of the application of the relevant Interest Payoff Conditions and/or Redemption Method Conditions may be less (and in certain circumstances, significantly less) than investors' initial investment in the relevant Notes and could be as low as zero (0).

(e) **Memory Interest**

Where the applicable Interest Payoff is “Phoenix with Memory Interest”, in the event that the Linked Interest Rate in any Interest Accrual Period is zero (0), where the Linked Interest Rate in any subsequent Interest Accrual Period is greater than zero (0), such Linked Interest Rate will be decreased by the sum of each aggregate preceding coupon amounts paid on all interest payment date(s) (if any) preceding the relevant interest payment date. There is no guarantee that the relevant Linked Interest Rate will reflect a market rate and the value of the Notes may substantially decrease. Furthermore there is no guarantee that the Linked Interest Rate will be greater than zero (0) in which case the Interest Amounts payable under the Notes may be zero (0).

(f) **Risks related to Green and Social Notes**

The Final Terms relating to any specific Tranche may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically to finance or refinance a combination of loans or investments in businesses, projects and assets that satisfy the Issuer’s Green and/or Social Issuance Eligibility Criteria ("Eligible Green Projects") as described in the sustainability issuance framework (the "Sustainability Issuance Framework") published on the Issuer’s website at **https://www.cibc.com/content/dam/cibc-public-assets/about-cibc/investor-relations/pdfs/debt-information/green-bond/cibc-sustainability-issuance-framework-en.pdf** and as updated from time to time. Prospective investors should have regard to the information set out in this Base Prospectus, the relevant Final Terms and the Sustainability Issuance Framework regarding such use of proceeds and must determine for themselves the relevance of such information

for the purpose of any investment in such Notes together with any other investigation such investors deem necessary. In connection with the issuance of such Notes, Sustainalytics (a sustainability consulting firm) has evaluated the Sustainability Issuance Framework and has issued an independent opinion confirming that the Sustainability Issuance Framework is credible and impactful and the Notes are aligned with the International Capital Market Association Green Bond Principles 2021, Social Bond Principles 2021 and Sustainability Bond Guidelines 2021 (the "ICMA Green Bond Principles 2021").

The Issuer will exercise its judgement and sole discretion in determining the organizations, businesses and projects that will be financed or refinanced by the proceeds from such Notes (although is under no contractual obligation with respect to the allocation of such proceeds). If the use of the proceeds of Notes is a factor in any potential investor's decision to invest in such Notes, that investor should carefully consider the disclosure in "Use of Proceeds" set out in the applicable Final Terms and this Base Prospectus and consult with its legal or other advisers and make any other investigation such investor deems necessary before making an investment in the Notes, including but not limited to, reviewing the prevailing Sustainability Issuance Framework.

No representation or assurance is given by the Issuer, the Arranger or any Dealer that the use of such proceeds for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. None of the Arranger or any Dealer shall be responsible for the ongoing monitoring of the use of proceeds in respect of any such Notes.

Furthermore, it should be noted that there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", “social” or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green", “social” or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change. Accordingly, no assurance or representation is or can be given (whether by the Issuer, the Arranger, any Dealer or any other person) to investors that any organizations, businesses or projects or uses the subject of, or related to, any Eligible Green Projects will meet any or all investor expectations or requirements regarding such "green", “social”, "sustainable" or other equivalently-labelled performance objectives (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment or Regulation (EU) 2020/852 as it forms part of UK domestic law by virtue of the EUWA) or that any adverse environmental, social, sustainability and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Projects. any Eligible Green Project may become controversial or criticized by activist groups or other stakeholders, which could adversely affect the return on, value of and market for the Notes.

While it is the intention of the Issuer to comply with the requirements of its Sustainability Issuance Framework, no representation or assurance is given by the Issuer, the Arranger or any Dealer that any of the Eligible Green Projects funded with the proceeds from Notes will meet the Sustainability Issuance Framework or a prospective investor’s expectations or requirements, whether as to sustainable impact, outcome or otherwise. Furthermore, the Issuer has the ability to amend the Sustainability Issuance Framework, including the Eligibility Criteria, in the future.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Eligible Green Projects to fulfil any environmental, sustainability, social and/or other criteria. None

of the Issuer's Sustainability Issuance Framework, the "second-party opinion" or any other report, assessment, opinion or certification is, nor shall they be deemed, to be incorporated in and/or form part of this Base Prospectus. Any such report, assessment, opinion or certification is not, nor should it be deemed to be, a recommendation by the Issuers, the Arranger, any Dealer or any other person to buy, sell or hold any such Notes. Any such "second party-opinion" and any such other report, assessment, opinion or certification is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein and/or the provider of such report, assessment, opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such report, assessment, opinion or certification are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", “social”, "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuers, the Arranger, any Dealer or any other person that such listing or admission will be maintained during the life of the relevant Notes or that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuers, the Arranger, any Dealer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Eligible Green Projects in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects will be capable of being implemented in, or substantially in, such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Green Projects. Nor can there be any assurance that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer.

The Issuer’s failure to so allocate an amount at least equivalent to the net proceeds, in whole or in part, to Eligible Assets or to report on progress, the default or failure of any of the Eligible Assets funded with such amount, the failure of any Eligible Assets to comply at any time with the Sustainability Issuance Framework, and/or the cessation of the listing or admission of such Notes to trading on any dedicated "green", "environmental", "sustainable", “social” or other equivalently-labelled segment of any stock exchange or securities market (where applicable) will not, in each case, constitute an Event of Default with respect to the Notes or give rise to any other claim of a holder of such Notes against the Issuer.

Any such event or failure to apply the proceeds of any issue of Notes for any Eligible Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Eligible Green Projects and/or result in adverse consequences for certain investors with

portfolio mandates to invest in sustainable or green assets or in securities to be used for a particular purpose.

None of the Arranger or any Dealer have undertaken, nor are they responsible for, any assessment of the Issuer's Sustainability Issuance Framework or the eligibility criteria for the Notes. No Dealer will verify or monitor the application of the proceeds of any such Notes during the life of the relevant Notes.

(g) Risks related to Canadian Usury Laws

The *Criminal Code* (Canada) prohibits the receipt of "interest" at a "criminal rate" (namely, an effective annual rate of interest that exceeds 60 per cent.). Accordingly, the provisions for the payment of interest or for the payment of a redemption amount in excess of the aggregate principal amount of Notes may not be enforceable if the provision provides for the payment of "interest" (as calculated for the purposes of such statute) which is in excess of the prescribed rate, currently being an effective annual rate of interest of 60 per cent. In the Budget Implementation Act, 2023, No. 1 (Canada), which was assented to on June 22, 2023, the Criminal Code (Canada) was amended to, among other things, to lower the "criminal rate" of interest to an annual percentage rate of 35 per cent. These provisions will come into force on a day or days to be fixed by order of the Governor in Council. On October 5, 2023, the federal government launched additional consultations seeking feedback on whether the "criminal rate" of interest should be further reduced. The Issuer continues to monitor developments in Canada regarding the "criminal rate" of interest. See General Condition 4 "Interest" at page 205 of this Base Prospectus for additional information on how interest is calculated.

3.2 RISKS RELATED TO NOTES GENERALLY

(a) Notes may be amended or the Issuer substituted for a subsidiary of the Issuer without the consent of Noteholders or with the consent of only some of the Noteholders binding all the Noteholders

The Agency Agreement contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined numbers of Noteholders to bind all Noteholders (and to modify or waive certain terms and conditions of the Notes or covenants and agreements made by the Issuer) including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. In such circumstances Noteholders may be bound by modifications or waivers they do not agree to and that may negatively affect the returns on their Notes.

The Conditions permit the substitution of any company that is a Subsidiary of the Issuer for the Issuer as principal debtor under the Notes, without the consent of the Noteholders or the Couponholders, in certain circumstances, which may affect the market value of such Notes.

The Conditions also provide that the Agency Agreement, the Notes and any Coupons attached to the Notes may be amended by the Issuer and the Agent without the consent of the holder of any Note or Coupon for certain purposes, including to give effect to the Benchmark Amendments in accordance with General Condition 4.2(b)(iv). In addition, meetings of Noteholders may be convened if holders of less than 10 per cent, or in certain circumstances, less than 25 per cent. of the aggregate nominal amount of the relevant Notes attend the meeting. Therefore it is possible that amendments to the Notes or coupons could be approved, or waivers of certain terms and conditions of the Notes or covenants and agreements made by the Issuer could be agreed, without a vote of all of the Noteholders or could be made by Noteholders holding less than 10 per cent., or in certain circumstances less than 25 per cent., of the aggregate nominal amount of the Notes, which would be binding on all the holders of the Notes. Noteholders are exposed to the risk that their rights in respect of the Notes are varied against their will, which may result in an investment in any Notes becoming less advantageous to a particular Noteholder depending on individual circumstances.

In addition, unless Noteholders have made arrangements to promptly receive notices sent to Noteholders from any custodians or other intermediaries through which they hold their Notes and give the same their prompt attention, meetings may be convened or resolutions (including Extraordinary Resolutions) may be proposed and considered and passed or rejected or deemed to be passed or rejected without their involvement even if, were they to have been promptly informed by such custodians or other intermediaries as aforesaid, they would have voted in an affirmative manner to the holders of the Notes which passed or rejected the relevant proposal or resolution.

(b) **Canadian bank resolution powers confer substantial powers on Canadian authorities designed to enable them to take a range of actions in relation to the Issuer where a determination is made that the Issuer has ceased, or is about to cease, to be viable and such viability cannot be restored or preserved, which if taken could result in holders or beneficial owners of Noteholders being exposed to losses**

Under the CDIC Act, in circumstances where the Superintendent is of the opinion that the Issuer has ceased, or is about to cease, to be viable and viability cannot be restored or preserved by exercise of the Superintendent's powers under the Bank Act, the Superintendent, after providing the Issuer with a reasonable opportunity to make representations, is required to provide a report to CDIC, Canada's resolution authority. Following receipt of the Superintendent's report, CDIC may request the Minister of Finance for Canada (the "**Minister of Finance**") to recommend that the Governor in Council (Canada) make an Order (as defined below) and, if the Minister of Finance is of the opinion that it is in the public interest to do so, the Minister of Finance may recommend that the Governor in Council (Canada) make, and on such recommendation, the Governor in Council (Canada) may make, one or more of the following orders (each an "**Order**"):

- vesting in CDIC, the shares and subordinated debt of the Issuer specified in the Order (a "**Vesting Order**");

- appointing CDIC as receiver in respect of the Issuer (a "**Receivership Order**");

- if a Receivership Order has been made, directing the Minister of Finance to incorporate a federal institution designated in the Order as a bridge institution wholly-owned by CDIC and specifying the date and time as of which the Issuer's deposit liabilities are assumed (a "**Bridge Bank Order**"); or

- if a Vesting Order or Receivership Order has been made, directing CDIC to carry out a conversion, by converting or causing the Issuer to convert, in whole or in part – by means of a transaction or series of transactions and in one or more steps – the shares and liabilities of the Issuer that are subject to the Bail-in Regime into common shares of the Issuer or any of its affiliates (a "**Conversion Order**").

Following a Vesting Order or a Receivership Order, CDIC will assume temporary control or ownership of the Issuer and will be granted broad powers under that Order, including the power to sell or dispose of all or a part of the assets of the Issuer, and the power to carry out or cause the Bank to carry out a transaction or a series of transactions the purpose of which is to restructure the business of the Issuer.

Under a Bridge Bank Order, CDIC has the power to transfer the Issuer's insured deposit liabilities and certain assets and other liabilities of the Issuer to a bridge institution. Upon the exercise of that power, any assets and liabilities of the Issuer that are not transferred to the bridge institution would remain with the Issuer, which would then be wound up. In such a scenario, any liabilities of the Issuer, including any outstanding Notes, that are not assumed by the bridge institution could receive only partial or no payment in the ensuing wind-up of the Issuer.

If the CDIC were to take action under the Canadian bank resolution powers with respect to the Issuer, this could result in holders or beneficial owners of Notes being exposed to losses.

(c) **Notes may be subject to write-off, write down or conversion under the resolution powers of authorities outside of Canada**

The Issuer has operations in a number of countries outside of Canada, including in particular the United States and the United Kingdom. In accordance with the Financial Stability Board's "*Key attributes of effective Resolution Regimes for Financial Institutions*" dated October 15, 2014, local resolution authorities should have resolution powers over local branches of foreign firms and the capacity to use their powers either to support a resolution carried out by a foreign home authority (for example, by ordering a transfer of property located in its jurisdiction to a bridge institution established by the foreign home authority) or, in exceptional cases, to take measures on its own initiative where the foreign home authority is not taking action or acts in a manner that does not take sufficient account of the need to preserve the local jurisdiction's financial stability or where other relevant conditions are met.

The UK has implemented such powers and, as such, they may apply to the Bank's London branch. It is therefore possible that resolution authorities in countries where the Bank has branches or assets, including the United States and the United Kingdom, may adversely affect the rights of holders of the Notes (particularly those governed by local law where the Branch of Account specified in the applicable Final Terms is in the relevant local jurisdiction), including by using any powers they may have to write down or convert the Notes. For further information on the risks related to the use of resolution powers by authorities in the United Kingdom, please see "*UK resolution risks applicable to the Notes*" above.

(d) **Change of Law**

The Conditions of the Notes are based on the laws of the Province of Ontario and the federal laws of Canada applicable therein or (if the applicable Final Terms indicates the Notes are governed by English law), English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Province of Ontario or the federal laws of Canada applicable therein or English law, as applicable, or administrative practice after the date of issue of the relevant Notes and such judicial decision or change to the laws may affect the enforceability of the Notes, time limits within which to bring claims or result in early redemption of the Notes. Upon an early redemption of the Notes an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

(e) **Tax treatment**

The tax treatment of any amount to be paid to a Noteholder in relation to the Notes may reduce such Noteholder's effective yield on such Notes. The tax legislation of the Noteholder's country of residence and of the Issuer's country of incorporation may have an impact on the income received from the Notes. Tax treatment may change before the maturity or redemption of the Notes and may result in the Issuer exercising its right to redeem the notes prior to their stated maturity and the Noteholder receiving a lower return on the Notes.

(f) **Foreign Account Tax Compliance and Common Reporting Standard**

Sections 1471 through 1474 of the Code and applicable regulations thereunder (commonly referred to as "**FATCA**") may impose a 30 per cent. withholding tax on payments of U.S. source income to (i) certain non-U.S. financial institutions ("**FFIs**") that do not enter into and comply with an agreement to provide the IRS information about their accountholders (as defined for purposes of FATCA), comply with rules or law implementing an intergovernmental agreement ("**IGA**") between the United States

and the non-U.S. financial institution's jurisdiction implementing FATCA with respect to such jurisdiction or otherwise qualify for an exemption from, or are deemed to comply with, FATCA (an institution meeting such requirements, a "**Compliant FFI**") and (ii) certain other non-U.S. entities ("**NFFEs**") that do not provide payors information about their substantial U.S. holders or establish that they have no substantial U.S. holders. Such withholding would not apply to Notes issued under the Programme prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register.

The United States and a number of other jurisdictions have reached, agreed in substance to or announced their intention to negotiate IGAs to facilitate the implementation of FATCA with respect to FFIs in such jurisdictions. Under the "**Model 1**" IGA released by the United States, an FFI in an IGA signatory country that complies with requirements under the IGA could be treated as a Reporting Financial Institution ("**Reporting FI**") not subject to withholding under FATCA on any payments it receives. Further, a Reporting FI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments it makes unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes. Under the Model 1 IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government. The United States and Canada have entered into an agreement (the "**US-Canada IGA**") based largely on the Model 1 IGA.

The Issuer is treated as a Reporting FI pursuant to the US-Canada IGA. However, the FATCA rules, and in particular the rules governing foreign passthru payments have not yet been fully developed, so the future application of FATCA to the Issuer and the holders of Notes is uncertain. Noteholders may be required to provide certain information to the Issuer or other payors in order (i) for holders to avoid FATCA withholding from payments on the Notes, (ii) for the Issuer to avoid the imposition of a FATCA withholding tax on payments it receives or (iii) for the Issuer to comply with the rules under FATCA or an applicable IGA (including laws implementing such an IGA). If a holder (including an intermediary) fails to provide the Issuer, or any other agent of the Issuer with any correct, complete and accurate information that may be required for the Issuer to comply with FATCA and/or to prevent the imposition of FATCA withholding tax, the Issuer may withhold amounts otherwise distributable to the holder.

The requirements of the US-Canada IGA have been implemented through amendments to the Income Tax Act (Canada) and the enactment of the Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act (the "**US-Canada IGA Implementation Act**"). Under the provisions of the US-Canada IGA Implementation Act, CIBC is required to determine whether financial accounts are held by U.S. persons and must report information on certain accounts owned or controlled by U.S. taxpayers, directly to the Canada Revenue Agency. CIBC may be required to collect information from holders of Notes (other than Notes that are regularly traded on an established securities market for purposes of the IGA), including such holders' status as a "Specified U.S. Persons" (as defined in the IGA) and report information regarding such holder's investment in the Notes to the Canada Revenue Agency. The Canada Revenue Agency would then communicate this information to the IRS under the existing provisions of the Canada-United States Tax Convention (1980) (as amended). For this purpose, a Note is not considered to be "regularly traded" if the holder (other than certain financial institutions acting as intermediary) is registered on the books of the Issuer.

While the Notes are in global form and held within Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the applicable Clearing System (see "*Taxation – United States – FATCA*"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary

from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the depositary, common depositary or common safekeeper for the relevant Clearing System(s) (as bearer or registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the relevant Clearing Systems and custodians or intermediaries. Potential investors should refer to the section "*Taxation – United States – United States Alien Holders – FATCA*".

No additional amounts will be paid in respect of any U.S. tax withheld under the FATCA rules from payments on the Notes, which may reduce such Noteholder's effective yield on such Notes. Potential investors should consult their tax advisers regarding the implications of the FATCA rules for their investment in Notes, including the implications resulting from the status under these rules of each financial intermediary through which they hold Notes.

Similar to FATCA, under the Organisation for Economic Co-operation and Development's ("**OECD**") initiative for the automatic exchange of information, many countries have committed to automatic exchange of information relating to accounts held by tax residents of signatory countries, using a common reporting standard.

Canada is one of over 90 countries that has signed the OECD's Multilateral Competent Authority Agreement and Common Reporting Standard ("**CRS**"), which provides for the implementation of the automatic exchange of tax information. The CRS requires Canadian financial institutions (and their branches in other jurisdictions) to report certain information concerning certain investors resident in participating countries to the Canada Revenue Agency (or the relevant tax authority in the branch's jurisdiction) and to follow certain due diligence procedures. The Canada Revenue Agency (or other relevant tax authority) will then provide such information on a bilateral, reciprocal basis to the tax authorities in the applicable investors' countries of residence, where such countries have enacted the CRS or otherwise as required under CRS. The Issuer will meet all obligations imposed under the CRS in accordance with local law in all applicable jurisdictions in which it operates.

(g) **Investors in Bearer Notes who hold less than the minimum Specified Denomination (including after a partial Bail-in Conversion or any other resolution action) may be unable to sell their Bearer Notes and may be adversely affected if definitive Bearer Notes are subsequently to be issued**

In relation to any issue of Bearer Notes that has a specified denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Bearer Notes may be traded in the clearing systems in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In addition, in the case of a partial Bail-in Conversion of Bail-inable Notes or any resolution action in respect of Notes generally, a holder may as a result of such partial Bail-in Conversion and any other resolution action end up with an amount that is less than a Specified Denomination. In such a case, (i) a Noteholder that holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Bearer Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination, (ii) should Definitive Notes be required to be issued, a Noteholder who holds Notes in the relevant clearing system(s) in amounts that are not integral multiples of a Specified Denomination may need to purchase or sell, on or before the relevant Exchange Date, a nominal amount of Notes such that such Noteholder's holding is an

integral multiple of a Specified Denomination and (iii) a Noteholder who does not have at least the minimum Specified Denomination in its account with the relevant clearing system(s) at the relevant time will not be able to exercise any direct rights in respect of such Notes under the Deed of Covenant against the Issuer.

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

(h) **Notes are Structurally Subordinated to the Liabilities of Subsidiaries**

If the Issuer becomes insolvent, its governing legislation provides that priorities among payments of its deposit liabilities and payments of all of its other liabilities (including payments in respect of Notes) are to be determined in accordance with the laws governing priorities and, where applicable, by the terms of the indebtedness and liabilities. Because the Issuer has subsidiaries, a Noteholder's right to participate in any distribution of the assets of the Issuer's banking or non-banking subsidiaries, upon a subsidiary's dissolution, winding-up, liquidation or reorganisation or otherwise, and thus a Noteholder's ability to benefit indirectly from such distribution, is subject to the prior claims of creditors of that subsidiary, except to the extent that the Issuer may be a creditor of that subsidiary and its claims are recognized. There are legal limitations on the extent to which some of the Issuer's subsidiaries may extend credit, pay dividends or otherwise supply funds to, or engage in transactions with, the Issuer or some of the Issuer's other subsidiaries. Accordingly, Notes will be structurally subordinated to all existing and future liabilities of the Issuer's subsidiaries, and holders of Notes should look only to the assets of the Issuer and not those of its subsidiaries for payments on the Notes.

(i) **Risks relating to insolvency procedures**

In the event that the Issuer becomes insolvent, insolvency proceedings will be generally governed by the insolvency laws of Canada. The insolvency laws of Canada may be different from the insolvency laws of an investor's home jurisdiction and the treatment and ranking of holders of Notes issued by the Issuer and the Issuer's other creditors and shareholders under the insolvency laws of Canada may be different from the treatment and ranking of holders of those Notes and the Issuer's other creditors and shareholders if the Issuer was subject to the insolvency laws of the investor's home jurisdiction, which may materially adversely affect the ability of a holder of Notes to recover its investment.

Notes issued by the Issuer do not evidence or constitute deposits that are insured under the CDIC Act.

(j) **The return on an investment in Notes will be affected by charges incurred by investors**

An investor's total return on an investment in Notes will be affected by the level of fees charged to the investor, including fees charged to the investor as a result of the Notes being held in a clearing system. Such fees may include charges for opening accounts, transfers of securities, custody services and fees for payment of principal, interest or other sums due under the terms of the Notes. Investors should carefully investigate these fees before making their investment decision.

3.3 RISK RELATED TO THE MARKET OF THE NOTES

(a) **Market value of the Notes**

An application may be made to admit the Notes to trading on the Main Market and to admit them to the Official List of the FCA and/or any other regulated market or multilateral trading facility. The market value of the Notes will be affected by the creditworthiness of the Issuer, and by a number of factors independent of the creditworthiness of the Issuer, including, but not limited to (i) market interest and

yield rates; (ii) fluctuations in exchange rates; (iii) liquidity of the Notes in the secondary market; (iv) the time remaining to any redemption date or the maturity date; and (v) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Note(s) may be traded. Any of these factors may negatively affect the market value of the Notes or result in a Noteholder receiving a lower return on the Notes the value of the relevant Underlying(s) (which in turn will depend on the volatility of the relevant Underlying(s), or the dividend on the Notes comprised in any Index that is an Underlying, market interest and yield rates and the time remaining to the redemption date).

The value of the Notes and the relevant Underlying(s) depends on a number of interrelated factors, including economic, financial and political events in Canada or elsewhere, including factors affecting capital markets generally, the London Stock Exchange and/or any other stock exchanges on which the Notes, the Underlying(s) or the Notes comprised in any Index that is an Underlying are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder.

The trading price of Notes may fall in value as rapidly as it may rise and Noteholders may sustain a total loss of their investment.

Assuming all other factors are held constant, the more a Note is "**out-of-the-money**" and the shorter its remaining term to maturity, the greater the risk that purchasers of such Notes will lose all or part of their investment.

Accordingly, all or part of the capital invested by the Noteholder may be lost upon any transfer of the Note, so that the Noteholder in such case would receive significantly less than the total amount of capital invested.

(b) **Risks relating to the secondary market generally; lack of liquidity**

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. This is particularly the case, if the Notes are not listed or traded on any exchange market or trading venue (whether regulated or not) since pricing information for the Notes may be more difficult to obtain and the liquidity of the Notes may be adversely affected. Therefore, Noteholders may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes and investors may suffer losses on the Notes in secondary market transactions even if there is no decline in the performance of the Issuer.

Although application has been made for the Notes issued under the Programme to be admitted to trading on the Main Market and to be admitted to the Official List, and/or any other regulated market or multilateral trading facility in the United Kingdom, there is no assurance that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes. Illiquidity may have an adverse effect on the market value of the Notes.

(c) **Exchange rate risks and exchange controls**

The Issuer will pay principal and interest (if applicable) on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "**Noteholder's Currency**") other than the

Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Noteholder's Currency) and the risk that authorities with jurisdiction over the Noteholder's Currency may impose or modify exchange controls. An appreciation in the value of the Noteholder's Currency relative to the Specified Currency would decrease (1) the Noteholder's Currency-equivalent yield on the Notes, (2) the Noteholder's Currency-equivalent value of amounts payable in respect of the Notes and (3) the Noteholder's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls or monetary policies that could adversely affect an applicable exchange rate. As a result, Noteholders may receive less interest (if applicable) or principal than expected or no interest or principal or receive payments in a significantly devalued Specified Currency. This may result in a significant loss on any capital invested from the perspective of a Noteholder whose domestic currency is not the Specified Currency.

(d) **Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes**

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to the Issuer or to the structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

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

In general, European and UK regulated investors are restricted under the CRA Regulations from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU or the UK and registered under the applicable CRA Regulation (and such registration has not been withdrawn or suspended) subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU and non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an EU or UK registered credit rating agency or the relevant non-EU or non-UK rating agency is certified in accordance with the applicable CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

(e) **Modification**

General Condition 16 (*Meetings of Noteholders, modification and waiver*) and the Agency Agreement contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the relevant majority.

If a decision is adopted by a majority of Noteholders and such modifications were to impair or limit the rights of the Noteholders, this may have a negative impact on the market value of the Notes.

The Issuer may also modify the Conditions of the Notes without the consent of the Noteholders in any manner which the Issuer and/or the Calculation Agent may deem necessary or desirable provided that such modification (i) is not materially prejudicial to the interests of the Noteholders; and/or (ii) is of a formal, minor or technical nature or is made to correct a manifest or proven error or omission, to cure, correct or supplement any defective provision contained in the Conditions of the Notes, or to comply with mandatory provisions of law or regulation or to comply with any requirement of any stock exchange on which the Notes may be listed. As a result, Noteholders shall not be consulted on those modifications and shall not be able to oppose them through meetings.

(f) Unsecured obligations and absence of negative pledge

In accordance with General Condition 3 (*Status of the Notes*), the Notes constitute general, unsecured, unsubordinated obligations of the Issuer and of no other person. Any person who purchases such Notes is relying upon the creditworthiness of the Issuer and has no rights under the Conditions of the Notes against any other person. The Notes will not be secured by any property of the Issuer and all Notes rank equally among themselves and with all deposit liabilities of the Issuer.

In addition to being unsecured, there is no negative pledge in respect of the Notes which means that the Issuer may pledge assets to secure other notes or debt instruments without granting an equivalent pledge or Note interest and status to the Notes. Such pledge or Note interest will not be granted to Noteholders.

Noteholders should be aware of this differentiating component as compared to most senior bonds and that they will not benefit from protection that would secure the ranking of the Notes.

(g) Legislation affecting Dividend Equivalent Payments (Section 871(m) of the U.S. Internal Revenue Code)

U.S. Department of the Treasury regulations provide that payments with respect to equity-linked instruments ("**ELIs**") that are "specified ELIs" may be treated as dividend equivalents if such specified ELIs reference an interest in a U.S. "underlying security." A U.S. underlying security is generally any interest in an entity taxable as a corporation for U.S. federal income tax purposes if a payment with respect to such interest could give rise to a U.S. source dividend. Specified ELIs generally do not include (1) ELIs issued prior to 1 January 2025 that are not delta-one instruments, or (2) ELIs that are treated as referencing a "qualified index." However, it is possible that Notes could be deemed to be reissued for U.S. federal income tax purposes upon the occurrence of certain events affecting the Reference Item or the Notes and following such occurrence the Notes could be treated as subject to withholding on dividend equivalent payments. A dividend equivalent payment is treated as a dividend from sources within the United States and such payments generally would be subject to a 30 per cent. United States withholding tax if paid to a United States Alien holder.

A qualified index is a passive index that (1) is based on a diverse basket of publicly traded securities, (2) is widely used by numerous market participants, and (3) meets certain specific requirements set forth in the applicable Treasury regulations. The qualified index determination is made on the first business day of the calendar year in which the ELI is issued. If, in connection with the purchase of an ELI that references an index, a taxpayer enters into one or more transactions that reduce exposure to components of the index, the ELI is not treated as referencing a qualified index.

If any payments are treated as dividend equivalents subject to withholding, the Issuer (or an applicable withholding agent) would be entitled to withhold taxes without being required to pay any additional amounts with respect to amounts so withheld. In that case, actual payments on the Notes may be substantially less than the amounts specified in their terms. In addition, if any payment with respect to the Notes would be treated as a dividend equivalent, the Issuer would be entitled to redeem or cancel the Notes, in whole, but not in part, at any time prior to maturity at their Early Redemption Amount, as

determined by the Calculation Agent in its discretion. These amounts could be significantly less than the holder's initial investment, and could be as low as zero.

(h) **Notes where denominations involve integral multiples**

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

If Definitive Notes are issued, Noteholders should be aware that Definitive Notes, which have a denomination, that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade. As a result, Noteholders shall in turn be adversely impacted.

(i) **Investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities**

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.

(j) **No obligation to maintain listing**

Notes may be listed on the Main Market and the Issuer may, in certain circumstances, seek to delist Notes which are listed on the Main Market or another securities exchange or market provided that in such cases the Issuer will be required to use its reasonable endeavours to obtain and maintain a listing of such Notes on an alternative stock exchange or exchanges (which may be outside the UK or the European Union) as it may reasonably determine and the Issuer shall notify the relevant Dealers of any such change of listing. These circumstances include any future law, rule of the London Stock Exchange or any other securities exchange or any law, regulation or directive imposing other requirements (including new corporate governance requirements) on the Issuer or any of its affiliates that the Issuer in good faith determines are impractical or unduly burdensome in order to maintain the continued listing of any Notes issued under the Programme on the Main Market or the relevant exchange.

In these circumstances, the Issuer may, in its sole discretion, determine that it is impractical or unduly burdensome to maintain such listing and seek to terminate the listing of such Notes provided it uses all reasonable endeavours to seek an alternative admission to listing, trading and/or quotation of such Notes by another listing authority, securities exchange and/or quotation system that it deems appropriate (see the section entitled "*General Description of the Programme"* on page 15 of this Base Prospectus for further details regarding listings. However, if such alternative listing is not available or, in the opinion of the Issuer is impractical or unduly burdensome, an alternative listing may not be obtained.

Although there is no assurance as to the liquidity of any Notes as a result of the listing on a regulated market in the UK, delisting such Notes may have a material effect on the ability of investors to (a) continue to hold such Notes or (b) resell the Notes in the secondary market.

RETAIL CASCADES

IMPORTANT INFORMATION RELATING TO OFFERS OF NOTES WHERE THERE IS NO EXEMPTION FROM THE OBLIGATION UNDER THE FSMA TO PUBLISH A PROSPECTUS

Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the FSMA to publish a prospectus. Any such offer is referred to as a "**Public Offer**".

If, in the context of a Public Offer, you are offered Notes by any entity, you should check that such entity has been given consent to use this Base Prospectus for the purposes of making its offer before agreeing to purchase any Notes. The following entities have consent to use this Base Prospectus in connection with a Public Offer:

- any entity named as a Dealer or Manager in the applicable Final Terms;
- any financial intermediary specified in the applicable Final Terms as having been granted specific consent to use the Base Prospectus;
- any financial intermediary named on the Issuer's website (**https://www.cibc.com/en/about-cibc/investor-relations/debt-information/structured-note-issuance-programme.html**) as an Authorised Offeror in respect of the Public Offer (if that financial intermediary has been appointed after the date of the applicable Final Terms); and
- if Part B of the applicable Final Terms specifies "**General Consent**" as "**Applicable**", any financial intermediary authorised to make such offers under the FSMA who has published the Acceptance Statement (set out below) on its website.

The entities listed above have been given consent to use the Base Prospectus only during the Offer Period specified in the applicable Final Terms and only in the United Kingdom. Other than as set out above, the Issuer has not authorised the making of any Public Offer by any person and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Public Offer of Notes.

Please see below for certain important legal information relating to Public Offers.

Restrictions on Public Offers of Notes in the United Kingdom

This Base Prospectus has been prepared on a basis that permits Public Offers of Notes in the United Kingdom. Any person making or intending to make a Public Offer of Notes on the basis of this Base Prospectus must do so only with the Issuer's consent to the use of this Base Prospectus as provided under "*Consent given in accordance with Article 5(1) of the UK Prospectus Regulation*" below and provided such person complies with the conditions attached to that consent.

Consent given in accordance with Article 5(1) of the UK Prospectus Regulation

In the context of a Public Offer of Notes, the Issuer accepts responsibility, in the United Kingdom, for the content of this Base Prospectus in relation to any person (an "**Investor**") who purchases any Notes in a Public Offer made by a Dealer or an Authorised Offeror (as defined below) (including, for the avoidance of doubt, with respect to the subsequent resale or final placement of the Notes by an Authorised Offeror), where that offer is made during the Offer Period specified in the applicable Final Terms and provided that the conditions attached to the giving of consent for the use of this Base Prospectus are complied with. The consent and conditions attached to it are set out under "*Consent*" and "*Common Conditions to Consent*" below.

Neither of the Issuer nor any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or Notes law requirements in relation to any Public Offer and none of the Issuer or any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

Except in the circumstances described below, the Issuer has not authorised the making of any Public Offer by any offeror and the Issuer have not consented to the use of this Base Prospectus by any other person in connection with any Public Offer of the Notes in any jurisdiction. Any Public Offer made without the consent of the Issuer is unauthorised and none of the Issuer nor, for the avoidance of doubt, any Dealer accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

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

The financial intermediaries referred to in 1 and 2 below are together the "**Authorised Offerors**" and each an "**Authorised Offeror**".

Consent

In connection with each Tranche of Notes and subject to the conditions set out below under "**Common Conditions to Consent**":

Specific Consent

1. if "**Specific Consent**" is specified in the applicable Final Terms, the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of such Notes by:

   (a) the relevant Dealer(s) or Manager(s) specified in the applicable Final Terms;

   (b) any financial intermediary named therein (the "Initial Authorised Offeror"), subject to the relevant conditions set out in such Final Terms; and

   (c) any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the website **https://www.cibc.com/en/about-cibc/investor-relations/debt-information/structured-note-issuance-programme.html** and identified as an Additional Authorised Offeror (the "**Additional Authorised Offeror**") in respect of the Public Offer; and/or

General Consent

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

   (a) it is authorised to make offers under the FSMA (in which regard, Investors should consult the register maintained by the FCA at: **https://register.fca.org.uk/**) or authorised to make such offers under MiFID II in circumstances where they are able to operate in the UK; and

(b) it accepts the Issuer's offer to grant consent to the use of this Base Prospectus by publishing on its website the following statement (with the information in square brackets duly completed) (the "**Acceptance Statement**"):

"We, [insert legal name of financial intermediary], refer to the offer of [insert title of relevant Notes] (the "**Notes**") described in the Final Terms dated [insert date] (the "**Final Terms**") published by Canadian Imperial Bank of Commerce (the "**Issuer**"). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in the United Kingdom during the Offer Period and subject to the other conditions to such consent, each as specified in the Base Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus) and confirm that we are using the Base Prospectus accordingly."

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

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

(i) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**") from time to time, including the rules published by the FCA (including its guidance for distributors in "*The Responsibilities of Providers and Distributors for the Fair Treatment of Customers*"), and including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential investor and will immediately inform the Issuer and any Dealer if at any time such financial intermediary becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all aspects;

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

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

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

(v) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules, including authorisation under the FSMA;

(vi) comply with and takes appropriate steps in relation to applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Notes by the potential Investor), and will not permit any application for the Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;

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

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

(ix) ensure it does not give any information other than that contained in this Base Prospectus (as may be amended or supplemented by the Issuer from time to time) or make any representation in connection with the offering or sale of, or the solicitation of interest in, the Notes;

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

(xi) agree that any communication in which it attaches or otherwise includes any announcement published by the Issuer at the end of the Offer Period will be consistent with the Base Prospectus, and (in any case) must be fair, clear and not misleading and in compliance with the Rules and must state that such General Authorised Offeror has provided it independently from the Issuer and must expressly confirm that the Issuer has not accepted any responsibility for the content of any such communication;

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

(xiii) co-operate with the Issuer and the relevant Dealer in providing any information (including without limitation documents and records maintained pursuant to paragraph (vii) above) upon written request from the Issuer and/or the relevant Dealer as is available to such financial intermediary or which is within its power and control from time to time together with such further assistance as is reasonably requested by the Issuer and/or the relevant Dealer in connection with any request or investigation by the FCA or any other regulator, any complaint received in relation to the Notes including, without limitation, complaints as defined in the Rules, or which the Issuer and/or the relevant Dealer may require to comply with its own legal, tax and regulatory requirements as soon as is reasonably practicable and, in any event, within any time frame set by any regulator or regulatory process pursuant to which such information has been requested by the Issuer and/or the relevant Dealer;

(xiv) during the primary distribution period of the Notes: (i) not sell the Notes at any price other than the Issue Price (unless otherwise agreed with the Issuer and the relevant Dealer); (ii) not sell the Notes otherwise than for settlement on the

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

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

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

(xvii) if it conveys or publishes any communication (other than the Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Public Offer) in connection with the relevant Public Offer, ensure that such communication (i) is fair, clear and not misleading and complies with the Rules, (ii) states that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that neither the Issuer nor the relevant Dealer accepts any responsibility for such communication and (iii) does not, without the prior written consent of the Issuer or the relevant Dealer (as applicable), use the legal or publicity names of the Issuer or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the Notes on the basis set out in the Base Prospectus;

(b) agrees and undertakes to indemnify each of the Issuer and the relevant Dealer (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons (each a "**Relevant Party**") against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer or the relevant Dealer. Neither the Issuer nor any Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this provision; and;

(c) in respect of Notes governed by English law, agrees and accepts that:

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

(ii) subject to (iv) below, the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) and accordingly submits to the exclusive jurisdiction of the English courts;

(iii) for the purposes of (ii) and (iv), the relevant financial intermediary waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;

(iv) to the extent allowed by law, the Issuer and each relevant Dealer may, in respect of any dispute, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions; and

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

(vi) satisfy any further conditions specified in the applicable Final Terms,

in each case for so long as they are authorised to make such offers under UK MiFIR.

Any Authorised Offeror falling within 2 (a)-(c) who meets the conditions set out in paragraph 2 and the other conditions stated in "Common Conditions to Consent" below and who wishes to use this Base Prospectus in connection with a Public Offer is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.

Common Conditions to Consent

The conditions to the Issuer's consent to the use of this Base Prospectus in the context of the relevant Public Offer are (in addition to the conditions described in Part B of the applicable Final Terms if the applicable Final Terms specifies "*General Consent*" as "*Applicable*") that such consent:

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

(b) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Notes in the United Kingdom.

For the avoidance of doubt, none of the Issuer or any Dealers shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and shall therefore have no liability in this respect.

The consent referred to above relates to Offer Periods (if any) occurring within twelve (12) months from the date of the approval of this Base Prospectus by the FCA.

In the event the applicable Final Terms designate Authorised Offeror(s) to whom the Issuer have given its consent to use this Base Prospectus during an Offer Period, the Issuer may also give consent to Additional Authorised Offeror(s) so long as they are authorised to make such offers under UK MiFIR (also an Authorised Offeror) after the date of the applicable Final Terms and, if it does so, it will publish any new information in relation to such Additional Authorised Offeror(s) who are unknown at the time of the approval of this Base Prospectus or the filing of the applicable Final Terms at https://www.cibc.com/en/about-cibc/investor-relations/debt-information/structured-note-issuance-programme.html.

ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO A POTENTIAL INVESTOR BY AN AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH POTENTIAL INVESTOR INCLUDING AS TO PRICE ALLOCATIONS AND SETTLEMENT ARRANGEMENTS (THE TERMS AND CONDITIONS OF THE PUBLIC OFFER). THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH POTENTIAL INVESTORS (OTHER THAN DEALERS) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION AND A POTENTIAL INVESTOR MUST OBTAIN SUCH INFORMATION FROM THE AUTHORISED OFFEROR. THE TERMS AND CONDITIONS OF THE PUBLIC OFFER SHALL BE PROVIDED TO POTENTIAL INVESTORS BY THAT AUTHORISED OFFEROR AT THE TIME OF THE PUBLIC OFFER. NONE OF THE ISSUER, OR ANY DEALER OR OTHER AUTHORISED OFFERORS HAVE ANY RESPONSIBILITY OR LIABILITY FOR SUCH INFORMATION.

Save as provided above, neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any Public Offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

USER'S GUIDE

This **User's Guide** aims to:

- Provide potential investors with an overview of the principal documentation relating to Notes issued pursuant to the Programme. (Please refer to the section of this User's Guide entitled *Documentation* (see page 90).

- Help potential investors understand the different sections of the Base Prospectus. (Please refer to the section of this User's Guide entitled *Roadmap for the Base Prospectus* (see page 91).

- Help potential investors identify and navigate the sections of the Conditions that may be relevant to a particular Series of Notes and the circumstances in which a particular Series of Notes may be subject to Early Redemption. (Please refer to the remaining sections of this User's Guide.)

Capitalised terms used in this User's Guide are defined in the Definitions Condition of the Base Prospectus or in the particular section where the capitalised terms are first used herein. Definitions are designated by the capitalised term being in bold text.

IMPORTANT NOTICE

THIS USER'S GUIDE DOES NOT PURPORT TO BE A GUIDE TO THE TERMS OF EACH SERIES OF NOTES OR A GUIDE AS TO ALL OF THE CONDITIONS OF ANY ONE SERIES OF NOTES. THIS USER'S GUIDE IS QUALIFIED IN ITS ENTIRETY BY THE DETAILED CONTENTS OF THE BASE PROSPECTUS (AS THE SAME MAY BE SUPPLEMENTED FROM TIME TO TIME) AND, IN RELATION TO ANY PARTICULAR SERIES OF NOTES, THE APPLICABLE CONDITIONS (AS COMPLETED BY THE APPLICABLE FINAL TERMS). AS SUCH, IT IS NOT A SUBSTITUTE FOR READING THE BASE PROSPECTUS (AS THE SAME MAY BE SUPPLEMENTED FROM TIME TO TIME) AND THE APPLICABLE FINAL TERMS, THAT PROSPECTIVE INVESTORS SHOULD READ AND ENSURE THEY UNDERSTAND BEFORE MAKING ANY DECISION TO INVEST IN NOTES.

THE CROSS-REFERENCES PROVIDED IN THIS USER'S GUIDE ARE ONLY AN INDICATION OF THE MAIN SECTIONS OF THE BASE PROSPECTUS FOR THE SUBJECT MATTER BEING DESCRIBED. THIS DOES NOT PRECLUDE OTHER SECTIONS OF THE BASE PROSPECTUS AND/OR THE FINAL TERMS HAVING A BEARING ON THE RETURN DUE TO INVESTORS OR THEIR RIGHTS UNDER THE NOTES AND THIS USER'S GUIDE SHOULD BE READ IN THIS LIGHT.

NOTES CAN BE VOLATILE INSTRUMENTS. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD ENSURE THAT THEY UNDERSTAND FULLY THE NATURE OF THE NOTES AND MUST BE FULLY PREPARED TO SUSTAIN A TOTAL LOSS OF THEIR INVESTMENT IN THE NOTES.

DOCUMENTATION

Various types of Notes may be issued under the Programme and these are described in more detail in the Base Prospectus. Potential investors should read and ensure they understand the suite of documentation pursuant to which different types of Notes will be offered pursuant to the Base Prospectus. An overview of the documentation is set out below.

The Base Prospectus

The Base Prospectus contains information regarding:

- the form of the Notes,
- the Conditions of the Notes
- the Issuer
- the principal risks associated with an investment in the Notes.

The Base Prospectus may be supplemented by the Issuer. As such, potential investors should ensure that when reviewing the Base Prospectus, they also review each supplement (if any) to the Base Prospectus. Potential investors should also be aware that some information in the Base Prospectus is incorporated into it by reference and therefore may need to be accessed separately.

Final Terms

The Final Terms set out information specific to a particular Series of Notes and complete the contractual terms and conditions for that Series of Notes. In certain cases, summary information relating to the Issuer and the Notes will be appended to the Final Terms in what is referred to as an "Issue Specific Summary".

The Agency Agreement

The Issuer has entered into an amended and restated agency agreement pursuant to which it has appointed Deutsche Bank AG, London Branch to act as its agent in performing certain operational duties in connection with the Notes. The Agency Agreement also includes the form of certain notices that may be delivered either to or from Noteholders in accordance with the Conditions of a Series of Notes.

The Dealership Agreement

The Issuer has entered into an amended and restated dealership agreement pursuant to it has agreed with the Dealers referred to in the Base Prospectus the terms on which they will issue and subscribe for Notes, respectively.

Deed of Covenant

The Issuer has entered into a deed of covenant, pursuant to which Noteholders will, subject to the conditions thereof and the terms and conditions of the Notes, be contractually entitled to take proceedings against the Issuer in the event that the Notes have become due and repayable but have not been repaid in full and become void as a consequence.

ROADMAP FOR THE BASE PROSPECTUS

This Base Prospectus is split up into a number of sections, each of which is briefly described below. The sections referred to below are relevant for all investors.

Section	Page
General Description of the Programme provides a general description of the Programme.	15
Risk Factors provides details of the principal risks associated with the Issuer and the Notes	20
Retail Cascades provides details of the general consent or the specific consent to use the Base Prospectus given by the Issuer in relation to Public Offers	82
User's Guide provides details of how an investment in the Notes works and how payments under the Notes are calculated, including a number of worked examples, and explains that the Notes are linked to the performance of Preference Shares, which are linked to the performance of an underlying index or basket of indices, in accordance with the type of Preference Shares issued.	89
Incorporation by Reference provides details of the documents incorporated by reference which form part of this Base Prospectus and which are publicly available.	147
General Conditions of the Notes sets out the general terms and conditions which govern the Notes.	198
Definitions Conditions sets out defined terms that are used in the General Conditions	264
Annexes to the Conditions set out additional terms and conditions that apply to certain Notes linked to an underlying asset or basket of underlying assets	280
Form of Notes provides information regarding Notes issued in global form and issued into certain clearing systems.	150
Form of Final Terms sets out the template of the "Final Terms", a document which will be filled out for each issue of Notes and which will complete the terms and conditions in respect of such issue of Notes.	161
Use of Proceeds provides details of what the Issuer intends to do with the subscription monies it receives for the Notes it issues.	432
Taxation provides a summary of the withholding tax position in relation to the Notes in the United Kingdom and also provides information in relation to the proposed financial transactions tax.	444
Subscription and Sale of Notes sets out details of the arrangements between the Issuer and the Dealers as to the offer and sale of Notes and summarises selling restrictions that apply to the offer and sale of Notes in various jurisdictions.	451
General Information provides additional, general disclosure in relation to the Programme and the Issuer not included in other sections of the Base Prospectus.	462

THE FINAL TERMS

A Final Terms document is prepared in connection with each Series of Notes for the purposes of setting out the elections that complete the Conditions applicable to that Series of Notes and to provide certain issue-specific and related information.

The Final Terms is split into two parts (Part A and Part B). The table below summarises the broad function of Part A and Part B of the Final Terms in respect of a Series of Notes and provides an overview of the different sections of those two parts.

Part A	Part B
General elections relating to the Notes	Specific disclosure in respect of the Notes
• Elections relating to Interest	• Listing and admission to trading
• Elections relating to Redemption	• Ratings
• Elections related to Preference Share Linked Notes	• Interests of natural and legal persons involved
• Elections relating to the Underlying (if applicable)	• Reasons for the offer, estimated net proceeds and expenses
• Other elections which complete the General Conditions	• Yield of the Notes
Additional details may be completed in an Annex to the Final Terms	• Performance of rates
	• Performance of the Underlying and other information concerning the Underlying
	• Distribution
	• Operational Information
	• Terms and Conditions of the Public Offer

INTEREST

Interest on Notes may be determined by reference to a fixed rate or a floating rate. For the purposes of this User's Guide, Notes of this type are referred to as Notes that bear **General Interest**.

Notes may alternatively bear interest determined by reference to an Underlying Asset and/or by reference to a formula. For the purposes of this User's Guide, Notes of this type are referred to as Notes that bear **Structured Interest**.

The table below summarises the sections of the Conditions set out in the Base Prospectus that will be relevant to holders of Notes bearing General Interest or Structured Interest.

Notes bearing General Interest

Fixed Rate Notes

Interest on Fixed Rate Notes is determined principally by reference to:

General Condition 4.1 (*Interest on Fixed Rate Notes*)

+

The elections specified in paragraph "Fixed Rate Note" of the applicable Final Terms

Floating Rate Notes

Interest on Floating Rate Notes is determined principally by reference to:

General Condition 4.2 (*Interest on Floating Rate Notes*)

+

The elections specified in paragraph "Floating Rate Note" of the applicable Final Terms

Notes bearing Structured Interest

Structured Interest is determined principally by reference to:

General Condition 4.3 (*Interest on Linked Interest Notes*) and 4.7 (*Accrual of Interest*)

+

The elections specified in paragraph 22 of the applicable Final Terms

Understanding how Structured Interest is determined

Structured Interest will be determined by reference to one or more Underlying Assets.

Information relating to the Underlying Asset(s) will be specified in the paragraph "PROVISIONS RELATING TO THE UNDERLYING(S) IF ANY" of the Final Terms. Paragraph "PROVISIONS RELATING TO THE UNDERLYING(S) IF ANY" is split into various sub-paragraphs that relate to different types of Underlying Assets. The terms and conditions relating to Underlying Assets are set out in separate chapters in Annex 1 – Asset Conditions (the "**Asset Conditions**").

The calculations used to determine the Structured Interest will be an "**Interest Payoff**".

The terms and conditions used to determine the various Interest Payoffs are set out in Annex 2 (the "**Interest Payoff Conditions**").

Information relating to the Interest Payoff(s) (if any) will be set out in paragraph "Interest Payoff Provisions" in the applicable Final Terms.

REDEMPTION

A Series of Notes may be redeemed on its scheduled maturity date by repayment of the nominal amount outstanding in respect of such Series of Notes (subject to certain adjustments, as set out in the applicable Conditions). For the purposes of this User's Guide, Notes of this type are referred to as Notes that are subject to **General Redemption**.

A Series of Notes may alternatively be redeemed on its scheduled maturity date by payment of an amount determined by reference to an Underlying Asset and/or a formula. For the purposes of this User's Guide, Notes of this type are referred to as Notes that are subject to **Structured Redemption**.

The table below summarises the sections of the Conditions set out in the Base Prospectus that will be relevant to holders of Notes subject to General Redemption and Structured Redemption.

Notes subject to General Redemption

The amount payable on redemption is determined principally by reference to:

General Condition 6.1 (*Final Redemption*)

+

Redemption Method Condition 2 (Standard Redemption) of Annex 4 (Redemption Method Conditions)

+

The elections specified in paragraph "Redemption Method" of the applicable Final Terms

Notes subject to Structured Redemption

The amount payable on redemption is determined principally by reference to:

General Condition 6.1 (Final Redemption)

+

Redemption Method Condition 3 (Bonus Certificate), 4 (Reverse Convertible) or 5 (Barrier Reverse Convertible of Annex 4 (Redemption Method Conditions)

+

The elections specified in paragraph "Redemption Method" and "Provisions Relating to the Underlying(s) if Any" of the applicable Final Terms

Understanding how Structured Redemption is determined

- Structured Redemption Amounts will be determined by reference to one or more Underlying Assets.
- Information relating to the Underlying Asset(s) will be specified in the paragraph "Provisions Relating to the Underlying(s) if Any" of the Final Terms. Paragraph "Provisions Relating to the Underlying(s) if Any" is split into various sub-paragraphs that relate to different types of Underlying Assets. The terms and conditions relating to Underlying Assets are set out in separate chapters in Annex 1 – *Asset Conditions*
- The calculation used to determine a Structured Redemption amount will be a Redemption Payoff.
- The terms and conditions used to determine the various Redemption Payoffs are set out in Annex 4 (the "**Redemption Method Conditions**")
- Information relating to the Redemption Payoff(s) (if any) will be set out in paragraph "Redemption Payoff Provisions" of the applicable Final Terms.

EARLY REDEMPTION

A Series of Notes may be redeemed before its scheduled maturity date on the occurrence of certain events (for the purposes of this User's Guide, **Early Redemption Events**). The Early Redemption Events, which are applicable to a Series of Notes only to the extent specified in the applicable Final Terms, are set out in the General Conditions and certain of the Additional Terms and Conditions.

The table below summarises which sections of the Conditions set out in the Base Prospectus will be relevant to holders of Notes that may be redeemed before their scheduled maturity in addition to the sections of the Conditions set out in the Base Prospectus relating to Events of Default, disruption and similar events (as referred to below).

Early Redemption Events	
Redemption for tax reasons	Illegality or Force Majeure
Early Redemption at the Issuer's option (Call)	Automatic (Autocall) Redemption
Early Redemption at the Noteholder's option (Put)	

Events of Default

In addition to any Early Redemption Events that apply in respect of a Series of Notes, a Noteholder shall be entitled to declare any Notes held by it to be forthwith due and payable following the occurrence of an Event of Default in respect of those Notes. The Events of Default that will apply in respect of a Series of Notes are set out in General Condition 10.

Disruption and similar events

The Conditions of certain types of Notes (such as Notes that are linked to an Underlying Asset) may provide for those Notes to be redeemed following the occurrence of certain other events (such as "**Market Disruption Events**" and "**Additional Disruption Events**"). The specific events that may trigger early redemption of Notes are set out in the applicable Additional Terms and Conditions.

ADDITIONAL TERMS AND CONDITIONS

This section of the User's Guide provides a more detailed overview of the various parts of the Additional Terms and Conditions that may or may not be applicable to a particular Series of Notes.

Additional Terms and Conditions relating to Underlying Assets

The Asset Conditions (which are set out in Annex 1 on pages 280-332 of the Base Prospectus) are set out in separate chapters, each of which sets out additional terms and conditions for Notes linked to one of the following asset classes:

- Indices (Chapter 1) at pages 281-295 of the Base Prospectus
- Equities (Chapter 2) at pages 296-305 of the Base Prospectus
- Funds (Chapter 3) at pages 306-326 of the Base Prospectus

Additional Terms and Conditions relating to interest and/or redemption

Parts of some or all of the following Additional Terms and Conditions will be appliable where Notes bear structured interest or will be subject to structured redemption:

- The **Interest Payoff Conditions** set out at pages 333-335 of the Base Prospectus set out additional terms and conditions that may apply to interest payments in respect of a Series of Notes.
- The **Automatic Early Redemption Conditions** set out at pages 336-338 of the Base Prospectus set out additional terms and conditions that may apply to the early redemption in respect of a Series of Notes.
- The **Redemption Method Conditions** set out at pages 339-343 of the Base Prospectus set out additional terms and conditions for Notes which apply one or more features (if any) for the purposes of determining final redemption payments in respect of a Series of Notes.

Additional Terms and Conditions relating to Preference Share Linked Notes

The Preference Share Linked Notes are linked to Preference Shares issued by the Preference Share Issuer. The general terms and conditions of each series of Preference Shares are set out on pages 344-349 of the Base Prospectus. The relevant Preference Shares may also be linked to an underlying asset. The terms and conditions relating to underlying assets to which Preference Shares may be linked are set out on pages 350-431 of the Base Prospectus.

Investors in Preference Share Linked Notes should note that the terms and conditions of the Preference Shares contain specific provisions relating to redemption (including early redemption).

HOW THE RETURN ON YOUR INVESTMENT IS CALCULATED

THE WORKED EXAMPLES PRESENTED BELOW ARE HYPOTHETICAL SCENARIOS WHICH ARE PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY AND ARE IN NO WAY REPRESENTATIVE OF ACTUAL PRICING TERMS. THE EXAMPLES ARE INTENDED TO DEMONSTRATE HOW AMOUNTS PAYABLE UNDER THE NOTES ARE CALCULATED UNDER A VARIETY OF SCENARIOS. THE ACTUAL AMOUNTS PAYABLE (IF ANY) WILL BE CALCULATED IN ACCORDANCE WITH THE TERMS OF YOUR NOTES AS SET OUT IN THE 'TERMS AND CONDITIONS' SECTION OF THIS BASE PROSPECTUS.

Interest: For worked examples showing how the type of interest specified to apply to your Notes is calculated, please see the following:

- Fixed interest.....page 99
- Fixed interest, with conditional bonus coupon.....page 100
- Conditional coupon .....page 102
- Floating rate interest .....page 103
- Phoenix without memory interest.....page 105
- Phoenix with memory interest.....page 106

Automatic early redemption (autocall) following an Automatic Early Redemption Event: All Notes issued under this Base Prospectus for which the Final Terms specifies "Automatic Early Redemption" to be "Applicable" will redeem early upon the occurrence of an Automatic Early Redemption Event (also called an 'autocall event'), following which the nominal amount (or 'face value') of the Notes will be paid to the holder.

For worked examples showing how the automatic early redemption is calculated, please see the following:

- Automatic early (or Autocallable) redemption..... page 109

Final Redemption: For worked examples showing how the type of redemption specified to apply to your Notes is calculated, please see the following:

- Reverse Convertible redemption ..... page 110
- Barrier Reverse Convertible redemption ..... page 111

Types of Notes: Each Series issued under this Base Prospectus will have one of the above types of interest and/or one of the above types of final redemption. For example, a Series may be structured as 'Fixed' interest with "Automatic early redemption". Notes may be issued that do not bear interest.

Key terminology for each of the worked examples below:

- **Calculation Amount:** All amounts of interest or redemption payable under the Notes are calculated by reference to a Calculation Amount which is assumed to be GBP 1,000 in the worked examples. Each Note of a particular series will have the same Calculation Amount.

- **Underlying asset(s):** The "underlying asset(s)" or "underlying" referred to in these worked examples will be one or more underlying indices, equities, preference shares or funds (as specified in the Final Terms).

- **Initial price of an underlying asset:** The "initial price" of an underlying asset reflects the price or level of the underlying asset near the issue date of the Notes and is used as the reference

point for determining the performance of your investment. The “initial price” may be determined in several ways:

(a) it may be specified in the Final Terms;

(b) it may be determined on a particular date (which will be specified in the Final Terms); or

(c) it may be determined on the basis of several days' worth of specific prices (for example, by taking the average, or the highest or lowest of those prices).

- **Final valuation price of an underlying asset:** The “final valuation price” of an underlying asset reflects the price or level of the underlying asset near the final redemption date of the Notes. Like the “initial price”, the “final valuation price” may be determined in several ways:

  (a) it may be determined on a particular date (which will be specified in the Final Terms); or

  (b) it may be determined on the basis of several days' worth of specific prices (for example, by taking the average of those prices, or the highest or lowest of those prices).

- **Closing price or level of an underlying asset:** The closing price or level of an asset is the price or level of that asset at the end of a relevant trading day.

- **Barrier:** A barrier is a threshold price or level which is used to determine: (i) whether or not interest on certain types of Notes will be payable; (ii) whether or not Notes will be automatically redeemed early; and/or (iii) the redemption amount payable upon final redemption of the Notes.

  For example, where applicable, the price or level of the underlying asset(s) must be at or above the relevant interest barrier on the relevant date(s) in order for interest to be payable.

- **Single Asset, All Assets or Worst-of:** Notes may be linked to a single underlying asset or multiple underlying assets (which may be one or more indices, equities, funds or preference shares).

  If there are multiple underlying assets, investors are exposed to the performance of every underlying asset and, in particular, to the worst-performing underlying asset. The performance of an asset is determined by dividing its final valuation price by its initial price or by a strike price indicated in the applicable Final Terms. The asset with the lowest performance will be the “worst performing underlying asset”. Alternatively, the conditions may provide that if, on a valuation date, the official closing price of any underlying asset is less than a specified strike price, that asset is the “worst performing underlying asset”.

- **Capital Protection:** Notes may be fully or partially capital protected at maturity or have no capital protection. Full capital protection means that redemption at maturity is promised at the Nominal Amount of the Notes. Partial capital protection means that redemption at maturity is promised to be at least the amount equal to the percentage of the Nominal Amount of the Notes indicated in the applicable Final Terms. No capital protection means there is no minimum amount promised at redemption and the redemption amount on the Note may be less than the Nominal Amount or may be zero. Whether or not any Notes are capital protected, all payments on such Notes are subject to the Issuer’s credit risk and its ability to pay its obligations on the applicable payment dates.

Key assumptions made for each of the worked examples below, unless otherwise stated therein:

- the Calculation Amount of each Note is GBP 1,000;
- you hold one Note (with a Specified Denomination (or "face value") of GBP 1,000 and a Calculation Amount of GBP 1,000);
- the Settlement Currency is GBP, so interest and redemption payments will be in GBP; and
- the Notes are not redeemed or purchased and cancelled prior to the relevant interest payment date or redemption date (as applicable) and no relevant disruption event occurs.

1. FIXED INTEREST

Fixed interest products pay a periodic and predetermined fixed rate of interest over the life of the product.

Interest calculation:

(i) If the Final Terms specifies the "Interest Payoff" to be "Standard Fixed Interest", on each interest payment date you will receive an amount calculated by multiplying the relevant fixed interest rate by the Calculation Amount.

(ii) If the Final Terms specifies the "Rate of Interest" to be a percentage per annum, on each interest payment date you will receive an amount calculated by multiplying the relevant fixed interest rate by the Calculation Amount and further multiplying by the applicable day count fraction.

The day count fraction, if applicable, represents the number of days in the relevant interest calculation period. For example, if the interest calculation period contains 181 days and the day count fraction "rule" is Actual/365 (Fixed), the day count fraction will be calculated as 181/365.

Impact of an Automatic Early Redemption Event:

If the Notes are automatically redeemed early (i.e. an Automatic Early Redemption Event occurs), no further interest will be paid after the date on which the Notes are redeemed.

WORKED EXAMPLE 1

Assumptions: For the purpose of this worked example only, it is assumed that:

- the Final Terms specifies the "Interest Payoff" to be "Standard Fixed Interest";
- the fixed interest rate is 3 per cent (3%) (per interest calculation period); and
- there are two interest payment dates in each year.

Interest amount payable:

The interest payable amount on each interest payment date will be GBP 30.

This figure is calculated as:

- fixed interest rate of 3% multiplied by the Calculation Amount of GBP 1,000 (i.e. 3% × GBP 1,000).

WORKED EXAMPLE 2

Assumptions: For the purpose of this worked example only, it is assumed that:

- the Final Terms specifies the "Interest Payoff Condition" to be "Standard Fixed Interest":
- the fixed interest rate is 6 per cent (6%) (per annum);
- the day count fraction is "Actual/365 (Fixed)", being the actual number of calendar days in the interest calculation period, divided by 365 days; and
- the actual number of calendar days in the interest calculation period is 181.

Interest amount payable:

The interest payable amount on each interest payment date will be GBP 29.75 (rounded to two decimal places).

This figure is calculated as:

- fixed interest rate of 6% multiplied by the Calculation Amount of GBP 1,000 and further multiplied by the day count fraction of 181/365 (i.e. 6% × GBP 1,000 × 181/365 = GBP 29.75).

2. FIXED INTEREST, WITH CONDITIONAL BONUS COUPON

Fixed interest product that pays a periodic and predetermined fixed rate of interest over the life of the product, plus a conditional fixed or variable coupon on each interest payment date and/or on the maturity date as long as the underlying assets do not drop below the coupon barrier on the corresponding coupon valuation date.

Interest amount payable:

Interest calculation – Fixed interest amount:

If the Final Terms specifies the "Interest Payoff Condition" to be "Standard Fixed Interest", on each interest payment date you will receive an amount calculated by multiplying the relevant fixed interest rate by the Calculation Amount.

The day count fraction, if applicable, represents the number of days in the relevant interest calculation period. For example, if the interest calculation period contains 181 days and the day count fraction "rule" is Actual/365 (Fixed), the day count fraction will be calculated as 181/365.

Interest calculation – Conditional bonus interest amount:

If the Final Terms specifies the "Interest Payoff" to be "Conditional Bonus Amount", on each interest payment date and the interest valuation date falling immediately prior to such interest payment date:

(A) if a Coupon Barrier Event has not occurred in respect of the relevant such interest valuation date, as determined by the Calculation Agent, the interest amount in respect of each Note

payable on such interest payment date shall be calculated by multiplying the relevant specified interest rate amount by the Calculation Amount; or

(B) if a Coupon Barrier Event has occurred in respect of such interest valuation date, as determined by the Calculation Agent, the interest amount in respect of each Note payable on such interest payment date shall be **zero**.

A "Coupon Barrier Event" means, in respect of an interest valuation date, the official closing price or level of the Underlying on such interest valuation date is equal to or greater than the Coupon Barrier Level in respect of such Underlying, as determined by the Calculation Agent.

Impact of an Automatic Early Redemption Event:

If the Notes are automatically redeemed early (i.e. an Automatic Early Redemption Event occurs), no further interest will be paid after the date on which the securities are redeemed.

WORKED EXAMPLE

Assumptions: For the purpose of this worked example only, it is assumed that:

- the Final Terms specifies the "Interest Payoff" to be "Fixed Amount" plus "Conditional Bonus Amount";
- the fixed coupon is 3 per cent (3%) (per interest calculation period);
- the conditional bonus coupon is 0.10% per cent, which is payable on the maturity date if, on the valuation date, the official closing price of the Underlying, as determined by Calculation Agent, is equal to or greater than the Conditional Coupon Payment Level;
- the Conditional Coupon Payment Level is the product of 100% and the initial index level of the Underlying;
- the Notes are linked to one underlying index, the S&P 500 Index;
- the initial index level against which the performance of the Underlying will be measured is USD 4,500;
- in Scenario 1, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 4,950;
- in Scenario 2, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 2,700; and
- there are two interest payment dates in each year.

Interest amount payable:

The fixed interest payable amount on each interest payment date will be GBP 30.

This figure is calculated as the fixed interest rate of 3% multiplied by the Calculation Amount of GBP 1,000 (i.e. 3% × GBP 1,000).

In Scenario 1, the final index level of the S&P 500 Index (4,950) is **greater than** the Conditional Coupon Payment Level (100% x 4,500 = 4,500). Therefore, the conditional bonus coupon amount is payable on the maturity date in an amount of GBP 1.00 in addition to the fixed interest payment.

This figure is calculated as the conditional bonus coupon of 0.1% multiplied by the Calculation Amount of GBP 1,000 (i.e. 0.1% × GBP 1,000).

In Scenario 2, the final index level of the S&P 500 Index (2,700) is **less than** the Conditional Coupon Payment Level (100% x 4,500 = 4,500). Therefore, the conditional bonus coupon will not be paid on the maturity date.

3. CONDITIONAL COUPON

Conditional interest product that pays a periodic and predetermined fixed or variable coupon on each interest payment date and/or on the maturity date, as long as the underlying assets do not drop below the coupon barrier on the corresponding coupon valuation date.

Interest calculation

If the Final Terms specifies the "Interest Payoff" to be "Conditional Amount", on each interest payment date you will receive an amount calculated by multiplying the relevant specified interest rate amount by the Calculation Amount:

(A) if a Coupon Barrier Event has not occurred in respect of such interest valuation date, as determined by the Calculation Agent, the Conditional Amount in respect of each Note payable on such Interest Payment Date shall be the specified interest amount; or

(B) if a Coupon Barrier Event has occurred in respect of such interest valuation date, as determined by the Calculation Agent, the Conditional Amount in respect of each Note payable on such interest payment date shall be **zero**.

A "Coupon Barrier Event" means, in respect of an interest valuation date, the official closing price or level of the Underlying on such interest valuation date is equal to or greater than the Coupon Barrier Level in respect of such Underlying, as determined by the Calculation Agent.

Impact of an Automatic Early Redemption Event:

If the Notes are automatically redeemed early (i.e. an Automatic Early Redemption Event occurs), no further interest will be paid after the date on which the securities are redeemed.

WORKED EXAMPLE:

Assumptions: For the purpose of this worked example only, it is assumed that:

- the scheduled term of the Notes is two years;
- the Final Terms specifies the "Interest Payoff" to be "Conditional Amount";
- the conditional coupon is 6% per cent (per interest calculation period), which is payable on each interest payment date if, on the relevant valuation date the official closing price or level of the Underlying, as determined by Calculation Agent, is equal to or greater than the Conditional Coupon Payment Level;

- the Conditional Coupon Payment Level is the product of 100% and the initial index level of the Underlying;
- the Notes are linked to one underlying index, the S&P 500 Index;
- the initial index level against which the performance of the Underlying will be measured is USD 4,500;
- in Scenario 1, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 4,950;
- in Scenario 2, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 2,700; and
- there is one interest payment date in each year.

Interest amount payable:

(a) First interest payment date (in year 1):

(i) If the closing price or level of the underlying asset (i.e. 4,950 in Scenario 1) is at or above the coupon barrier (i.e. 4,500) on the first interest valuation date, the interest amount payable on the first interest payment date will be GBP 60.

This figure is calculated as:

- fixed interest rate of 6% × Calculation Amount of GBP 1,000; **OR**

(ii) if the closing price or level of the underlying asset (i.e. 2,700 in Scenario 2) is below the interest barrier (i.e. 4,500) on the first interest valuation date, no interest will be paid on the first interest payment date.

(b) Second (and final) interest payment date (in year 2):

(i) If the closing price or level of the underlying asset (i.e. 4,950 in Scenario 1) is at or above the coupon barrier (i.e. 4,500 on the second interest valuation date), the interest amount payable on the second interest payment date will be GBP 60.

This figure is calculated as:

- fixed interest rate of 6% × the Calculation Amount of GBP 1,000; **OR**

(ii) if the closing price or level of the underlying asset (i.e. 2,700 in Scenario 2) is below the interest barrier (i.e. 4,500) on the second interest valuation date, no interest will be paid on the second interest payment date.

4. FLOATING RATE INTEREST

Floating rate interest products pay a variable amount of interest on each interest payment date.

If the Final Terms specifies the “Interest Payoff” to be “Floating Amount”, the rate of interest for each interest calculation period will be determined on the basis of a particular “floating rate”, which will be one of the following:

(a) a rate (or the mean of several rates) which appear(s) on a particular screen page of an information services provider (e.g. Bloomberg or Reuters) on or around the date when interest is calculated;

(b) a swap rate for swap transactions in the specified currency with a designated maturity which appears on a particular screen page on or around the date when interest is calculated; or

(c) the most recently published Bank of England rate for short-term deposits which is published by Reuters on the relevant screen page on the relevant interest determination date.

The relevant floating rate is determined on a fixed date in relation to an interest calculation period and is fixed for the duration of that period. This rate determines how much interest is paid on the interest payment date at the end of that interest calculation period. The floating rate is then recalculated in the same manner for the next interest calculation period.

This floating rate is added to a Margin (which, if applicable, will be a percentage specified in the Final Terms) to provide the applicable “rate of interest”. For example, if the Margin is 1% and the floating rate for a particular interest calculation period is 5%, the rate of interest will be 6%.

This resulting rate of interest may be subject to a maximum or minimum rate of interest, if specified in the Final Terms.

Interest calculation:

On each interest payment date, you will receive an interest amount calculated by:

(a) adding any specified Margin to the floating rate for the particular interest calculation period (determined as above), which will be subject to any specified maximum or minimum rate of interest; and then

(b) multiplying the result of (a) above by the Calculation Amount and then by the applicable day count fraction.

The day count fraction represents the number of days in the relevant interest calculation period. For example, if the interest calculation period contains 181 days and the day count fraction “rule” is Actual/365 (Fixed), the day count fraction will be calculated as 181/365.

WORKED EXAMPLE

Assumptions: For the purpose of this worked example only, it is assumed that:

- the Settlement Currency is EUR, so interest and redemption payments will be in EUR;
- the Calculation Amount of each Note is EUR 1,000;
- the floating rate is 3-month EURIBOR displayed on the corresponding page of the Reuters Screen Page;
- the margin (used to upsize or downsize the floating rate) is plus 1.00%;
- the rate of interest is subject to a minimum rate of 0% and a maximum rate of 7% per annum;
- the day count fraction is 'Actual/365 (Fixed)', being the actual number of calendar days in the interest calculation period, divided by 365 days; and

- the actual number of calendar days in the interest calculation period is 181.

Interest amount payable:

(a) if the floating rate for a given interest calculation period is set at 3.6% per annum:

The interest amount payable on the interest payment date will be equal to EUR 22.81 (rounded to two decimal places).

This figure is calculated as EUR 1,000 × rate of interest of 4.6% × day count fraction of 181/365 (i.e. EUR 1,000 × 4.6% × 181/365 = EUR 22.81). The rate of interest (4.6%) is calculated as the floating rate of 3.6% + Margin of 1.00%. It is not affected by the minimum or maximum rate of interest; **OR**

(b) if the floating rate for a given interest calculation period is set at 6.5% per annum:

The interest amount payable on the interest payment date will be equal to EUR 34.71 (rounded to two decimal places).

This figure is calculated as EUR 1,000 × rate of interest 7% × day count fraction of 181/365 (i.e. EUR 1,000 × 7 × 181/365 = EUR 34.71). The maximum rate of interest (7%) is used because the sum of the floating rate (6.5%) and the Margin (being 1%) is 7.5%, which is greater than the maximum rate of interest of 7%. In this scenario the rate of interest is capped at 7%.

5. PHOENIX WITHOUT MEMORY INTEREST

If the Final Terms specifies the “Interest Payoff” to be “Phoenix Without Memory”, on each interest payment date you will receive an amount calculated as set out below.

Interest calculation:

Phoenix without memory interest products pay a specified fixed rate of interest if the underlying asset(s) perform in a particular way.

Interest is payable if the closing price or level of the underlying asset(s) on the date on which interest is calculated (the “interest valuation date”) is/are at or above the corresponding interest threshold(s) (each threshold, an “interest barrier'”).

If this occurs, the amount of interest that you will receive in respect of that interest valuation date is calculated by multiplying the fixed interest rate by the Calculation Amount.

You will receive this amount either: (a) on a specific interest payment date set out in the Final Terms; or (b) if the Interest Payment Date is specified to be 'Final Redemption Date' in the Final Terms, on the date on which the Notes are redeemed.

Impact of an Automatic Early Redemption Event:

If the Notes are automatically redeemed early (i.e. an Automatic Early Redemption Event occurs), no further interest will be paid after the date on which the Notes are redeemed.

WORKED EXAMPLE

Assumptions: For the purpose of this worked example only, it is assumed that:

- the scheduled term of the Notes is two years;
- there is only one underlying asset, the S&P 500 Index;
- the initial price or level of the underlying asset is GBP 4,500;
- the interest barrier in respect of each interest valuation date is 100% of the initial price of the underlying asset (i.e. 4,500);
- in Scenario 1, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 4,950;
- in Scenario 2, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 2,700;
- the fixed interest rate is 6% (per interest calculation period); and
- there is one interest valuation date and one interest payment date in each year.

Interest amount payable:

(a) **First interest payment date (in year 1):**

(i) if the closing price or level of the underlying asset (i.e. 4,950 in Scenario 1) is at or above the interest barrier (i.e. 4,500) on the first interest valuation date, the interest amount payable on the first interest payment date will be GBP 60.

This figure is calculated as fixed interest rate of 6% × Calculation Amount of GBP 1,000;

OR

(ii) if the closing price or level of the underlying asset (i.e. 2,700 in Scenario 2) is below the interest barrier (i.e. 4,500) on the first interest valuation date, no interest will be paid on the first interest payment date.

(b) **Second (and final) interest payment date (in year 2):**

(i) if the closing price or level of the underlying asset (i.e. 4,950 in Scenario 1) is at or above the interest barrier (i.e.4,500 on the second interest valuation date, the interest amount payable on the second interest payment date will be GBP 60.

This figure is calculated as fixed interest rate of 6% × Calculation Amount of GBP 1,000;

OR

(ii) if the closing price or level of the underlying asset (i.e. 2,700 in Scenario 2) is below the interest barrier (i.e. 4,500) on the second interest valuation date, no interest will be paid on the second interest payment date.

6. PHOENIX WITH MEMORY INTEREST

If the Final Terms specifies the “Interest Payoff” to be “Phoenix With Memory”, on each interest payment date you will receive an amount calculated as se out below.

Interest calculation:

Phoenix with memory interest products pay a specified fixed rate of interest if the underlying asset(s) perform in a particular way.

Interest is payable if the closing price or level of the underlying asset(s) on the date on which interest is calculated (the "**interest valuation date**") is/are at or above the corresponding interest threshold(s) (each threshold, an "**'interest barrier**").

If this occurs, the amount of interest that you will receive in respect of that interest valuation date will be equal to the Calculation Amount multiplied by the fixed interest rate multiplied by the number of interest valuation dates, minus the aggregate amount of interest (if any) previously paid on all the interest valuation dates preceding that interest valuation date.

You will receive this amount either: (a) on a specific interest payment date set out in the Final Terms; or (b) if the Interest Payment Date is specified to be 'Final Redemption Date' in the Final Terms, on the date on which the Notes are redeemed.

Impact of an Automatic Redemption Event:

If the Notes are automatically redeemed early, i.e. an Automatic Redemption Event occurs, no further interest will be paid after the date on which the securities are redeemed.

WORKED EXAMPLE

Assumptions: For the purpose of this worked example only, it is assumed that:

- the scheduled term of the Notes is 2 years;
- there is only one underlying asset, the S&P 500 Index;
- the initial price or level of the underlying asset is GBP 4,500;
- the interest barrier in respect of each interest valuation date is 100% of the initial price of the underlying asset (i.e. 4,500);
- in Scenario 1, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 4,950;
- in Scenario 2, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 2,700;
- the fixed interest rate is 6% (per interest calculation period); and
- there is one interest valuation date and interest payment date in each year.

Interest amount payable:

(a) First interest valuation date (in year 1):

(i) if the closing price or level of the underlying asset (i.e. 4,950 in Scenario 1) is at or above the interest barrier (i.e. 4,500) on the first interest valuation date, the interest amount payable on the first interest payment date will be GBP 60.

This figure is calculated as:

- Calculation Amount of GBP 1,000 x fixed interest rate of 6% x 1 (where t, being the number of interest valuation dates, equals 1), **LESS**
- 0 (i.e. the amount of interest (if any) previously paid.

OR

(ii) if the closing price or level of the underlying asset (i.e. 2,700 in Scenario 2) is below the interest barrier (i.e. 4,500) on the first interest valuation date, no interest will be paid on the first interest payment date.

(b) Second (and final) interest valuation date (in year 2), assuming that no interest was paid on the first interest payment date (as described in (a)(ii) above):

(i) if the closing price or level of the underlying asset (i.e. 4,950 in Scenario 1) is at or above the interest barrier (i.e. 4,500) on the second interest valuation date, the interest amount payable on the second interest payment date will be GBP 120.

This figure is calculated as:

- Calculation Amount of GBP 1,000 x fixed interest rate of 6% x 2 (where t, being the number of interest valuation dates, equals 2), LESS
- 0 (i.e. the amount of interest (if any) previously paid).

OR

(ii) if the closing price or level of the underlying asset (i.e. 2,700 in Scenario 2) is below the interest barrier (i.e. 4,500) on the second interest valuation date, no interest will be paid on the second interest payment date.

(c) Second (and final) interest valuation date (in year 2), assuming that interest of GBP 60 was paid on the first interest payment date (as described in (a)(i) above):

(i) if the closing price or level of the underlying asset (i.e. 4,950 in Scenario 1) is at or above the interest barrier (i.e. 4,500) on the second interest valuation date, the interest amount payable on the second interest payment date will be GBP 60.

This figure is calculated as:

- Calculation Amount of GBP 1,000 x fixed interest rate of 6% x 2 (where t, being the number of interest valuation dates, equals 2), LESS
- 60 (i.e. the amount of interest (if any) previously paid).

OR

(ii) if the closing price or level of the underlying asset (i.e. 2,700 in Scenario 2) is below the interest barrier (i.e. 4,500) on the second interest valuation date, no interest will be paid on the second interest payment date.

7. AUTOMATIC EARLY REDEMPTION ("AUTOCALL")

Automatic early redemption (autocall) products may be automatically redeemed early (prior to the scheduled redemption date) following the occurrence of an "auto-call event", following which the nominal amount of the Notes will be paid to the holder.

Whether or not the Notes are automatically early redeemed will depend on whether the valuation price of the underlying asset or every underlying asset or the underlying basket is at or above the auto-call barrier on the corresponding auto-call valuation date (an "**autocall event**"). Such auto-call valuation will apply on each autocall valuation date up to (and including) the earlier of: (1) the auto-call valuation date on which an autocall event is deemed to have occurred, and (2) the final autocall valuation date prior to the scheduled redemption date of the Notes.

The auto-call barrier is calculated by taking a particular fixed percentage of the initial price of the underlying asset or every underlying asset or the performing asset in the underlying basket (as indicated in the applicable Final Terms). For example, the autocall barrier might be 110% of the initial price.

Subsequent to the payment of the early redemption amount on the redemption date corresponding to the auto-call valuation date on which the autocall event occurs, no further payment shall be payable under the Notes.

***Calculation of the early redemption amount for Autocallable redemption*:**

If an auto-event has occurred on the relevant auto-call valuation date, then the Early Redemption Amount for the Notes will be calculated as follows:

Early Redemption Amount = Calculation Amount x 100%

WORKED EXAMPLE

Assumptions: For the purpose of this worked example only, it is assumed that:

- the Final Terms specifies "Automatic (Autocall) Early Redemption" to be "Applicable";
- the Notes are linked to one underlying index, the S&P 500 Index;
- the initial index level against which the performance of the Underlying will be measured is USD 4,500;
- in Scenario 1, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 4,950;
- in Scenario 2, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 2,700;
- an auto-call event occurs if the index level of the underlying index on any auto-call valuation date is equal to or greater than the auto-call barrier; and
- the auto-call barrier is 100% of the initial level of the underlying asset (i.e. 4,500).

Automatic Redemption (Autocall):

(a) First autocall valuation date (in year 1):

(i) If the closing price or level of the underlying asset (i.e. 4,950 in Scenario 1) is 4,500 (or higher) on the first auto-call valuation date, the Notes will automatically redeem and you will receive GBP 1,000 (i.e. the Calculation Amount of the Note) on the auto-call redemption date.

This figure is calculated as:

Calculation Amount of GBP 1,000 x 100%; **OR**

(ii) if the closing price or level of the underlying asset (i.e. 2,700 in Scenario 2) is below 4,500 on the first auto-call valuation date, the Notes will not automatically redeem at that time.

(b) Second autocall valuation date (in year 2): assuming the Notes have not been automatically redeemed on the first auto-call valuation date (as described in (a)(ii) above):

(i) If the closing price or level of the underlying asset (i.e. 4,950 in Scenario 1) is 4,500 (or higher) on the second auto-call valuation date, the Notes will automatically redeem and the holder will receive GBP 1,000 (i.e. the Calculation Amount of the Note) on the auto-call redemption date.

This figure is calculated as:

Calculation Amount of GBP 1,000 x 100%; **OR**

(ii) if the closing price or level of the underlying asset (i.e. 2,700 in Scenario 2) is below 4,500 on the second auto-call valuation date, the Notes will not automatically redeem at that time

(and this same test will be applied on each subsequent autocall valuation date up until the scheduled redemption date assuming the Notes have not been automatically redeemed on the previous auto-call valuation date).

8. REVERSE CONVERTIBLE

Reverse Convertibles products provide for a redemption amount at the end of the term of the Notes (i.e., the redemption amount is at least equal to 100% of the nominal or par value of the Notes) depending on whether the value of the underlying asset(s) at redemption is above the specified strike price (usually a specified percentage of the initial valuation price of such underlying asset(s)).

If the applicable Final Terms provide “Cash Settlement” is applicable, investors receive a redemption amount in the settlement currency depending on the performance of the underlying asset(s). If final valuation price of the underlying asset is at or above the specified strike price of the underlying asset(s), the redemption amount will at least be equal to 100% of the nominal or par value of the Notes. In all other cases, the investor receives a redemption amount taking into account the performance of the underlying asset(s).

If the applicable Final Terms provide “Cash Settlement or Physical Settlement” is applicable, investors receive a redemption amount in the settlement currency or the physical delivery of the underlying asset(s) depending on the performance of the underlying asset(s). If the final valuation price of the underling asset is at or above the specified strike price, the redemption amount will at least be equal to 100% of the nominal or par value of the Notes. In all other cases the investor receives delivery of a certain number of the underlying asset(s).

Furthermore, the investor receives a coupon on the relevant coupon payment dates.

Redemption at maturity, subject to early redemption if this is specified in the applicable Final Terms:

(a) On the Maturity Date, investors receive the nominal amount of the Notes if the final valuation price is above or above or equal to the specified strike price or kick-in level.

(b) If the final valuation price is lower than the specified strike price or kick-in level, investors receive a cash amount equal to the final valuation price divided by the specified strike price and multiplied by the Calculation Amount of the Notes.

WORKED EXAMPLE

Assumptions: For the purpose of this worked example only, it is assumed that:

(i) the Final Terms specifies the "Redemption Payoff" to be "Reverse Convertible";

(ii) the Notes are linked to one underlying index, the S&P 500 Index;

(iii) the initial index level against which the performance of the Underlying will be measured is USD 4,500;

(iv) in Scenario 1, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 4,950;

(v) in Scenario 2, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 2,700;

(vi) the strike price is 80% of the initial price of the underlying asset (i.e. 3,600); and

(vii) the Final Terms provide Cash Settlement is applicable.

Final redemption amount payable:

(a) If the final index level of the underlying asset in Scenario 1 is 4,950:

THEN: because the final index level is above the strike price (i.e.3,600), you will receive GBP 1,000 (i.e. the Calculation Amount).

OR

(b) If the final index level of the underlying asset in Scenario 2 is 2,700:

THEN: because the final valuation price is below the strike price (i.e. 3,600), you will only receive GBP 750. This figure is calculated as the final valuation price of 2,700 divided by the strike price of 3,600 and multiplied by the Calculation Amount of GBP 1,000.

9. BARRIER REVERSE CONVERTIBLE

Barrier Reverse Convertible products provide for a conditional redemption amount at the end of the term of the Notes (i.e., the redemption amount is at least equal to 100% of the nominal or par value of the Notes) if the specified barrier is not breached during the term of the Notes.

If the applicable Final Terms provide “Cash Settlement” is applicable, investors receive a redemption amount in the settlement currency depending on the performance of the underlying asset(s). If no barrier event has occurred, the redemption amount will at least be equal to 100% of the nominal or par value of the Notes. In all other cases, the investor receives a redemption amount taking into account the performance of the underlying asset(s).

If the applicable Final Terms provide “Cash Settlement or Physical Delivery” is applicable, investors receive a redemption amount in the settlement currency or the physical delivery of the underlying asset(s) depending on the performance of the underlying asset(s). If no barrier event has occurred, the redemption amount will at least be equal to 100% of the nominal or par value of the Notes. In all other cases the investor receives delivery of a certain number of the underlying asset(s).

Furthermore, the investor receives a coupon on the relevant coupon payment dates.

Redemption at maturity, subject to early redemption if this is specified in the applicable Final Terms

(a) On the Maturity Date, investors receive the nominal amount of the Notes if the final valuation price of the underlying asset is at or above the barrier and/or if the final valuation price is equal to or lower than the specified strike price or kick-in level, but the underlying asset has not fallen below the barrier at any time during the term.

(b) If the final valuation price of the underlying asset is less than the specified strike price or kick-in level and the underlying asset has fallen below the barrier on at least one occasion during the term, investors receive a cash amount equal to the final valuation price divided by the initial valuation price and multiplied by the Calculation Amount of the Notes.

WORKED EXAMPLE

Assumptions: For the purpose of this worked example only, it is assumed that:

(i) the Final Terms specifies the “Redemption Payoff” to be “Barrier Reverse Convertible”

(ii) the Notes are linked to one underlying index, the S&P 500 Index;

(iii) the initial index level against which the performance of the Underlying will be measured is USD 4,500;

(iv) in Scenario 1, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 4,950;

(v) in Scenario 2, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 2,700;

(vi) the strike price is 80% of the initial price of the underlying asset (i.e. 3,600);

(vii) the kick-in barrier is 50% of the initial price of the underlying asset (i.e. 2,250);

(viii) the kick-in barrier period start date is 1 August 2024 and the kick-in barrier period end date is 31 July 2025;

(ix) the final barrier is 50% of the initial price (i.e. USD 2,250); and

(x) the Final Terms indicate “Cash Settlement” is applicable.

Final redemption amount payable:

(a) If the final index level of the underlying asset in Scenario 1 is USD 4950:

THEN: because the final index level is above the final barrier (i.e. 2,250) and the strike price (i.e. 3,600), you will receive GBP 1,000 (i.e. the Calculation Amount).

OR

(b) If the final index level of the underlying asset in Scenario 2 is USD 2,700:

THEN: because the final index level is above the final barrier (i.e. 2,250) and even though it is below the strike price (i.e. 3,600), you will receive GBP 1,000 (i.e. the Calculation Amount).

OR

(c) If the final index level of the underlying asset in Scenario 1 is USD 4,950 and the price or level of the underlying asset has not fallen below USD 2,250 on any trading day within the period from 1 August 2024 to 31 July 2025:

THEN: because a trigger event has not occurred (and even though the final valuation price is below both the final barrier and the strike price), you will receive GBP 1,000 (i.e. the Calculation Amount).

OR

(d) If the final valuation price of the underlying asset in Scenario 2 is USD 2,700 and the price or level of the underlying asset has fallen below GBP 2,250 on at least one trading day within the period from 1 August 2024 to 31 July 2025:

THEN: because a trigger event has occurred (and the final valuation price is below the strike price (i.e. 3,600)), you will only receive GBP 600. This figure is calculated as the final valuation price of USD 2,700 divided by the initial price of USD 4,500 and multiplied by the Calculation Amount of GBP 1,000.

WORKED EXAMPLES – PREFERENCE SHARE LINKED NOTES

PART 1 – THE NOTES

THE WORKED EXAMPLES PRESENTED BELOW ARE FOR ILLUSTRATIVE PURPOSES ONLY AND ARE IN NO WAY REPRESENTATIVE OF ACTUAL PRICING. THE WORKED EXAMPLES ARE INTENDED TO DEMONSTRATE HOW AMOUNTS PAYABLE UNDER THE NOTES ARE CALCULATED UNDER A VARIETY OF SCENARIOS. THE ACTUAL AMOUNTS PAYABLE (IF ANY) WILL BE CALCULATED IN ACCORDANCE WITH THE TERMS OF YOUR NOTES AS SET OUT IN THE GENERAL CONDITIONS SECTION OF THIS BASE PROSPECTUS.

For the purposes of the scenarios below, the nominal amount per Note is assumed to be GBP 1,000 and the issue price is 100% of the nominal amount.

Notes issued pursuant to this Base Prospectus will, upon maturity, pay a redemption amount that is linked to the change in value of the specified preference shares which may fluctuate up or down depending on the performance of one or more reference assets referenced by the preference shares.

The sections below are intended to demonstrate how the return on your investment will be calculated depending upon changes in the value of the reference asset or assets referenced by the preference shares.

The Notes pay a redemption amount that is linked to the change in value of the specified preference shares. The value of the preference shares may fluctuate up or down depending on the performance of one or more specified reference assets to which the preference shares are linked.

Unless your Notes are redeemed early, the amount you may expect to receive in respect of each Note on the maturity date for each Note that you hold will be the nominal amount multiplied by the value of the preference shares on the final valuation date divided by the value of the preference shares on the initial valuation date.

The following examples demonstrate the way in which the performance of the underlying preference shares could result in a positive, neutral and negative return on the Notes. Upon maturity, the Notes will pay a redemption amount, determined in accordance with General Condition 5.1 (Final Redemption). The final redemption amount may be less than the calculation amount, or even be equal to zero.

WORKED EXAMPLE 1: Assuming, for the purpose of this worked example only, that:

• the value of the preference shares on the initial valuation date is 100% (i.e. GBP 1,000)

• the value of the preference shares on the final valuation date is 110% (i.e. GBP 1,100)

• the amount the holder of the Note will receive for each Notes will be GBP 1,100 which is calculated by dividing the value of the preference shares on the final valuation date (being GBP 1,100) by the value of the preference shares on the initial valuation date (being GBP 1,000) and multiplying by the nominal amount of the Note (being GBP 1,000) or, expressed mathematically:

$$\text{GBP } 1{,}000 \times \frac{\text{GBP } 1{,}100}{\text{GBP } 1{,}000} = \text{GBP } 1{,}100$$

WORKED EXAMPLE 2: Assuming, for the purpose of this worked example only, that:

• the value of the Preference Share on the initial valuation date is 100% (i.e. GBP 1,000)

• the value of the Preference Share on the final valuation date is 100% (i.e. GBP 1,000)

• the amount the holder of the Note will receive for each Note will be GBP 1,000 which is calculated by dividing the value of the Preference Share on the final valuation date (being GBP 1,000) by the value of the Preference Share on the initial valuation date (being GBP 1,000) and multiplying by the nominal amount of the Note (being GBP 1,000) or, expressed mathematically:

$$\text{GBP } 1{,}000 \times \frac{\text{GBP } 1{,}000}{\text{GBP } 1{,}000} = \text{GBP } 1{,}000$$

WORKED EXAMPLE 3: Assuming, for the purpose of this worked example only, that:

• the value of the Preference Share on the initial valuation date is 100% (i.e. GBP 1,000)

• the value of the Preference Share on the final valuation date is 80% (i.e. GBP 800)

• the amount the holder of the Note will receive for each Note will be GBP 800 which is calculated by dividing the value of the Preference Share on the final valuation date (being GBP 800) by the value of the Preference Share on the initial valuation date (being GBP 1,000) and multiplying by the nominal amount of the Note (being GBP 1,000) or, expressed mathematically:

$$\text{GBP } 1{,}000 \times \frac{\text{GBP } 800}{\text{GBP } 1{,}000} = \text{GBP } 800$$

PART 2 – PREFERENCE SHARE LINKED NOTES

THE WORKED EXAMPLES PRESENTED BELOW ARE FOR ILLUSTRATIVE PURPOSES ONLY AND ARE IN NO WAY REPRESENTATIVE OF ACTUAL PRICING. THE WORKED EXAMPLES ARE INTENDED TO DEMONSTRATE HOW AMOUNTS PAYABLE UNDER THE PREFERENCE SHARES ARE CALCULATED UNDER A VARIETY OF SCENARIOS. THE ACTUAL AMOUNTS PAYABLE (IF ANY) WILL BE CALCULATED IN ACCORDANCE WITH THE TERMS OF YOUR PREFERENCE SHARES AS SET OUT IN THE TERMS AND CONDITIONS OF THE PREFERENCE SHARES SECTION OF THIS BASE PROSPECTUS.

Key assumptions made for each of the worked examples below (unless otherwise specified in the relevant example):

- the nominal amount per Preference Share (the "**Calculation Amount**") is assumed to be GBP 1,000 and the issue price is 100% of the Calculation Amount;

- the Preference Shares are linked to one underlying asset;

- the initial price of the underlying asset is GBP 100; and

- each of (a) the strike price, (b) the auto-call barrier, (c) the final barrier, (f) the knock-in barrier price, (g) the lower strike price, (h) the upper strike price, (i) the digital barrier, (k) the knock-out barrier, and (n) any valuation price is expressed as a percentage in respect of the initial price of the underlying asset.

Preference Shares described in this Base Prospectus will, upon maturity, pay a redemption amount that is linked to the change in value of one or more underlying indices, equities, funds or exchange traded funds which may fluctuate up or down depending on the performance of such underlying indices, equities, funds or exchange traded funds referenced by the Preference Shares.

The sections below are intended to demonstrate how the return on your investment will be calculated depending upon changes in the value of the reference asset or assets referenced by the preference shares.

Types of Notes

The following section described the types of Notes that will be linked to Preference Shares with particular terms. The Final Redemption Amount of each Series of Notes will be linked to the percentage change in value of the relevant Preference Shares. The redemption price of the Preference Shares will in turn be linked to an index or basket of indices, equity or basket or equities or fund/exchange trade fund or basket of funds/exchanged trade funds. However, for ease of explanation, in the following description the Notes (including the return on the Notes) are described as being linked to an index or basket of indices.

- *Single Underlying Digital Note*
- *Worst of Basket Digital Note*
- *Single Underlying Autocallable Note*
- *Worst of Basket Autocallable Note*
- *Single Underlying (with Geared Put)*
- *Worst of Basket (with Geared Put)*
- *Single Underlying Autocallable Note (with Geared Put)*

- *Worst of Basket Autocallable Note (with Geared Put)*
- *Geared Call Spread with Down and in Put*
- *Geared Asian Call Spread with Down and in Put*
- *Geared Call Spread with Geared Put Downside*
- *Geared Call with Down and In Put*

Final redemption

The Preference Shares pay a final redemption amount that is linked to the change in value of one or more underlying indices, equities, funds or exchange traded funds which may fluctuate up or down depending on the performance of such underlying indices, equities, funds or exchange traded funds to which the Preference Shares are linked.

Unless the Preference Shares are redeemed early or are adjusted, in respect of the Preference Shares, the amount you will receive on the maturity date for the Preference Shares that you hold will be determined in accordance with the applicable type of redemption, as specified in the relevant Preference Share Terms and Conditions and as set out for illustrative purposes below.

For worked examples showing how the type of redemption specified to apply to the Preference Shares is calculated, please see the following:

- Automatic early redemption (Auto-Call)

- Preference Share Early Redemption Event

- Preference Share Final Redemption Amount

Automatic early redemption

Automatic early redemption following an Auto-Call Trigger Event

Overview of Automatic early redemption following an Auto-Call Trigger Event

The Preference Shares may be automatically redeemed early (prior to the scheduled redemption date) following the occurrence of an “Auto-Call Trigger Event” if so specified in the Preference Share Terms and Conditions. Whether or not the Preference Shares are automatically early redeemed will depend on whether the valuation price of the underlying asset or every underlying asset or the underlying basket is at or above the auto-call barrier on the corresponding auto-call valuation date (an “Auto-Call Trigger Event”). Such auto-call valuation will apply on each autocall valuation date up to (and including) the earlier of: (1) the auto-call valuation date on which an Auto-Call Trigger Event is deemed to have occurred, and (2) the final valuation date prior to the scheduled redemption date of the Preference Shares.

The auto-call barrier is calculated by taking a particular fixed percentage of the initial price of the underlying asset or every underlying asset or worst performing asset in the underlying basket. For example, the autocall barrier might be 130% of the initial price.

Subsequent to the payment of the early redemption amount on the redemption date corresponding to the auto-call valuation date on which the Auto-Call Trigger Event occurs, no further payment shall be payable under the Preference Shares.

Calculation of the early redemption amount for automatic early redemption following an Auto-Call Trigger Event:

The early redemption amount shall be calculated in accordance with the formula below. The terms used herein for the purposes of calculating the early redemption amount in respect of an automatic early redemption following an Auto-Call Trigger Event shall have the same meaning as the defined terms used in Preference Share Condition 3.1 (*Automatic early redemption following an Auto-Call Trigger Event*).

If an Auto-Call Trigger Event has occurred on the relevant Auto-Call Valuation Date, then the Preference Share Early Redemption Amount for the Preference Shares will be calculated as follows:

Preference Share Early Redemption Amount = Calculation Amount x Auto-Call Trigger Rate

WORKED EXAMPLE 1: For the purpose of this worked example only, it is assumed that:

• the Preference Shares are denominated in GBP and are linked to one underlying index, the S&P 500 Index

• the Preference Share Terms and Conditions specifies automatic early redemption for an Auto-Call Trigger Event as being applicable

• the calculation amount of the Preference Share is GBP 1,000

• the initial index level of the S&P 500 Index set out in the relevant Preference Share Terms and Conditions is USD 4,500

• for the first and second Auto-Call Valuation Dates respectively, the index level determined by the Calculation Agent is USD 4,275 and USD 4,725 in respect of the S&P 500 Index

• an Auto-Call Trigger Event occurs if the index level of the underlying index on any Auto-Call Valuation Date is equal to or greater than the Auto-Call Barrier

• the Auto-Call Barrier is the product of the initial index level of the index and the Auto-Call Trigger Level in respect of the relevant Auto-Call Valuation Date as below:

Auto-Call Valuation Date	Auto-Call Trigger Level	Auto-Call Trigger Rate
1 August 2024	100%	108%
1 August 2025	100%	116%
1 August 2026	100%	124%
1 August 2027	95%	132%
1 August 2028	85%	140%
1 August 2029	65%	148%

(1) Is the index level of the index equal to or greater than the Auto-Call Barrier?

On the first Auto-Call Valuation Date, the index level of the S&P 500 Index (4,275) is **less than** the Auto-Call Barrier (100% x 4,500 = 4,500), which means that an automatic early redemption (auto-call) does not occur in that scenario.

On the second Auto-Call Valuation Date, the index level of the S&P 500 Index (4,725) is **greater than** the Auto-Call Barrier (100% x 4,500 = 4,500), which means that an automatic early redemption (auto-

call) will occur in that scenario. Therefore, the Preference Shares will automatically redeem early (auto-call) on the redemption date corresponding to the second Auto-Call Valuation Date at a Preference Share Early Redemption Amount equal to the Calculation Amount (GBP 1,000) multiplied by the Auto-Call Trigger Rate (116%) specified for the second Auto-Call Valuation Date.

(2) Calculation of the Preference Share Early Redemption Amount

The Preference Share Early Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 116%, which is equal to GBP 1,160.

WORKED EXAMPLE 2: For the purpose of this worked example only, it is assumed that:

• the Preference Shares are denominated in GBP and are linked to two underlying indices, the S&P 500 Index and the FTSE 100 Index

• the Preference Share Terms and Conditions specify automatic early redemption for an Auto-Call Trigger Event as being applicable

• the calculation amount of the Preference Share is GBP 1,000

• the initial index level of the S&P 500 Index set out in the relevant Preference Share Terms and Conditions is USD 4,500 and the initial index level of the FTSE 100 Index set out in the relevant Preference Share Terms and Conditions is GBP 7,500.

• for the first and second Auto-Call Valuation Dates respectively, the index level determined by the Calculation Agent is USD 4,275 and USD 4,725 in respect of the S&P 500 Index and is GBP 7,125 and GBP 7,875 in respect of the FTSE 100 Index

• an Auto-Call Trigger Event occurs if the index level of each of the underlying indices on any Auto-Call Valuation Date is equal to or greater than the Auto-Call Barrier

• the Auto-Call Barrier is the product of the initial index level of the relevant index and the Auto-Call Trigger Level in respect of the relevant Auto-Call Valuation Date as below:

Auto-Call Valuation Date	Auto-Call Trigger Level	Auto-Call Trigger Rate
1 August 2024	100%	108%
1 August 2025	100%	116%
1 August 2026	100%	124%
1 August 2027	95%	131%
1 August 2028	85%	140%
1 August 2029	65%	148%

(1) Is the index level of each of the indices equal to or greater than the Auto-Call Barrier?

On the first Auto-Call Valuation Date, the index level of the S&P 500 Index (4,275) and index level of the FTSE 100 Index (7,125) are each **less than** the Auto-Call Barrier for the S&P 500 Index (100% x 4,500 = 4,500) and for the FTSE 100 Index (100% x 7,500 = 7,500), which means that an automatic early redemption (auto-call) does not occur in that scenario.

On the second Auto-Call Valuation Date, the index level of the S&P 500 Index (4,725) and the FTSE 100 Index (7,875) are each **greater than** the Auto-Call Barrier for the S&P 500 Index (100% x 4,500 = 4,500) and for the FTSE 100 Index (100% x 7,500 = 7,500), which means that an automatic early redemption (auto-call) will occur in that scenario. Therefore, the Preference Shares will automatically redeem early (auto-call) on the redemption date corresponding to the second Auto-Call Valuation Date at an Preference Share Early Redemption Amount equal to the Calculation Amount (GBP 1,000) multiplied by the Auto-Call Trigger Rate (116%) specified for the second Auto-Call Valuation Date.

(2) Calculation of the Preference Share Early Redemption Amount

The Preference Share Early Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 116%, which is equal to GBP 1,160.

Early redemption following a Preference Share Early Redemption Event

Overview of early redemption following a Preference Share Early Redemption Event

The Preference Shares may be redeemed early (prior to the scheduled redemption date) following the occurrence of a "Preference Share Early Redemption Event" if so specified in the Preference Share Terms and Conditions.

"**Preference Share Early Redemption Event**" means the event that occurs if:

(a) the Calculation Agent determines that for reasons beyond the Preference Share Issuer's control, the performance of the Preference Share Issuer's obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or

(b) any event occurs in respect of which the Adjustment Provisions provide the Preference Shares may be cancelled or redeemed; or

(c) a change in applicable law or regulation occurs that in the determination of the Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Preference Share Issuer being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by the Preference Share Issuer to be onerous to it; or

(d) the Preference Share Issuer is notified by any issuer or obligor of a related financial product that such related financial product has become subject to early redemption.

If the Preference Share Issuer, or the Calculation Agent on behalf of the Preference Share Issuer, determines that there is an Preference Share Early Redemption Event falling within paragraphs (a) to (c) of the definition of Preference Share Early Redemption Event, the Preference Share Issuer, or the Calculation Agent on behalf of the Preference Share Issuer, may, but shall not be obliged to elect to redeem early the outstanding Preference Shares by giving a Preference Share Early Redemption Notice to Shareholders in accordance with Condition 6 (*Notices*) of the Preference Share Terms and Conditions, and if the Preference Share Issuer, or the Calculation Agent on behalf of the Preference Share Issuer, determines that there is an Preference Share Early Redemption Event falling within paragraph (d) of that definition then the Preference Share Issuer, or the Calculation Agent on behalf of the Preference Share Issuer, must redeem early the Preference Shares by giving a Preference Share Early Redemption Notice to Shareholders in accordance with Condition 6 (*Notices*) of the Preference Share Terms and Conditions.

Subsequent to the payment of the early redemption amount on the redemption date corresponding to the early valuation date on which the Preference Share Early Redemption Event occurs, no further payment shall be payable under the Preference Shares.

Calculation of the Preference Share Early Redemption Amount for early redemption following a Preference Share Early Redemption Event:

Where the Preference Shares are redeemed early following an following a Preference Share Early Redemption Event, the "Preference Share Early Redemption Amount" in respect of each Preference Share is an amount expressed in the Settlement Currency calculated by the Calculation Agent as the fair market value (calculated without taking into account the creditworthiness of the Preference Share Issuer) of a Preference Share as of the Preference Early Share Valuation Date taking into account such factor(s) as the Calculation Agent determines appropriate, including, but not limited to, the relevant Preference Early Share Redemption Event after deducting any Associated Costs (to the extent not already reflected in such fair market value).

The terms used herein for the purposes of calculating the Preference Share Early Redemption Amount in respect of an early redemption following a Preference Share Early Redemption Event shall have the same meaning as the defined terms used in Condition 3 (*Early Redemption if there is a Preference Share Early Redemption Event*) of the Preference Share Terms and Conditions.

Preference Share Final Redemption Amount

Overview of Preference Share Final Redemption Amount

Upon redemption, the Preference Shares will pay a redemption amount. The final redemption amount may be less than the calculation amount, or even be equal to zero.

The final redemption amount that a holder of a Preference Share receives will depend on whether the final valuation price of the underlying asset or worst performing underlying asset is at, above or below the final barrier. Where the final valuation price of the underlying asset or worst performing underlying asset or the underlying basket is below the final barrier, the final redemption amount that a holder of a Preference Share receives may also depend on certain other threshold levels including the strike price or the knock-in barrier price, the type of barrier or whether a trigger event has occurred (as applicable).

The final barrier is calculated by taking a particular fixed percentage of the initial price of the underlying asset or the worst performing underlying asset. For example, the strike price might be 90% of the initial price and the final barrier might be 140% of the initial price.

Calculation of the final redemption amount for Preference Share Final Redemption Amount:

The final redemption amount shall be calculated in accordance with the following formulae, as applicable. The terms used herein for the purposes of calculating the final redemption amount in respect of Preference Share Final Redemption Amount shall have the same meaning as the defined terms used in Preference Share Condition 2 (*Redemption and Payment*).

1. SINGLE INDEX DIGITAL

If the Preference Share Terms and Conditions provides for "*Single Index Digital*", then the final redemption amount for each Preference Share shall be calculated in accordance with the following formulae:

(a) if the Final Index Level of the Index on the Valuation Date is **equal to or greater** than the Knock-in Barrier:

Final Redemption Amount = Calculation Amount x Final Redemption Percentage

(b) if the Final Index Level of the Index on the Valuation Date is **strictly less** than the Knock-in Barrier:

Final Redemption Amount = Calculation Amount x Index Performance

WORKED EXAMPLE: For the purpose of this worked example only, it is assumed that:

• the Preference Shares are denominated in GBP and are linked to one underlying index, the S&P 500 Index;

• the calculation amount of the Preference Share is GBP 1,000;

• the Preference Shares have a 5 year term and have not been redeemed prior to their stated maturity date;

• the initial index level set out in the relevant Preference Share Terms and Conditions against which the performance of the Index will be measured is USD 4,500;

• in Scenario 1, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 4,950;

• in Scenario 2, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 2,700;

• the Knock-in Barrier is the product of 80% and the initial index level of the S&P 500 Index (i.e. 80% x USD 4,500 = USD 3,600);

• 150% is the Final Redemption Percentage specified in the relevant Preference Share Terms and Conditions as the percentage applicable in respect of determining the Final Redemption Amount in the event the Final Index Level is greater than or equal to the Knock-In Barrier; and

• Index Performance = $\left(\frac{Final\ Index\ Level}{Initial\ Index\ Level}\right)$

Scenario 1

(1) Is the Final Index Level equal to or greater than the Knock-In Barrier?

In Scenario 1, the Final Index Level of the S&P 500 Index (4,950) is **greater than** the Knock-In Barrier (3,600). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 150% (being the percentage specified in the relevant Preference Share Terms and Conditions as the Final Redemption Percentage applicable in respect of determining the Final Redemption Amount in the event the Final Index Level is greater than or equal to the Knock-In Barrier).

(2) Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 150%, which is equal to GBP 1,500.

Scenario 2

(1) Is the Final Index Level of the index strictly less than the Knock-In Barrier?

In Scenario 2, the Final Index Level of the S&P 500 Index (2,700) is **less than** the Knock-In Barrier (3,600). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by the Index Performance.

(2) What is the Index Performance?

The Final Index Level of the S&P 500 Index (2,700) divided by the initial index level (4,500) is equal to 0.60, and, when expressed as a percentage, is 60%. Therefore, the Index Performance of the S&P 500 Index is 60%.

(3) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by an Index Performance of 60%, which is equal to GBP 600.

2. MULTI INDEX DIGITAL

If the Preference Share Terms and Conditions provides for "*Multi Index Digital*", then the final redemption amount for each Preference Share shall be calculated in accordance with the following formulae:

(a) if the Final Index Level of each of the underlying indices on the Valuation Date is **equal to or greater than** the Knock-in Barrier:

Preference Share Final Redemption Amount = Calculation Amount x Final Redemption Percentage

(b) if the Final Index Level of any one of the underlying indices on the Valuation Date is **strictly less** than the Knock-in Barrier:

Preference Share Final Redemption Amount = Calculation Amount x Worst Performing Index Performance

WORKED EXAMPLE: For the purpose of this worked example only, it is assumed that:

• the Preference Shares are denominated in GBP and are linked to two underlying indices, the S&P 500 Index and the FTSE 100 Index;

• the calculation amount of the Preference Shares is GBP 1,000;

• the Preference Shares have a 5 year term and have not been redeemed prior to their stated maturity date;

• the initial index level set out in the relevant Preference Share Terms and Conditions against which the performance of the S&P 500 Index will be measured is USD 4,500 and the initial index level of the FTSE 500 Index is GBP 7,500;

• in Scenario 1, the final index level determined by the Calculation Agent on the specified time on the specified exchange for the S&P 500 Index is USD 4,950 and the final index level of the FTSE 100 Index is GBP 8,250;

• in Scenario 2, the final index level determined by the Calculation Agent on the specified time on the specified exchange for the S&P 500 Index is USD 2,700 and the final index level of the FTSE 100 Index is GBP 5,000;

• the Knock-in Barrier is the product of 80% and the initial index level of the relevant index, which for for the S&P 500 Index will be measured as 3,600 (i.e. 80% x 4,500) and for the FTSE 500 Index will be measured as 6,000 (i.e. 80% x 7,500);

• 150% is the Final Redemption Percentage specified in the relevant Preference Share Terms and Conditions as the percentage applicable in respect of determining the Final Redemption Amount in the event the Final Index Level is greater than or equal to the Knock-In Barrier;

• the Worst Performing Index Performance is the Index Performance of the Worst Performing Index; and

• Index Performance = $\left(\frac{Final\ Index\ Level}{Initial\ Index\ Level}\right)$

Scenario 1

(1) Is the Final Index Level of each of the indices equal to or greater than the Knock-In Barrier?

In Scenario 1, the Final Index Level of the S&P 500 Index (4,950) is **greater than** the Knock-In Barrier (3,600) and the Final Index Level of the FTSE 100 Index (8,250) is **greater than** the Knock-In Barrier (6,000). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 150% (being the percentage specified in the relevant Preference Share Terms and Conditions as the Final Redemption Percentage applicable in respect of determining the Final Redemption Amount in the event the Index Performance is greater than or equal to the Knock-In Barrier).

(2) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Share) multiplied by 150%, which is equal to GBP 1,500.

Scenario 2

(1) Is the Final Index Level of any one of the underlying indices strictly less than the Knock-In Barrier?

In Scenario 2, the Final Index Level of the S&P 500 Index (2,700) is **less than** the Knock-In Barrier (3,600) and the Final Index Level of the FTSE 100 Index (5,000) is **less than** the Knock-In Barrier (6,000). Therefore, the final redemption amount of the Preference Shares would be

an amount equal to the calculation amount of the Preference Share multiplied by the Worst Performing Index Performance.

(2) What is the Worst Performing Index Performance?

The Final Index Level of the S&P 500 Index (2,700) divided by the initial index level (4,500) is equal to 0.60, and, when expressed as a percentage, is 60%. Therefore, the Index Performance of the S&P 500 Index is 60%.

The Final Index Level of the FTSE 100 Index (5,000) divided by the initial index level (7,500) is equal to 0.666, which, when expressed as a percentage, is 66.66%. Therefore, the Index Performance of the FTSE 100 Index is 66.66%.

Comparing the Index Performance of the FTSE 100 Index and the S&P 500 Index, the S&P 500 Index is the worst performing Index and so the Worst Performing Index Performance is 60%.

(3) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by the Worst Performing Index Performance of 60%, which is equal to GBP 600.

3. SINGLE INDEX AUTOCALLABLE

If the Preference Share Terms and Conditions provides for "*Single Index Autocallable*", then the final redemption amount for each Preference Share shall be calculated in accordance with the following formulae:

If an Auto-Call Trigger Event has not occurred, then:

(a) if the Final Index Level of the Index on the Valuation Date is **strictly less** than the Knock-In Barrier:

Preference Share Final Redemption Amount = Calculation Amount x Index Performance

(b) if Final Index Level of the Index on the Valuation Date is **equal to or greater than** the Knock-In Barrier:

Preference Share Final Redemption Amount = Calculation Amount x 100%

WORKED EXAMPLE: For the purpose of this worked example only, it is assumed that:

• the Preference Shares are denominated in GBP and are linked to one underlying index, the S&P 500 Index;

• the calculation amount of the Preference Shares is GBP 1,000;

• the Preference Shares have a 5 year term and have not been redeemed or auto-called prior to their stated maturity date;

• the initial index level set out in the relevant Preference Share Terms and Conditions against which the performance of the Index will be measured is USD 4,500;

• in Scenario 1, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 4,950;

• in Scenario 2, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 2,700;

• the Knock-in Barrier is the product of 80% and the index level of the S&P 500 Index on the relevant valuation date (i.e. 80% x USD 4,950 = 3,960); and

• Index Performance = $\left(\frac{Final\ Index\ Level}{Initial\ Index\ Level}\right)$

Scenario 1

(1) Is the Final Index Level equal to or greater than the Knock-In Barrier?

In Scenario 1, the Final Index Level (4,950) is **greater than** the Knock-In Barrier (3,960). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 100%.

(2) Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 100%, which is equal to GBP 1,000.

Scenario 2

(1) Is the Final Index Level of the index strictly less than the Knock-In Barrier?

In Scenario 2, the Final Index Level of the S&P 500 Index (2,700) is **less than** the Knock-In Barrier (3,600). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by the Index Performance.

(2) What is the Index Performance?

The Final Index Level of the S&P 500 Index (2,700) divided by the initial index level (4,500) is equal to 0.60, and, when expressed as a percentage, is 60%. Therefore, the Index Performance of the S&P 500 Index is 60%.

(3) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by an Index Performance of 60%, which is equal to GBP 600.

4. WORST OF AUTOCALLABLE

If the Preference Share Terms and Conditions provides for "*Worst of Autocallable*", then the final redemption amount for each Preference Share shall be calculated in accordance with the following formulae:

If an Auto-Call Trigger Event has not occurred, then:

(a) if the Final Index Level of any one of the underlying indices on the Valuation Date is **strictly less** than the Knock-In Barrier:

Preference Share Final Redemption Amount = Calculation Amount x Worst Performing Index Performance

(b) if the Final Index Level of each of the underlying indices on the Valuation Date is **equal to or greater than** the Knock-In Barrier:

Preference Share Final Redemption Amount = Calculation Amount x 100%

WORKED EXAMPLE: For the purpose of this worked example only, it is assumed that:

• the Preference Shares are denominated in GBP and are linked to two underlying indices, the S&P 500 Index and the FTSE 100 Index;

• the calculation amount of the Preference Shares is GBP 1,000;

• the Preference Shares have a 5 year term and have not been redeemed or auto-called prior to their stated maturity date;

• the initial index level set out in the relevant Preference Share Terms and Conditions against which the performance of the S&P 500 Index will be measured is USD 4,500 and the initial index level of the FTSE 500 Index is GBP 7,500;

• in Scenario 1, the final index level determined by the Calculation Agent on the specified time on the specified exchange for the S&P 500 Index is USD 4,950 and the final index level of the FTSE 100 Index is GBP 8,250;

• in Scenario 2, the final index level determined by the Calculation Agent on the specified time on the specified exchange for the S&P 500 Index is USD 2,700 and the final index level of the FTSE 100 Index is GBP 5,000;

• the Knock-in Barrier is the product of 80% and the initial index level of the relevant index, which for for the S&P 500 Index will be measured as 3,600 (i.e. 80% x 4,500) and for the FTSE 500 Index will be measured as 6,000 (i.e. 80% x 7,500);

• the Worst Performing Index Performance is the Index Performance of the Worst Performing Index; and

• Index Performance = $\left(\frac{Final\ Index\ Level}{Initial\ Index\ Level}\right)$

Scenario 1

(1) Is the Final Index Level of each of the indices equal to or greater than the Knock-In Barrier?

In Scenario 1, the Final Index Level of the S&P 500 Index (4,950) is **greater than** the Knock-In Barrier (3,600) and the Final Index Level of the FTSE 100 Index (7,800) is **greater than** the Knock-In Barrier (6,000). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 100%.

(2) Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 100%, which is equal to GBP 1,000.

Scenario 2

(1) Is the Final Index Level of any one of the underlying indices strictly less than the Knock-In Barrier?

In Scenario 2, the Final Index Level of the S&P 500 Index (2,700) is **less than** the Knock-In Barrier (3,600) and the Final Index Level of the FTSE 100 Index (5,000) is **less than** the Knock-In Barrier (6,000). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by the Worst Performing Index Performance.

(2) What is the Worst Performing Index Performance?

The Final Index Level of the S&P 500 Index (2,700) divided by the initial index level (4,500) is equal to 0.60, and, when expressed as a percentage, is 60%. Therefore, the Index Performance of the S&P 500 Index is 60%.

The Final Index Level of the FTSE 100 Index (5,000) divided by the initial index level (7,500) is equal to 0.6666, which, when expressed as a percentage, is 66.66%. Therefore, the Index Performance of the FTSE 100 Index is 66.66%.

Comparing the Index Performance of the FTSE 100 Index and the S&P 500 Index, the S&P 500 Index is the worst performing Index and so the Worst Performing Index Performance is 60%.

(3) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by the Worst Performing Index Performance of 60%, which is equal to GBP 600.

5. SINGLE INDEX WITH GEARED PUT

If the Preference Share Terms and Conditions provides for "*Single Index with Geared Put*", then the final redemption amount for each Preference Share shall be calculated in accordance with the following formulae:

(a) if the Final Index Level of the Index on the Valuation Date is **equal to or greater than** the Strike Price of such Index:

Preference Share Final Redemption Amount = Calculation Amount x Final Redemption Percentage

(b) if the Final Index Level of the Index on the Valuation Date is **strictly less** than the Strike Price of such Index:

Preference Share Final Redemption Amount = Calculation Amount x Index Performance

WORKED EXAMPLE: For the purpose of this worked example only, it is assumed that:

• the Preference Shares are denominated in GBP and are linked to one underlying index, the S&P 500 Index;

• the calculation amount of the Preference Share is GBP 1,000;

• the Preference Shares have a 5 year term and has not been redeemed prior to its stated maturity date;

• the initial index level set out in the relevant Preference Share Terms and Conditions against which the performance of the Index will be measured is USD 4,500;

• in Scenario 1, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 4,950;

• in Scenario 2, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 2,700;

• the Strike Price is the product of 80% and the initial index level of the S&P 500 Index, which will be measured as 3,600 (i.e. 80% x 4,500);

• 150% is the Final Redemption Percentage specified in the relevant Preference Share Terms and Conditions as the percentage applicable in respect of determining the Final Redemption Amount in the event the Final Index Level is greater than or equal to the Strike Price; and

• Index Performance = $\left(\frac{Final\ Index\ Level}{Strike\ Price}\right)$

Scenario 1

(1) Is the Final Index Level equal to or greater than the Strike Price?

In Scenario 1, the Final Index Level of the S&P 500 Index (4,950) is **greater than** the Strike Price (3,600). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 150% (being the percentage specified in the relevant Preference Share Terms and Conditions as the Final Redemption Percentage applicable in respect of determining the Final Redemption Amount in the event the Final Index Level is greater than or equal to the Strike Price).

(2) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 150%, which is equal to GBP 1,500.

Scenario 2

(1) Is the Final Index Level of the index strictly less than the Strike Price?

In Scenario 2, the Final Index Level of the S&P 500 Index (2,700) is **less than** the Strike Price (3,600). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by the Index Performance.

(2) What is the Index Performance?

The Final Index Level of the S&P 500 Index (2,700) divided by the Strike Price (3,600) is equal to 0.75, and, when expressed as a percentage, is 75%. Therefore, the Index Performance of the S&P 500 Index is 75%.

(3) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by an Index Performance of 75%, which is equal to GBP 750.

6. MULTI INDEX WITH GEARED PUT

If the Preference Share Terms and Conditions provides for "*Multi Index with Geared Put*", then the final redemption amount for each Preference Share shall be calculated in accordance with the following formulae:

(a) if the Final Index Level of each of the Indices on the Valuation Date is **equal to or greater than** the Strike Price of each such relevant Index:

Preference Share Final Redemption Amount = Calculation Amount x Final Redemption Percentage

(b) if Final Index Level of any one of the Indices on the Valuation Date is **strictly less** than the Strike Price of such relevant Index:

Preference Share Final Redemption Amount = Calculation Amount x Worst Performing Index Performance

WORKED EXAMPLE: For the purpose of this worked example only, it is assumed that:

• the Preference Shares are denominated in GBP and are linked to two underlying indices, the S&P 500 Index and the FTSE 100 Index;

• the calculation amount of the Preference Shares is GBP 1,000;

• the Preference Shares have a 5 year term and have not been redeemed or auto-called prior to their stated maturity date;

• the initial index level set out in the relevant Preference Share Terms and Conditions against which the performance of the S&P 500 Index will be measured is USD 4,500 and the initial index level of the FTSE 500 Index is GBP 7,500;

• in Scenario 1, the final index level determined by the Calculation Agent on the specified time on the specified exchange for the S&P 500 Index is USD 4,950 and the final index level of the FTSE 100 Index is GBP 8,250;

• in Scenario 2, the final index level determined by the Calculation Agent on the specified time on the specified exchange for the S&P 500 Index is USD 2,700 and the final index level of the FTSE 100 Index is GBP 5,000;

• the Strike Price is the product of 80% and the initial index level of the relevant index, which for for the S&P 500 Index will be measured as 3,600 (i.e. 80% x 4,500) and for the FTSE 500 Index will be measured as 6,000 (i.e. 80% x 7,500);

• 150% is the Final Redemption Percentage specified in the relevant Preference Share Terms and Conditions as the percentage applicable in respect of determining the Final Redemption Amount in the event the Final Index Level is greater than or equal to the Strike Price;

• the Worst Performing Index Performance is the Index Performance of the Worst Performing Index; and

• Index Performance = $\left(\frac{Final\ Index\ Level}{Strike\ Price}\right)$

Scenario 1

(1) Is the Final Index Level of each of the indices equal to or greater than the Strike Price?

In Scenario 1, the Final Index Level of the S&P 500 Index (4,950) is **greater than** the Strike Price (3,600) and the Final Index Level of the FTSE 100 Index (8,250) **is greater than** the Strike Price (6,000). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 150% (being the percentage specified in the relevant Preference Share Terms and Conditions as the Final Redemption Percentage applicable in respect of determining the Final Redemption Amount in the event the Final Index Level is greater than or equal to the Strike Price).

(2) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 150%, which is equal to GBP 1,500.

Scenario 2

(1) Is the Final Index Level of any one of the underlying indices strictly less than the Strike Price?

In Scenario 2, the Final Index Level of the S&P 500 Index (2,700) is **less than** the Strike Price (3,600) and the Final Index Level of the FTSE 100 Index (5,000) is **less than** the Strike Price (6,000). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by the Worst Performing Index Performance.

(2) What is the Worst Performing Index Performance?

The Final Index Level of the S&P 500 Index (2,700) divided by the Strike Price (3,600) is equal to 0.75, and, when expressed as a percentage, is 75%. Therefore, the Index Performance of the S&P 500 Index is 75%.

The Final Index Level of the FTSE 100 Index (5,000) divided by the Strike Price (6,000) is equal to 0.8833, which, when expressed as a percentage, is 88.33%. Therefore, the Index Performance of the FTSE 100 Index is 88.33%.

Comparing the Index Performance of the FTSE 100 Index and the S&P 500 Index, the S&P 500 Index is the worst performing Index and so the Worst Performing Index Performance is 75%.

(3) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by the Worst Performing Index Performance of 75%, which is equal to GBP 750.

7. SINGLE INDEX AUTOCALLABLE WITH GEARED PUT

If the Preference Share Terms and Conditions provides for "*Single Index Autocallable with Geared Put*", then the final redemption amount for each Preference Share shall be calculated in accordance with the following formulae:

If an Auto-Call Trigger Event has not occurred, then:

(a) if the Final Index Level of the Index on the Valuation Date is **strictly less** than the Strike Price of such Index:

Preference Share Final Redemption Amount = Calculation Amount x Index Performance

(b) if the Final Index Level of the Index on the Valuation Date is **equal to or greater than** the Strike Price of such Index:

Preference Share Final Redemption Amount = Calculation Amount x 100%

WORKED EXAMPLE: For the purpose of this worked example only, it is assumed that:

• the Preference Shares are denominated in GBP and are linked to one underlying index, the S&P 500 Index;

• the calculation amount of the Preference Share is GBP 1,000;

• the Preference Shares have a 5 year term and have not been redeemed prior to their stated maturity date;

• the initial index level set out in the relevant Preference Share Terms and Conditions against which the performance of the Index will be measured is USD 4,500;

• in Scenario 1, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 4,950;

• in Scenario 2, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 2,700;

• the Strike Price is the product of 80% and the initial index level of the S&P 500 Index, which will be measured as 3,600 (i.e. 80% x 4,500); and

• Index Performance = $\left(\frac{Final\ Index\ Level}{Strike\ Price}\right)$

Scenario 1

(1) Is the Final Index Level equal to or greater than the Strike Price?

In Scenario 1, the Final Index Level of the S&P 500 Index (4,950) is greater than the Strike Price (3,600). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 100%.

(2) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 100%, which is equal to GBP 1,000.

Scenario 2

(1) Is the Final Index Level of the index strictly less than the Strike Price?

In Scenario 2, the Final Index Level of the S&P 500 Index (2,700) is **less than** the Strike Price (3,600). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by the Index Performance.

(2) What is the Index Performance?

The Final Index Level of the S&P 500 Index (2,700) divided by the Strike Price (3,600) is equal to 0.75, and, when expressed as a percentage, is 75%. Therefore, the Index Performance of the S&P 500 Index is 75%.

(3) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by an Index Performance of 75%, which is equal to GBP 750.

8. WORST OF AUTOCALLABLE WITH GEARED PUT

If the Preference Share Terms and Conditions provides for "*Worst of Autocallable with Geared Put*", then the final redemption amount for each Preference Share shall be calculated in accordance with the following formulae:

If an Auto-Call Trigger Event has not occurred, then:

(a) if the Final Index Level of any one of the Indices on the Valuation Date is **strictly less** than the Strike Price of such relevant Index:

Preference Share Final Redemption Amount = Calculation Amount x Worst Performing Index Performance

(b) if the Final Index Level of each of the Indices on the Valuation Date is **equal to or greater than** the Strike Price of each such relevant Index:

Preference Share Final Redemption Amount = Calculation Amount x 100%

WORKED EXAMPLE: For the purpose of this worked example only, it is assumed that:

• the Preference Shares are denominated in GBP and are linked to two underlying indices, the S&P 500 Index and the FTSE 100 Index;

• the calculation amount of the Preference Shares is GBP 1,000;

• the Preference Shares have a 5 year term and have not been redeemed or auto-called prior to their stated maturity date;

• the initial index level set out in the relevant Preference Share Terms and Conditions against which the performance of the S&P 500 Index will be measured is USD 4,500 and the initial index level of the FTSE 500 Index is GBP 7,500;

• in Scenario 1, the final index level determined by the Calculation Agent on the specified time on the specified exchange for the S&P 500 Index is USD 4,950 and the final index level of the FTSE 100 Index is GBP 8,250;

• in Scenario 2, the final index level determined by the Calculation Agent on the specified time on the specified exchange for the S&P 500 Index is USD 2,700 and the final index level of the FTSE 100 Index is GBP 5,000;

• the Strike Price is the product of 80% and the initial index level of the relevant index, which for for the S&P 500 Index will be measured as 3,600 (i.e. 80% x 4,500) and for the FTSE 500 Index will be measured as 6,000 (i.e. 80% x 7,500);

• the Worst Performing Index Performance is the Index Performance of the Worst Performing Index; and

• Index Performance = $\left(\frac{Final\ Index\ Level}{Strike\ Price}\right)$

Scenario 1

(1) Is the Final Index Level of each of the indices equal to or greater than the Strike Price?

In Scenario 1, the Final Index Level of the S&P 500 Index (4,950) is greater than the Strike Price (3,600) and the Final Index Level of the FTSE 100 Index (8,250) is greater than the Strike Price (6,000). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 100%.

(2) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 100%, which is equal to GBP 1,000.

Scenario 2

(1) Is the Final Index Level of any one of the underlying indices strictly less than the Strike Price?

In Scenario 2, the Final Index Level of the S&P 500 Index (2,700) is **less than** the Strike Price (3,600) and the Final Index Level of the FTSE 100 Index (5,000) is **less than** the Strike Price (6,000). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by the Worst Performing Index.Performance.

(2) What is the Worst Performing Index Performance?

The Final Index Level of the S&P 500 Index (2,700) divided by the Strike Price (3,600) is equal to 0.75, and, when expressed as a percentage, is 75%. Therefore, the Index Performance of the S&P 500 Index is 75%.

The Final Index Level of the FTSE 100 Index (5,000) divided by the strike price (6,000) is equal to 0.8833, which, when expressed as a percentage, is 88.33%. Therefore, the Index Performance of the FTSE 100 Index is 88.33%.

Comparing the Index Performance of the FTSE 100 Index and the S&P 500 Index, the S&P 500 Index is the worst performing Index and so the Worst Performing Index Performance is 75%.

(3) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by the Worst Performing Index Performance of 75%, which is equal to GBP 750.

9. GEARED CALL SPREAD WITH DOWN AND IN PUT

If the Preference Share Terms and Conditions provides for "*Geared Call Spread with Down and In Put*", then the final redemption amount for each Preference Share shall be calculated in accordance with the following formulae:

(a) If the Index Level of the Index on the Valuation Date is **strictly less** than the Knock-In Barrier:

Preference Share Final Redemption Amount = Calculation Amount x Index Performance

(b) Index Level of the Index on the Valuation Date is **equal to or greater** than the Knock-In Barrier:

Preference Share Final Redemption Amount = Calculation Amount x [1 + Max(0%, Gearing x Min(Cap, Index Performance -1))]

WORKED EXAMPLE: For the purpose of this worked example only, it is assumed that:

• the Preference Shares are denominated in GBP and are linked to one underlying index, the S&P 500 Index;

• the calculation amount of the Preference Share is GBP 1,000;

• the Preference Shares have a 5 year term and have not been redeemed prior to their stated maturity date;

• the initial index level set out in the relevant Preference Share Terms and Conditions against which the performance of the Index will be measured is USD 4,500;

• in Scenario 1, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 4,950;

• in Scenario 2, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 5,500;

• in Scenario 3, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 2,700;

• the Knock-in Barrier is the product of 80% and the initial index level of the S&P 500 Index (i.e. 80% x USD 4,500 = USD 3,600);

• the Index Performance = $\left(\frac{Final\ Index\ Level}{Initial\ Index\ Level}\right)$;

• the Gearing = 150%; and

• the Cap = 15%

Scenario 1

(1) Is the Final Index Level equal to or greater than the Knock-In Barrier?

In Scenario 1, the Final Index Level of the S&P 500 Index (4,950) is **greater than** the Knock-In Barrier (3,600). Therefore, the final redemption amount of the Preference Shares would be determined by applying the following formula:

Calculation Amount x [1 + Max(0%, Gearing x Min(Cap, Index Performance -1))]

When working out the formula below, the first step is to determine the variables in the formula described using “MIN” and “MAX”, which means the lower of, and the greater of, respectively.

1 + MAX [0%, Gearing% × MIN [Cap, (Index Performance – 1)]

On the basis of the assumptions provided above, the variables can be determined as follows:

• 1, when expressed as a percentage, is 100%

• the Index Performance is the Final Index Level (4,950) divided by the initial index level (4,500), which is equal to 1.100 and, when expressed as a percentage, is 110%. Therefore, the Index Performance is equal to 110%.

• the Index Performance minus 1 (1.100 minus 1 is equal to 0.100, or when expressed as a percentage 110% - 100% is equal to 10%) is less than the 15% cap, and so 10% is used in the second part of the formula and the 15% cap is disregarded.

The Gearing (150%) multiplied by 10% equals 15%, which is greater than 0% and so 15% is used in the first part of the formula rather than 0%.

Once these variables are re-inserted into the formula, the calculation is 100% + 15%, which is equal to 115%.

Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 115%.

(2) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 115%, which is equal to GBP 1,150.

Scenario 2

(3) Is the Final Index Level equal to or greater than the Knock-In Barrier?

In Scenario 2, the Final Index Level of the S&P 500 Index (5,500) is **greater than** the Knock-In Barrier (3,600). Therefore, the final redemption amount of the Preference Shares would be determined by applying the following formula:

Calculation Amount x [1 + Max(0%, Gearing x Min(Cap, Index Performance -1))]

When working out the formula below, the first step is to determine the variables in the formular described using “MIN” and “MAX”, which means the lower of, and the grater of, respectively.

1 + MAX [0%, Gearing x MIN [Cap, (Index Performance – 1)]

On the basis of the assumptions provided above, the variables can be determined as follows:

• 1, when expressed as a percentage, is 100%

• the Index Performance is the Final Index Level (5,500) divided by the initial index level (4,500), which is equal to 1.22 and, when expressed as a percentage, is 122%. Therefore, the Index Performance is equal to 122%.

• the Index Performance minus 1 (1.22 minus 1 is equal to 0.220, or when expressed as a percentage 122% - 100% is equal to 22% is greater than the 15% cap, and so the 22% is disregarded and only the 15% cap is used in the second part of the formula.

The Gearing (150%) multiplied by 15% equals 22.50%, which is greater than 0% and so 22.50% is used in the first part of the formula rather than 0%.

Once these variables are re-inserted into the formula, the calculations is 100% + 22.50% which is equal to 122.50%.

Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 122.50.

(4) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 122.50%, which is equal to GBP 1,225.

Scenario 3

(1) Is the Final Index Level of the index strictly less than the Knock-In Barrier?

In Scenario 3, the Final Index Level of the S&P 500 Index (2,700) is **less than** the Knock-In Barrier (3,600). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by the Index Performance.

(2) What is the Index Performance?

The Final Index Level of the S&P 500 Index (2,700) divided by the initial index level (4,500) is equal to 0.60, and, when expressed as a percentage, is 60%. Therefore, the Index Performance of the S&P 500 Index is 60%.

(3) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by an Index Performance of 60%, which is equal to GBP 600.

10. GEARED ASIAN CALL SPREAD WITH DOWN AND IN PUT

If the Preference Share Terms and Conditions provides for "*Geared Asian Call Spread with Down and In Put*", then the final redemption amount for each Preference Share shall be calculated in accordance with the following formulae:

(a) If the Index Level of the Index on the Valuation Date is **equal to or greater than** the Knock-In Barrier:

Preference Share Final Redemption Amount = Calculation Amount x [1 + Max (0%, Gearing x Min (Cap, $\left(\frac{\text{Average Index Level}}{\text{Initial Index Level}} - 1\right)$))]

(b) If the Index Level of the Index on the Valuation Date is **strictly less** than the Knock-In Barrier:

Preference Share Final Redemption Amount = Calculation Amount x [Index Performance + Max (0%, Gearing x Min (Cap, $\left(\frac{\text{Average Index Level}}{\text{Initial Index Level}} - 1\right)$))]

WORKED EXAMPLE: For the purpose of this worked example only, it is assumed that:

• the Preference Shares are denominated in GBP and are linked to one underlying index, the S&P 500 Index
• the calculation amount of the Preference Share is GBP 1,000

• the Preference Shares have a 5 year term and have not been redeemed prior to their stated maturity date

• the initial index level set out in the relevant Preference Share Terms and Conditions against which the performance of the Index will be measured is USD 4,500

• in Scenario 1, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 4,950

• in Scenario 2, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 5,500

• in Scenario 3, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 2,700

• the index levels of the S&P 500 Index determined by the Calculation Agent on each of the five averaging dates are USD 4,500, USD 4,700, USD 4,600, USD 4,650 and USD 4,950

• in Scenario 1 and 3, the average index level determined by the Calculation Agent as the arithmetic average of the levels of the Index on each of the five averaging dates, is 4,680 (being the sum of 4,500, 4,700, 4,600, 4,650 and 4,950 divided by 5).

• in Scenario 2, the average index level determined by the Calculation Agent as the arithmetic average of the levels of the Index on each of the five averaging dates, is 5,500

• the Knock-in Barrier is the product of 80% and the initial index level of the S&P 500 Index (i.e. 80% x USD 4,500 = USD 3,600)

• the Gearing = 150%

• the Cap = 15%

• the Index Performance = $\left(\frac{Final\ Index\ Level}{Initial\ Index\ Level}\right)$

Scenario 1

(1) Is the Final Index Level equal to or greater than the Knock-In Barrier?

In Scenario 1, the Final Index Level of the S&P 500 Index (4,950) is greater than the Knock-In Barrier (3,600). Therefore, the final redemption amount of the Preference Shares would be determined by applying the following formula:

Calculation Amount x [1 + Max (0%, Gearing x Min (Cap, $\left(\frac{\text{Average Index Level}}{\text{Initial Index Level}} - 1\right)$))]

When working out the formula below, the first step is to determine the variables in the formula described using “MIN” and “MAX”, which means the lower of, and the greater of, respectively.

[1 + Max (0%, Gearing x Min (Cap, $\left(\frac{\text{Average Index Level}}{\text{Initial Index Level}} - 1\right)$))]

On the basis of the assumptions provided above, the variables can be determined as follows:

• 1, when expressed as a percentage, is 100%

• the Average Index Level (4,680) divided by the initial index level (4,500) is equal to 1.04 and, when expressed as a percentage, is 104%.

• 104% minus 1 (1.04 minus 1 is equal to 0.04, or when expressed as a percentage 104% - 100% is equal to 4%) is less than the 15% cap, and so 4% is used in the second part of the formula and the 15% cap is disregarded.

The Gearing (150%) multiplied by 4% equals 6% which is greater than 0% and so 6% is used in the first part of the formula rather than 0%.

Once these variables are re-inserted into the formula, the calculation is 100% + 6%, which is equal to 106%.

Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 106%.

(2) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 105%, which is equal to GBP 1,060.

Scenario 2

(1) Is the Final Index Level equal to or greater than the Knock-In Barrier?

In Scenario 2, the Final Index Level of the S&P 500 Index (5,500) is greater than the Knock-In Barrier (3,600). Therefore, the final redemption amount of the Preference Shares would be determined by applying the following formula:

Calculation Amount x [1+ Max (0%, Gearing x Min (Cap, $\left(\frac{\text{Average Index Level}}{\text{Initial Index Level}} - 1\right)$)]

When working out the formula below, the first step is to determine the variables in the formula described using “MIN” and “Max”, which means the lower of, and the greater of, respectively.

[1 + Max 0%, Gearing x Min (Cap, $\left(\frac{\text{Average Index Level}}{\text{Initial Index Level}} - 1\right)$)]

On the basis of the assumptions provided above, the variables can be determined as follows:

• 1, when expressed as a percentage, is 100%

• the Average Index Level (5,500) divided by the initial index level (4,500) is equal to 1.22 and, when expressed as a percentage, is 122%.

• 122% minus 1 (1.22 minus 1 is equal to 0.22, or when expressed as a percentage 122% - 100% is equal to 22%) is greater than the 15% cap, and so the 22% is disregarded and only the 15% cap is used in the second part of the formula.

The Gearing (150% multiplied by 15% equals 22.50%, which is greater than 0% and so 22.50% is used in the first part of the formula rather than 0%.

Once these variables are re-inserted into the formula, the calculation is 100% + 22.50%, which is equal to 122.50%.

Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 122.50%.

(2) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 122.50%, which is equal to GBP 1,225.

Scenario 3

(3) Is the Final Index Level of the index strictly less than the Knock-In Barrier?

In Scenario 3, the Final Index Level of the S&P 500 Index (2,700) is **less than** the Knock-In Barrier (3,600). Therefore, the final redemption amount of the Preference Shares would be determined by applying the following formula:

Calculation Amount x [Index Performance + Max (0%, Gearing x Min (Cap, $\left(\frac{\text{Average Index Level}}{\text{Initial Index Level}} - 1\right)$))]

When working out the formula below, the first step is to determine the variables in the formula described using "MIN" and "MAX", which means the lower of, and the greater of, respectively.

[Index Performance + (Max (0% Gearing x Min (Cap, $\left(\frac{\text{Average Index Level}}{\text{Initial Index Level}} - 1\right)$))]

On the basis of the assumptions provided above, the variables can be determined as follows:

• 1, when expressed as a percentage, is 100%

• the Final Index Level of the S&P 500 Index (2,700) divided by the initial index level (4,500) is equal to 0.60, and, when expressed as a percentage, is 60%. Therefore, the Index Performance of the S&P 500 Index is 60%.

• the Average Index Level (4,680) divided by the initial index level (4,500) is equal to 1.04 and, when expressed as a percentage, is 104%.

• 104% minus 1 (1.04 minus 1 is equal to 0.04, or when expressed as a percentage 104% - 100% is equal to 4.00%) is less than the 15% cap, and so 4% is used in the second part of the formula and the 15% cap is disregarded.

The Gearing (150%) multiplied by 4% equals 6%, which is greater than 0% and so 6% is used in the first part of the formula rather than 0%.

Once these variables are re-inserted into the formula, the calculation is 60% + 6%, which is equal to 66%.

Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 66%.

(4) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 66%, which is equal to GBP 660.

11. GEARED CALL SPREAD WITH GEARED PUT DOWNSIDE

If the Preference Share Terms and Conditions provides for "*Geared Call Spread with Geared Put Downside*", then the final redemption amount for each Preference Share shall be calculated in accordance with the following formulae:

(a) if the Final Index Level of the Index on the Valuation Date is **equal to or greater than** the Strike Price of such Index:

Preference Share Final Redemption Amount = Calculation Amount x [1 + Max(0%, Gearing x Min(Cap, Index Performance -1))]

(b) if the Final Index Level of the Index on the Valuation Date is **strictly less** than the Strike Price of such Index:

Preference Share Final Redemption Amount = Calculation Amount x $\left(\frac{\textbf{Final Index Level}}{\textbf{Strike Price}}\right)$

WORKED EXAMPLE: For the purpose of this worked example only, it is assumed that:

• the Preference Shares are denominated in GBP and are linked to one underlying index, the S&P 500 Index

• the calculation amount of the Preference Share is GBP 1,000

• the Preference Shares have a 5 year term and have not been redeemed prior to their stated maturity date

• the initial index level set out in the relevant Preference Share Terms and Conditions against which the performance of the Index will be measured is USD 4,500

• in Scenario 1, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 4,950

• in Scenario 2, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange in USD 5,500

• in Scenario 3, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 2,700

• the Strike Price is the product of 80% and the initial index level of the S&P 500 Index (i.e. 80% x USD 4,500 = USD 3,600)

• the Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Initial Index Level}}\right)$

• the Gearing = 150%

• the Cap = 15%

Scenario 1

(1) Is the Final Index Level equal to or greater than the Strike Price?

In Scenario 1, the Final Index Level of the S&P 500 Index (4,950) is greater than the Strike Price (3,600). Therefore, the final redemption amount of the Preference Shares would be determined by applying the following formula:

Calculation Amount x [1 + Max(0%, Gearing x Min(Cap, Index Performance -1))]

When working out the formula below, the first step is to determine the variables in the formula described using “MIN” and “MAX”, which means the lower of, and the greater of, respectively.

[1 + Max(0%, Gearing x

Min(Cap, Index Performance -1))]

On the basis of the assumptions provided above, the variables can be determined as follows:

• 1, when expressed as a percentage, is 100%

• the Index Performance is the final index level (4,950) divided by the initial index level (4,500), which is equal to 1.100 and, when expressed as a percentage, is 110%.

• the Index Performance minus 1 (1.100 minus 1 is equal to 0.100, or when expressed as a percentage 110% - 100% is equal to 10%) is less than the 15% cap, and so 10% is used in the second part of the formula and the 15% cap is disregarded.

The Gearing (1500%) multiplied by 10% equals 15%, which is greater than 0% and so 15% is used in the first part of the formula rather than 0%.

Once these variables are re-inserted into the formula, the calculation is 100% + 15%, which is equal to 115%.

Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 115%.

(2) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 120%, which is equal to GBP 1,150.

Scenario 2

(1) **Is the Final Index Level equal to or greater than the Strike Price?**

In Scenario 2, the Final Index Level of the S&P 500 Index (5,500) is greater than the Strike Price (3,600). Therefore, the final redemption amount of the Preference Shares would be determined by applying the following formula:

Calculation Amount x [1 + Max(0%, Gearing x Min(Cap, Index Performance -1))]

When working out the formula below, the first step is to determine the variables in the formula described using “MIN” and “MAX”, which means the lower of, and the greater of, respectively.

[1 + Max(0%, Gearing x Min(Cap, Index Performance -1))]

On the basis of the assumptions provided above, the variables can be determined as follows:

• 1, when expressed as a percentage, is 100%

• the Index Performance is the final index level (5,500) divided by the initial index level (4,500), which is equal to 1.22 and, when expressed as a percentage, is 122%.

• the Index Performance minus 1 (1.22 minus 1 is equal to 0.22, or when expressed as a percentage 122% - 100% is equal to 22%) is greater than the 15% cap, and so the 22% is disregarded and only the 15% cap is used in the second part of the formula.

The Gearing (150%) multiplied by 15% equals 22.50%, which is greater than 0% and so 22.50% is used in the first part of the formula rather than 0%.

Once these variables are re-inserted into the formula, the calculation is 100% + 22.50%, which is equal to 122.50%.

Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 122.50%.

(2) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 122.50%, which is equal to GBP 1,225.

Scenario 3

(1) Is the Final Index Level of the index strictly less than the Strike Price?

In Scenario 3, the Final Index Level of the S&P 500 Index (2,700) is **less than** the Strike Price (3,600). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share (1,000) multiplied by the Final Index Level of the S&P 500 Index (2,700) divided by the Strike Price (3,600), which is equal to 0.75, and, when expressed as a percentage, is 75%.

(2) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 75%, which is equal to GBP 750.

12. GEARED CALL WITH DOWN AND IN PUT

If the Preference Share Terms and Conditions provides for "*Geared Call with Down and In Put*", then the final redemption amount for each Preference Share shall be calculated in accordance with the following formulae:

(a) If the Final Index Level of the Index on the Valuation Date is **equal to or greater than** the Knock-In Barrier:

Preference Share Final Redemption Amount = Calculation Amount x [1 + Gearing x (Max(0%, Index Performance -1)]

(b) If the Final Index Level of the Index on the Valuation Date is **strictly less** than the Knock-In Barrier:

Preference Share Final Redemption Amount = Calculation Amount x Index Performance

WORKED EXAMPLE: For the purpose of this worked example only, it is assumed that:

• the Preference Shares are denominated in GBP and are linked to one underlying index, the S&P 500 Index

• the calculation amount of the Preference Share is GBP 1,000

• the Preference Shares have a 5 year term and have not been redeemed prior to their stated maturity date

• the initial index level set out in the relevant Preference Share Terms and Conditions against which the performance of the Index will be measured is USD 4,500

• in Scenario 1, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 4,950

• in Scenario 2, the final index level of the S&P 500 Index determined by the Calculation Agent on the specified time on the specified exchange is USD 2,700

• the Knock-in Barrier is the product of 80% and the initial index level of the S&P 500 Index (i.e. 80% x USD 4,500 =USD 3,600)

• the Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Initial Index Level}}\right)$

• the Gearing = 150%

Scenario 1

(1) Is the Final Index Level equal to or greater than the Knock-In Barrier?

In Scenario 1, the Final Index Level of the S&P 500 Index (4,950) is greater than the Knock-In Barrier (3,600). Therefore, the final redemption amount of the Preference Shares would be determined by applying the following formula:

Calculation Amount x [1 + Gearing x (Max(0%, Index Performance -1)]

When working out the formula below, the first step is to determine the variables in the formula described using "MAX", which means the greater of.

[1 + Gearing x {Max(0%, Index Performance -1)}]

On the basis of the assumptions provided above, the variables can be determined as follows:

• 1, when expressed as a percentage, is 100%

• the Index Performance is the Final Index Level (4,950) divided by the initial index level (4,500), which is equal to 1.100 and, when expressed as a percentage, is 110%.

• the Index Performance minus 1 (1.100 minus 1 is equal to 0.100, or when expressed as a percentage 110% - 100% is equal to 10%) is greater than 0% cap, and so 10% is used in the second part of the formula.

The Gearing (150%) multiplied by 10% equals 15%.

Once these variables are re-inserted into the formula, the calculation is 100% + 15%, which is equal to 115%.

Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by 115%.

(2) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by 115%, which is equal to GBP 1,150.

Scenario 2

(1) Is the Final Index Level of the index strictly less than the Knock-In Barrier?

In Scenario 2, the Final Index Level of the S&P 500 Index (2,700) is **less than** the Knock-In Barrier (3,600). Therefore, the final redemption amount of the Preference Shares would be an amount equal to the calculation amount of the Preference Share multiplied by the Index Performance.

(2) What is the Index Performance?

The Final Index Level of the S&P 500 Index (2,700) divided by the initial index level (4,500) is equal to 0.60, and, when expressed as a percentage, is 60%. Therefore, the Index Performance of the S&P 500 Index is 60%.

(3) Calculation of the Preference Share Final Redemption Amount

The Preference Share Final Redemption Amount per Preference Share will be calculated as GBP 1,000 (being the calculation amount of the Preference Shares) multiplied by an Index Performance of 60%, which is equal to GBP 600.

DOCUMENTS INCORPORATED BY REFERENCE

This section incorporates selected publicly available information that should be read in conjunction with this Base Prospectus.

For the purposes of the UK Prospectus Regulation, the information incorporated by reference in this Base Prospectus is set out in the following cross-reference tables below. For the avoidance of doubt, the information requested to be disclosed by the Issuer as a result of Annex 6 of the UK Delegated Regulation and not referred to in the cross-reference tables below is either contained in the relevant sections of this Base Prospectus or is not relevant for the investors.

The following documents, each of which has been previously published or is simultaneously published and filed with the FCA and the London Stock Exchange, shall be incorporated in, and form part of, the Prospectus:

(a) CIBC's Annual Information Form dated 29 November 2023 (the "**2023 Annual Information Form**"), which can be found at **2023 CIBC Annual Information Form**, including the information identified in the following cross-reference list:

Information	*Page numbers refer to the 2023 Annual Information Form*
Description of the business	3-4
Capital Structure	6-8
Audit Committee	12

(b) The sections of CIBC's Annual Report for the year ended 31 October 2023 (the "**2023 Annual Report**"), which can be found at **Annual Report 2023 (cibc.com)**, identified in the following cross-reference list, which includes among other things CIBC's comparative audited consolidated balance sheets as at 31 October 2023 and 2022 and the consolidated statement of income, comprehensive income, changes in equity and cash flows for each of the years in the two-year period ended 31 October 2023, prepared in accordance with IFRS, together with the notes thereto and the independent auditor's report thereon:

Information	*Page numbers refer to the 2023 Annual Report*
Message from the Chair of the Board	xi
Management's Discussion and Analysis	1-107
Strategic business units overview	21-33
Management of risk	47-87
Funding	81
Consolidated Financial Statements	108-112 and 116-199

Information	*Page numbers refer to the 2023 Annual Report*
Independent auditor's report to the shareholders and directors of CIBC	110-112
Consolidated balance sheet	116
Consolidated statement of income	117
Consolidated statement of comprehensive income	118
Consolidated statement of changes in equity	119
Consolidated statement of cash flows	120
Notes to the consolidated financial statements, including:	121-194
Common and preferred shares and other equity instruments	Notes 15, pages 167-172
Contingent liabilities and provisions	Note 22, pages 183-185
Significant Subsidiaries	Note 26, page 189

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the FCA in accordance with Article 23 of the UK Prospectus Regulation. 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 be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer. This Base Prospectus and copies of the documents incorporated by reference are available on (i) the London Stock Exchange website (www.londonstockexchange.com) and (ii) on the Issuer's website (CIBC Investor Relations).

In addition, representatives of the Provincial and Territorial securities regulatory authorities of Canada have engaged a service provider to operate an Internet web site through which all of the documents incorporated herein by reference that CIBC files electronically can be retrieved. The address of the site is **www.sedarplus.ca**.

Please note that information on the websites or URL's referred to herein does not form part of this Base Prospectus unless the information has been incorporated by reference into this Base Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus. Where only certain sections of a document referred to above are incorporated by reference in this Base Prospectus, the parts of the document, which are not incorporated by reference (which, for the avoidance of doubt, means any parts not listed in the cross- reference list below), are either not relevant to prospective investors in the Notes or covered elsewhere in this Base Prospectus. The Issuer will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its offices set out at the end of this Base Prospectus.

The Issuer will, in the event of there being any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which may affect the assessment of any Notes and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the rights attaching to the Notes and the reason for the issuance and its impact on the Issuer, be required to prepare if appropriate a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue, listing and admission to trading on a regulated market, of Notes.

FORM OF THE NOTES

This section provides information on the form of the Notes. References herein to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme

The Notes of each Series will be in either bearer form ("**Bearer Notes**"), with or without interest coupons attached, or registered form ("**Registered Notes**"), without interest coupons attached. Notes will only be issued outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**").

Bearer Notes

Each tranche of Notes in bearer form ("**Bearer Notes**") will be issued in compliance with requirements necessary to qualify such Notes as "foreign targeted obligations" that will be exempt from Code Section 4701 excise tax. In order to comply with such requirements, Bearer Notes with a maturity of more than one year will be issued in compliance with, or rules substantially identical to U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) or rules substantially identical thereto (such rules, the "**D Rules**") unless (i) the applicable Final Terms states that the Bearer Notes are issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) or rules substantially identical thereto (the "**C Rules**") or (ii) the Bearer Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Bearer Notes will not constitute "*registration required obligations*" under section 4701(b) of the United States Internal Revenue Code (an "**Excluded Issue**"), which circumstances will be referred to in the applicable Final Terms as an Excluded Issue.

Each Tranche of Bearer Notes having an original maturity of more than one year and being issued in compliance with the D Rules will initially be represented by a temporary global note (a "**Temporary Global Note**") without receipts, interest coupons or talons or, if so specified in the applicable Final Terms (including Bearer Notes having an original maturity of one year or less) by a permanent global note (a "**Permanent Global Note**" and together with the Temporary Global Note, the "**Global Bearer Notes**"), without receipts, interest coupons or talons, which, in either case, will:

(i) if the Global Bearer Notes are intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (a "**Common Safekeeper**") for Euroclear and Clearstream, Luxembourg; and

(ii) if the Global Bearer Notes are not intended to be issued in NGN form or are Exchangeable Bearer Notes, be delivered on or prior to the issue date thereof to a common depositary (the "**Common Depositary**") on behalf of Euroclear, Clearstream, Luxembourg or any other agreed clearing system.

If the Global Bearer Note is not an NGN, upon the initial deposit of the Global Bearer Note with a Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Bearer Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Bearer Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Tranches intended to be delivered to an alternate clearing system or outside a clearing system shall be delivered as agreed between the Issuer and the relevant Dealer(s). Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the applicable Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

While any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to an Exchange Date (defined below) will be made (against presentation if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not United States Persons or persons who have purchased for resale to any United States Person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream Luxembourg and Euroclear and/or Clearstream Luxembourg, as applicable, has given a like certification (based on certifications it has received) to the Fiscal Agent.

Exchange

Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(a) in whole or in part for interests in a Permanent Global Note of the same Series or,

(b) if so provided in the applicable Final Terms, for Notes in definitive form ("**Definitive Bearer Notes**") of the same Series with, where applicable receipts, interest coupons and talons attached (as indicated in the applicable Final Terms);

in each case against certification of beneficial ownership as described above, unless such certification has been given.

Each Temporary Global Note that is also an Exchangeable Bearer Note will, in addition to any Permanent Global Note or Definitive Notes for which it may be exchangeable, be exchangeable for Registered Notes in accordance with the Conditions and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of a Temporary Global Note for an interest in a Permanent Global Note or for Definitive Bearer Global Notes or Registered Notes is improperly withheld or refused.

Permanent Global Notes

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not, except as provided under "*Partial Exchange of Permanent Global Notes*", in part for Definitive Notes with, where applicable, receipts, interest coupons and talons attached, or, in the case of (b) below, Registered Notes:

(a) where the applicable Final Terms provides that the Notes will have only one Specified Denomination and that such Permanent Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange;

(b) if the Permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Fiscal Agent of its election to exchange the whole or a part of such Permanent Global Note for Registered Notes; and

(c) otherwise, (1) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**") and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) an Event of Default (as defined in the Conditions) has occurred and is continuing, by the holder giving notice to the Fiscal Agent of its election for such exchange (an "**Exchange Event**").

In the event that a Permanent Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to at least the minimum Specified Denomination.

In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Fiscal Agent requesting exchange. Any such exchange shall occur not later than 45 calendar days after the date of receipt of the first relevant notice by the Fiscal Agent.

Payments of principal, interest or any other amounts on a Permanent Global Note will be made outside the United States through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global note is not intended to be issued in NGN form) without any requirement for certification.

Partial Exchange of Permanent Global Notes

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions (1) for Registered Notes if the Permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes on the occurrence of an Exchange Event.

Delivery of Notes

If the Global Note is not in NGN form, on or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate Nominal Amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate Nominal Amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be.

If the Global Note is in NGN form, on or after any due date for exchange, the Issuer will procure that details of such exchange be entered pro rata in the records of the relevant clearing system.

In this Base Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that has not already been paid on the Global Note and a Talon). Definitive Bearer Notes will be security printed and will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement.

"**Exchange Date**" means, in relation to (i) a Temporary Global Note, the first day falling on or after the day that is 40 days after the later of the commencement of the offering and the relevant issue date, and in relation to a permanent Global Note, a specified day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given, which day is, in each case, a day on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of exchange of a temporary Global Note, in the city in which the relevant clearing system is located.

Registered Notes

Registered Notes may be offered and sold in reliance on Regulation S and may only be offered and sold to non-U.S. persons outside the United States. Registered Notes will initially be represented by a global note in registered form, without receipts, interest coupons or talons (a "**Registered Global Note**") which will be deposited with a common depositary or depositary, as the case may be, for, and registered in the name of a common nominee or nominee of, Euroclear and Clearstream, Luxembourg or such other clearing system as may be agreed between the relevant Issuer and the relevant Dealer and specified in the applicable Final Terms. Prior to expiry of the Distribution Compliance Period (as defined in "*Terms and Conditions of the Notes*") applicable to each Tranche of Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person and may not be held otherwise than through Euroclear or Clearstream, Luxembourg (or such other clearing system as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms) and such Registered Global Note will bear a legend regarding such restrictions on transfer.

Registered Notes in definitive form will only be available, in the case of Notes initially represented by a Registered Global Note, in the Specified Denomination specified in the applicable Final Terms in amounts of US$200,000 (or its equivalent in any other currency as of the date of issue of the Notes), or integral multiples of US$1,000 in excess thereof, in certain limited circumstances.

Registered Notes may not be exchanged for Bearer Notes.

Transfers of the holding of Notes represented by any Registered Global Note pursuant to General Condition 2.1(b) may only be made in part:

(a) if the Notes represented by the Registered Global Note are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(b) an Event of Default (as defined in the Conditions) has occurred and is continuing; or

(c) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to (a) or (b) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

The Registered Global Notes will be deposited on or prior to the relevant issue date with, and registered in the name of a nominee or common nominee for, a depositary or common depositary of Euroclear and Clearstream, Luxembourg or an Alternative Clearing System.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will be made to the person shown on the Register (as defined in General Condition 6.4 (*Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

NGN nominal amount

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

Events of Default

Each Global Note provides that the Holder may cause such Global Note, or a portion of it, to become due and repayable ("**acceleration**") in the circumstances described in General Condition 10 by stating in the notice to the Fiscal Agent the Nominal Amount of such Global Note that is becoming due and repayable. If following such acceleration, the principal in respect of any Note is not paid when due, the Holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of an amended and restated deed of covenant executed as a deed by CIBC on January 26, 2024 (as amended, restated or replaced as at the Issue Date of the relevant Notes, the "**Deed of Covenant**") to come into effect in relation to the whole or a part of such Global Note or one or more Global Certificates in favour of the persons entitled to such part of such Global Note or such Global Certificate, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be.

Acceleration of Bail-inable Notes under General Condition 10 is only permitted where an order has not been made pursuant to subsection 39.13(1) of the CDIC Act in respect of the Issuer. Notwithstanding any acceleration under General Condition 10, the Bail-inable Notes continue to be subject to bail-in under the CDIC Act prior to repayment, including repayment by exercise of direct enforcement rights.

Integral Multiples in excess of the minimum Specified Denomination

So long as the Notes are represented by a temporary Global Note or permanent Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) as provided in the applicable Final Terms and higher integral multiples of at least 1,000 in the relevant currency as specified in the applicable Final Terms (the "**Integral Amount**"), notwithstanding that no Definitive Notes will be issued with a denomination above the Definitive Amount in such currency. The "**Definitive Amount**" shall be equal to two times the lowest Specified

Denomination minus the Integral Amount. If a Global Note is exchangeable for Definitive Notes at the option of the Noteholder, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

Upon registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Relationship of Accountholders with Clearing Systems

For so long as any Notes are represented by a Global Note or a Global Certificate, the term "Holder" includes a person that beneficially owns one or more Notes represented thereby for all purposes other than with respect to payments of principal or interest on the Notes, for which purpose the bearer of the relevant Global Note or the registered holder of the relevant Global Certificate shall be treated by the Issuer and the Agents as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the registered holder of such Global Certificate, as the case may be, and in relation to the exercise of all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of such Global Certificate, as the case may be, in respect of each amount so paid.

By its acquisition of an interest in a Bail-inable Note, each Noteholder or beneficial owner of an interest in that Bail-inable Note is deemed to have authorized, directed and requested Euroclear, Clearstream, Luxembourg and any direct participant in such clearing system and any other intermediary through which it holds its Bail-inable Note to take any and all necessary action, if required, to implement the Bail-in Conversion and any other action pursuant to the Bail-in Regime with respect to the Bail-inable Note, as may be imposed on it, without any further action or direction on the part of that Noteholder or beneficial owner or the paying agent, except as required in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg and/or the intermediary, as applicable.

CANADIAN BANK RESOLUTION POWERS

Under Canadian bank resolution powers, the Canada Deposit Insurance Corporation ("**CDIC**"), Canada's resolution authority may, in circumstances where the Issuer has ceased, or is about to cease, to be viable, assume temporary control or ownership of the Issuer and may be granted broad powers by one or more Orders (as defined below), including the power to sell or dispose of all or a part of the assets of the Issuer, and the power to carry out or cause the Issuer to carry out a transaction or a series of transactions the purpose of which is to restructure the business of the Issuer. As part of the Canadian bank resolution powers, certain provisions of, and regulations under the bail-in regime, provide for a bank recapitalization regime for banks designated by the Superintendent as domestic systemically important banks ("**D-SIBs**"), which include the Issuer.

The expressed objectives of the bail-in regime include reducing government and taxpayer exposure in the unlikely event of a failure of a D-SIB, reducing the likelihood of such a failure by increasing market discipline and reinforcing that bank shareholders and creditors are responsible for the D-SIBs' risks and not taxpayers, and preserving financial stability by empowering the CDIC to quickly restore a failed D-SIB to viability and allow it to remain open and operating, even where the D-SIB has experienced severe losses.

Under the CDIC Act, in circumstances where the Superintendent is of the opinion that the Issuer has ceased, or is about to cease, to be viable and viability cannot be restored or preserved by exercise of the Superintendent's powers under the Bank Act, the Superintendent, after providing the Issuer with a reasonable opportunity to make representations, is required to provide a report to CDIC. Following receipt of the Superintendent's report, CDIC may request the Minister of Finance for Canada (the "**Minister of Finance**") to recommend that the Governor in Council (*Canada*) make an Order and, if the Minister of Finance is of the opinion that it is in the public interest to do so, the Minister of Finance may recommend that the Governor in Council (Canada) make, and on such recommendation, the Governor in Council (*Canada*) may make, one or more of the following orders (each, an "Order"):

- vesting in CDIC, the shares and subordinated debt of the Issuer specified in the Order (a "**vesting order**");

- appointing CDIC as receiver in respect of the Issuer (a "**receivership order**");

- if a receivership order has been made, directing the Minister of Finance to incorporate a federal institution designated in the Order as a bridge institution wholly owned by CDIC and specifying the date and time as of which the Issuer's deposit liabilities are assumed ("**bridge bank order**"); or

- if a vesting order or receivership order has been made, directing CDIC to carry out a conversion, by converting or causing the Issuer to convert, in whole or in part – by means of a transaction or series of transactions and in one or more steps – the shares and liabilities of the Issuer that are subject to the bail-in regime into common shares of the Issuer or any of its affiliates (a "**conversion order**").

Following a vesting order or receivership order, CDIC will assume temporary control or ownership of the Issuer and will be granted broad powers under that Order, including the power to sell or dispose of all or a part of the assets of the Issuer, and the power to carry out or cause the Issuer to carry out a transaction or a series of transactions the purpose of which is to restructure the business of the Issuer.

Under a bridge bank order, CDIC has the power to transfer the Issuer's insured deposit liabilities and certain assets and other liabilities of the Issuer to a bridge institution. Upon the exercise of that power, any assets and liabilities of the Issuer that are not transferred to the bridge institution would remain with the Issuer, which would then be wound up. In such a scenario, any liabilities of the Issuer, including any outstanding Notes, that are not assumed by the bridge institution could receive only partial or no payment in the ensuing wind-up of the Issuer.

If the CDIC were to take action under the Canadian bank resolution powers with respect to the Issuer, this could result in holders or beneficial owners of Notes being exposed to losses.

Upon the making of a conversion order, prescribed shares and liabilities under the bail-in regime that are subject to that conversion order will, to the extent converted, be converted into common shares of the Issuer or any of its affiliates, as determined by CDIC. Subject to certain exceptions discussed below, senior debt issued on or after September 23, 2018, with an initial or amended term to maturity (including explicit or embedded options) greater than 400 days, that is unsecured or partially secured and that has been assigned a CUSIP or ISIN or similar identification number are subject to a bail-in conversion. Equities, other than common shares, and subordinated debt of the Issuer are also subject to a bail-in conversion, unless they are non-viability contingent capital. All Notes that are subject to bail-in conversion will be identified as Bail-inable Notes in the applicable Final Terms.

Covered bonds, derivatives and certain structured notes (as such term is used under the bail-in regime) are expressly excluded from a bail-in conversion. To the extent that any notes constitute structured notes (as such term is used under the bail-in regime) they will not be Bail-inable Notes and will not be identified as Bail-inable Notes in the applicable Final Terms. As a result, claims of some creditors whose claims would otherwise rank equally with those of the holders of Bail-inable Notes would be excluded from a bail-in conversion and thus the holders and beneficial owners of Bail-inable Notes will have to absorb losses ahead of these other creditors as a result of the bail-in conversion while other creditors may not be exposed to losses.

Bail-in Conversion

Under the bail-in regime there is no fixed and pre-determined contractual conversion ratio for the conversion of the Bail-inable Notes, or other shares or liabilities of the Issuer that are subject to a bail-in conversion, into common shares of the Issuer or any of its affiliates nor are there specific requirements regarding whether liabilities subject to a bail-in conversion are converted into common shares of the Issuer or any of its affiliates. CDIC determines the timing of the bail-in conversion, the portion of bail-inable shares and liabilities to be converted and the terms and conditions of the bail-in conversion, subject to parameters set out in the bail-in regime. Those parameters include that:

- in carrying out a bail-in conversion, CDIC must take into consideration the requirement in the Bank Act for banks to maintain adequate capital;

- CDIC must use its best efforts to ensure that shares and liabilities subject to a bail-in conversion are only converted after all subordinate ranking shares and liabilities that are subject to a bail-in conversion and any subordinate non-viability contingent capital instruments have been previously converted or are converted during the same restructuring period;

- CDIC must use its best efforts to ensure that the converted part of the liquidation entitlement of a share subject to a bail-in conversion, or the converted part of the principal amount and accrued and unpaid interest of a liability subject to a bail-in conversion, is converted on a pro rata basis for all shares or liabilities subject to a bail-in conversion of equal rank that are converted during the same restructuring period;

- holders of shares and liabilities that are subject to a bail-in conversion must receive a greater number of common shares per dollar of the converted part of the liquidation entitlement of their shares, or the converted part of the principal amount and accrued and unpaid interest of their liabilities, than holders of any subordinate shares or liabilities subject to a bail-in conversion that are converted during the same restructuring period or of any subordinate non-viability contingent capital that is converted during the same restructuring period;

- holders of shares or liabilities subject to a bail-in conversion of equal rank that are converted during the same restructuring period must receive the same number of common shares per dollar of the converted part of the liquidation entitlement of their shares or the converted part of the principal amount and accrued and unpaid interest of their liabilities; and

- holders of shares or liabilities subject to a bail-in conversion must receive, if any non-viability contingent capital of equal rank to the shares or liabilities is converted during the same restructuring period, a number of common shares per dollar of the converted part of the liquidation entitlement of their shares, or the converted part of the principal amount and accrued and unpaid interest of their liabilities, that is equal to the largest number of common shares received by any holder of the non-viability contingent capital per dollar of that capital.

Compensation Regime

The CDIC Act provides for a compensation process for Noteholders holding Bail-inable Notes who immediately prior to the making of an Order, directly or through an intermediary, own Bail-inable Notes that are converted in a bail-in conversion. While this process applies to successors of such Noteholders it does not apply to assignees or transferees of the Noteholder following the making of the Order and does not apply if the amounts owing under the relevant Bail-inable Notes are paid in full.

Under the compensation process, the compensation to which such Noteholders are entitled is the difference, to the extent it is positive, between the estimated liquidation value and the estimated resolution value of the relevant Bail-inable Notes. The liquidation value is the estimated value the Bail-inable Noteholders would have received if an order under the *Winding-up and Restructuring Act* (Canada) had been made in respect of the Issuer, as if no Order had been made and without taking into consideration any assistance, financial or otherwise, that is or may be provided to the Issuer, directly or indirectly, by CDIC, the Bank of Canada, the Government of Canada or a province of Canada, after any order to wind up the Issuer has been made.

The resolution value in respect of relevant Bail-inable Notes is the aggregate estimated value of the following: (a) the relevant Bail-inable Notes, if they are not held by CDIC and they are not converted, after the making of an Order, into common shares under a bail-in conversion; (b) common shares that are the result of a bail-in conversion after the making of an Order; (c) any dividend or interest payments made, after the making of the Order, with respect to the relevant Bail-inable Notes to any person other than CDIC; and (d) any other cash, securities or other rights or interests that are received or to be received with respect to the relevant Bail-inable Notes as a direct or indirect result of the making of the Order and any actions taken in furtherance of the Order, including from CDIC, the Issuer, the liquidator of the Issuer, if the Issuer is wound up, the liquidator of a CDIC subsidiary incorporated or acquired by order of the Governor in Council for the purposes of facilitating the acquisition, management or disposal of real property or other assets of the Issuer that CDIC may acquire as the result of its operations that is liquidated or the liquidator of a bridge institution if the bridge institution is wound up.

In connection with the compensation process, CDIC is required to estimate the liquidation value and the resolution value in respect of the portion of converted Bail-inable Notes and is required to consider the difference between the estimated day on which the liquidation value would be received and the estimated day on which the resolution value is, or would be, received.

CDIC must, within a reasonable period following a bail-in conversion, make an offer of compensation by notice to the relevant Noteholders that held Bail-inable Notes equal to, or in value estimated to be equal to, the amount of compensation to which such Noteholders are entitled or provide a notice stating that such Noteholders are not entitled to any compensation. In either case such notice is required to include certain prescribed information, including important information regarding the rights of such Noteholders to seek to object and have the compensation to which they are entitled determined by an assessor (a Canadian Federal Court judge) where holders of liabilities representing at least 10% of the principal amount and accrued and unpaid interest of the liabilities of the same class object to the offer or absence of compensation. The period for objecting is limited (45 days following the day on which a summary of the notice is published in the *Canada Gazette*) and failure by Noteholders holding a sufficient principal amount plus accrued and unpaid interest of affected Bail-inable Notes to object within the prescribed period will result in the loss of any ability to object to the offered compensation or absence of compensation, as applicable. CDIC will pay each relevant Noteholder the offered compensation within 135 days after the date on which a summary of the notice is published in the *Canada Gazette* if the offer of compensation is accepted by the Noteholder, the Noteholder does not notify CDIC of acceptance or objection to the offer within the aforementioned 45-day period or the holder objects to the offer but the 10% threshold described above is not met within the aforementioned 45-day period.

Where an assessor is appointed, the assessor could determine a different amount of compensation payable, which could either be higher or lower than the original amount. The assessor is required to provide holders, whose compensation it determines, notice of its determination. The assessor's determination is final and there are no further opportunities for review or appeal. CDIC will pay the relevant holders the compensation amount determined by the assessor within 90 days of the assessor's notice.

By its acquisition of an interest in any Bail-inable Note, each Noteholders or beneficial owner of that those Bail-inable Notes is deemed to agree to be bound by a bail-in conversion and so will have no further rights in respect of its Bail-inable Notes to the extent those Bail-inable Notes are converted in a bail-in conversion, other than those provided under the bail-in regime.

A similar compensation process to the one set out above applies, in certain circumstances, where as a result of CDIC's exercise of bank resolution powers, Notes are assigned to an entity which is then wound-up.

TLAC Guideline

In connection with the bail-in regime, the Office of the Superintendent of Financial Institutions' ("**OSFI**") guideline as interpreted by the Superintendent (the "**TLAC Guideline**") on TLAC applies to and establishes standards for D-SIBs, including the Issuer. Under the TLAC Guideline, from November 1, 2021, the Issuer is required to maintain a minimum capacity to absorb losses composed of unsecured external long-term debt that meets the prescribed criteria and regulatory capital instruments to support recapitalization in the event of a failure. Bail-inable Notes and regulatory capital instruments that meet the prescribed criteria will constitute TLAC of the Issuer.

In order to comply with the TLAC Guideline, the Bail-inable Notes must provide for terms and conditions necessary to meet the prescribed criteria and qualify at their issuance as TLAC instruments of the Issuer under the TLAC Guideline. Those criteria include the following:

- the Issuer cannot directly or indirectly have provided financing to any person for the express purpose of investing in the Bail-inable Notes;

- the Bail-inable Notes are not subject to set-off, netting, compensation or retention rights;

- the Bail-inable Notes must not provide rights to accelerate repayment of principal or interest payments outside of bankruptcy, insolvency, wind-up or liquidation, except that events of default relating to the non-payment of scheduled principal and/or interest payments will be permitted where they are subject to a cure period of no less than 30 business days and clearly disclose to investors that: (i) acceleration is only permitted where an Order has not been made in respect of the Issuer; and (ii) notwithstanding any acceleration, the instrument could still to be subject to a bail-in conversion prior to its repayment;

- the Bail-inable Notes may be redeemed or purchased for cancellation (as applicable) only at the initiative of the Issuer and, where the redemption or purchase would lead to a breach of the Issuer's minimum TLAC requirements, that redemption or purchase would be subject to the prior approval of the Superintendent;

- the Bail-inable Notes do not have credit-sensitive dividend or coupon features that are reset periodically based in whole or in part on the Issuer's credit standing; and

- where an amendment or variance of the Bail-inable Notes' terms and conditions would affect their recognition as TLAC, that amendment or variance will only be permitted with the prior approval of the Superintendent.

As a result, the terms of the Bail-inable Notes provide that acceleration will only be permitted (i) if the Issuer defaults in the payment of the principal or interest for a period of more than 30 business days, or (ii) certain bankruptcy, insolvency or reorganisation events occur. Holders and beneficial owners of Bail-inable Notes may only exercise, or direct the exercise of, such rights in respect of Bail-inable Notes where an Order has not been made under Canadian bank resolution powers pursuant to subsection 39.13(1) of the CDIC Act in respect of the Issuer. Notwithstanding the exercise of those rights, Bail-inable Notes will continue to be subject to bail-in conversion until paid in full.

The terms of the Bail-inable Notes also provide that holders or beneficial owners of Bail-inable Notes will not be entitled to exercise, or direct the exercise of, any set-off or netting rights with respect to Bail-inable Notes. In addition, where an amendment, modification or other variance that can be made to the Bail-inable Notes would affect the recognition of the Bail-inable Notes by the Superintendent as TLAC, that amendment, modification or variance will require the prior approval of the Superintendent.

FORM OF THE FINAL TERMS

This section sets out a pro forma for the Final Terms.

Set out below is the form of Final Terms, which will be completed for each Tranche of Notes (the "Notes"), issued under the Programme.

[MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution to eligible counterparties and professional clients are appropriate. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.] *(Include this legend alternative if the target market is intended to be professional investors only (i.e., it does not include retail investors))*

[UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [each][the] manufacturer['s][s'] product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**") ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**UK distributor**") should take into consideration the manufacturer['s][s'] target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s][s'] target market assessment) and determining appropriate distribution channels.] *(Include this legend alternative if the target market is intended to be professional investors only (i.e., it does not include retail investors))*

[MiFID II product governance / Retail investors, professional investors and ECPs target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); ***EITHER*** [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non- advised sales and pure execution services]] ***OR*** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the suitability and appropriateness obligations of the Distributor (as defined below) 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/s'] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the Distributor's suitability and appropriateness obligations under MiFID II, as applicable].] (*Include this legend alternative if the target market is intended to include retail investors*)

[UK MIFIR product governance / Retail investors, professional investors and ECPs target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**)"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); ***EITHER*** [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] ***OR*** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the suitability and appropriateness obligations of the Distributor (as defined below) under COBS, 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/s'] target market assessment; however, a Distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the Distributor's suitability and appropriateness obligations under COBS, as applicable].]] *(Include this legend alternative if the target market is intended to include retail investors)*

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

[UK PRIIPs Regulation – PROHIBITION OF SALES TO 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 United Kingdom ("**UK**"). For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.] *(Include this legend alternative if Notes are a "packaged product" for the purpose of the*

PRIIPs Regulation and a key information document will not be made available or the issuer wishes to prohibit offers to UK retail investors for any other reason)

[**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore)(as modified or amended from time to time, the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products "]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).][1]

[*Include the following if the Notes are Bail-inable Notes*:

The Notes are Bail-inable Notes and subject to conversion in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Issuer or any of its affiliates under subsection 39.2(2.3) of the Canada Deposit Insurance Corporation Act (the "CDIC Act") and to variation or extinguishment in consequence, and subject to the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Notes.]

Final Terms dated [●]
Canadian Imperial Bank of Commerce
Branch of Account: [Main Branch, Toronto] [London Branch]
Legal Entity Identifier: 2IGI19DL77OX0HC3ZE78
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under a Structured Note Issuance Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Base Prospectus dated January 26, 2024 [and the supplements to the Prospectus dated [●]] which [together] constitute[s] a base prospectus (the "**Prospectus**") for the purposes of [the UK Prospectus Regulation] [Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**")]. This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplements to the Prospectus] [is] [are] available for viewing during normal business hours at and copies may be obtained from the registered office of the Issuer at 81 Bay Street, CIBC Square, Toronto, Ontario, Canada M5J 0E7, and at the office of Fiscal Agent, Deutsche Bank AG, London Branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

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

[(When adding information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the UK Prospectus Regulation.)]

[1] Insert only if the Notes are to be sold to Singapore investors that are not institutional investors and accredited investors.

[(If the Notes have a maturity of less than one year from the date of their issue, then the minimum denomination may need to be £100,000 or its equivalent in any other currency.)]

1.	(a)	Series Number:	[●]
	(b)	Tranche Number	[●][The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the Issue of [Aggregate Nominal Amount of Tranche][Title of Notes] on *[(insert the date/the Issue Date/exchange of the Temporary Global Bearer Note for interests in the Permanent Global Bearer Note)]*
	(c)	Date on which the Notes become fungible:	[Not Applicable][The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the Issue of [Aggregate Nominal Amount of Tranche][Title of Notes][The Notes will become fungible with the Notes referred to above on [*insert date*][the Issue Date][the date of exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note][which is expected to occur on or about *[insert date*]]]
2.	**Specified Currency:**		[●]
3.	**Aggregate Nominal Amount:**		
	(a)	Series:	[●]
	(b)	Tranche:	[●] *[(Where Notes are fungible with an existing tranche, indicate the Aggregate Nominal Amount for each tranche and the aggregate amount in respect of each Tranche for the Series Aggregate Nominal Amount)].*
4.	**Issue Price:**		[[●] per cent. of the Aggregate Nominal Amount] [plus accrued interest from [(*insert date*)]] *(In the case of fungible issues only, if applicable)*
5.	(a)	Specified Denominations:	[●] [[●] and integral multiples of [●] in excess thereof up to and including [●].] [No Notes in definitive form will be issued with a denomination above [●].] [Calculation of Interest and Redemption based on the Specified Denomination: Applicable/Not Applicable] *(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made.)* *(Notes must have a minimum denomination of €100,000 (or equivalent) in order to benefit from the wholesale exemption set out in article 1(4)(c) of the UK Prospectus Regulation.)*
	(b)	Minimum Trading Size:	[Applicable. The Minimum Trading Size is [●] in aggregate nominal amount][Not Applicable] *(Specify the relevant minimum amount for the purposes of General Condition 2.1 (Transfer). Note that this will apply to acquisition and trading of the Notes.)*
	(c)	Calculation Amount:	[●]

			(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B.: There must be a common factor in the case of two or more Specified Denomination.)
6.	(a)	Issue Date:	[●]
	(b)	Trade Dates(s):	[●] *(Where multiple Trade Dates are relevant, specify all Trade Dates and distinguish as necessary)*
	(c)	Interest Commencement Date:	[Issue Date][●][Not Applicable] *(N.B. An Interest Commencement Date will not be relevant for certain Notes.)*
7.	**Maturity Date**:		*[(Specify date)]* *[(Preference Share Linked Notes:) [(specify date)],* subject to the provisions of Annex 5 (*Preference Share Linked Conditions*) and paragraph "Preference Share Linked Notes" of these Final Terms] Subject to any early redemption date.
8.	**Type of Notes:**		(Select each that applies)
	(a)	Interest:	[Not Applicable] [Fixed Rate Note] [Floating Rate Note] [Index Linked Note] [Equity Linked Note] [Fund Linked Notes] [(Further particulars specified below in "PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE")]
	(b)	Redemption:	[Index Linked Note] [Equity Linked Note] [Fund Linked Note] [Preference Share Linked Note] [Standard Redemption] *(include if redemption is not linked to an underlying)* [(Further particulars specified below in "PROVISIONS RELATING TO REDEMPTION")]
	(c)	Bail-inable Notes:	[Yes][No]
9.	**[Date [Board] approval for issuance of Notes obtained:**		[●] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes.)*
10.	**Method of distribution:**		[Syndicated][Non-syndicated]
11.	**Asset Conditions:**		[[Index] [Equity] [Fund] [Preference Share]] Linked Asset Conditions applicable in accordance with Annex 1][Not Applicable]

PROVISIONS RELTING TO INTEREST (IF ANY) PAYABLE

			(Repeat rows (using the same variables only) as necessary where a line item is used multiple times)
12.	**Fixed Rate Note:**		[Applicable][Not Applicable][Applicable for the purposes of Standard Fixed Interest] *(If not applicable, delete the remaining sub- paragraphs of this paragraph)* *[(For One-off Coupon Notes)* [One-off Coupon applies]] [Fixed rate plus a conditional bonus coupon]
	(a)	Interest Accrual Periods:	[Applicable to All Interest Accrual Periods][*where One-off Coupon applies alongside other fixed rate interest, include the following:* (except in respect of the One-off Coupon for which no Interest Accrual Period applies)] [Applicable to the following Interest Accrual Periods: [●]][*where One-off Coupon applies alongside other fixed rate interest, include the following:* (except in respect of the One-off Coupon for which no Interest Accrual Period applies)] [(*For Notes that have a One-off Coupon but no other Fixed Interest)* [No Interest Accrual Period applies for the purposes of the One-off Coupon]
	(b)	Rate(s) of Interest:	[●] *per cent. per annum* [payable [annually][semi-annually] [quarterly] in arrears] [*(for Notes with a One-off Coupon)* [●] payable on the Interest Payment Date specified below]
	(c)	Interest Payment Date(s):	[Notes for which One-off Coupon has been specified: *[(specify Interest Payment Date, which may be by reference to a scheduled Interest Payment Date for interest payments in the normal course)* [●]]
	(d)	Interest Period Dates:	[●] [Not Applicable]
	(e)	Fixed Coupon Amount(s):	[[●] per [Calculation] Amount] [As determined by the Calculation Agent in accordance with *General Condition 4.1 (Interest on Fixed Rate Notes)*] *(Applicable to Notes in definitive form in accordance with General Condition 4.1 (Interest on Fixed Rate Notes))*
	(f)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in][on] [●] [Not Applicable] *(Applicable to Notes in definitive form)*
	(g)	Day Count Fraction:	[1/1] [Actual/Actual (ISDA) or Actual/Actual] [Actual/Actual (ICMA)]

(N.B.: Actual/Actual (ICMA) is normally only appropriate for Fixed Rate Notes denominated in euros)

[Actual/365 (Fixed)]

[Actual/365 (Sterling)]

[Actual/360]

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

[30E/360 or Eurobond Basis]

[30E/360 (ISDA)]

[Not Applicable]

(h) Interest Accrual Periods: Interest Accrual Periods will be [adjusted] [unadjusted]

[(For Notes with a One-off Coupon) [Not Applicable]]

(i) Business Day Convention for the purposes of adjustment of "Interest Accrual Periods" in accordance with sub-paragraph (h) above: [Not Applicable] [Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention]

(j) Additional Business Centre(s): [Not Applicable] [●]

(Specify only if "Interest Accrual Periods will be adjusted" is indicated in sub-paragraph (h) above)

(k) Determination Date(s): [[●] in each year] [Not Applicable]

(Insert regular interest payment dates, ignoring issue date or redemption date in the case of a long or short first or last coupon)

(N.B.: This will need to be amended in the case of regular interest accrual periods which are not of equal duration)

(N.B.: Only relevant where Day Count Fraction is Actual/Actual (ICMA))

13. **Floating Rate Note:** [Applicable] [Not Applicable]

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

(a) Applicable to: [All Interest Accrual Periods]

[The following Interest Accrual Periods: [●]]

(b) Interest Payment Dates: [[●] in each year up to and including the Maturity Date] [●]

(c) Interest Period Dates: [●] [Not Applicable]

(d) Interest Determination Date(s): [●]

		(Often second day on which the TARGET System is open prior to the start of each Interest Accrual Period if EURIBOR) [The date which is ["p"] London Business Days prior to each Interest Payment Date]
(e)	Business Day Convention for the purposes of adjustment of "Interest Accrual Periods" in accordance with sub-paragraph (n) below:	[Not Applicable] [Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention]
(f)	Additional Business Centre(s):	[Not Applicable] [●] *(Specify only if "Interest Accrual Periods will be adjusted" is indicated in sub-paragraph (n) below)*
(g)	Rate(s) of Interest:	Determined in accordance with [Screen Rate Determination] [ISDA Determination]
(h)	Screen Rate Determination:	[Applicable][Not Applicable]
	- Reference Rate:	[●] *(insert relevant designated period)* [EURIBOR] [SONIA - SONIA Compounded Index Rate / SONIA Compounded Daily Reference Rate [with Observation Shift] / [with Lag] where "p" is: [specify number] London Business Days *(being no less than 5 London Business Days)*] [SOFR - Compounded SOFR / Compounded Daily SOFR [with Observation Shift] / [with Lag] / [with Lock-out] where "p" is: [specify number] US Government Securities Days *(being no less than 5 US Government Securities Days)* [and "D" is [*specify for Compounded Daily SOFR if not 360*]]]
	- Relevant Screen Page:	[●] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate*)
	- Relevant Screen Page Time:	[●] [11.00 a.m.] [(Brussels time) (*in the case of EURIBOR*)]
	- Relevant Inter-Bank Market:	[●] *(If market is not specified it will be the EURO-zone inter-bank market (in the case of EURIBOR))*
	- Reference Banks:	[Applicable [●]] [Not Specified] *(Four Reference Banks should be specified, unless "Not Specified" is selected, in which case the Calculation Agent is obliged to select the relevant Reference Banks)*
(i)	ISDA Determination:	[Applicable] [Not Applicable]
	- ISDA Definitions:	[2006] [2021]
	- Floating Rate Option	[●]

- Designated Maturity: [●]

  Applies to: [All Interest Accrual Periods] [The following Interest Accrual Periods: [●]]

  (Only applicable where the Floating Rate Option is not an overnight rate)

  (If specified Designated Maturity applies to some Interest Accrual Periods only, repeat on subsequent rows until all relevant Interest Accrual Periods are specified)

- Reset Date: [●] [First day of the relevant Interest Accrual Period *(Standard wording if Floating Rate Option is based on EURIBOR)*][[●] U.S. Government Notes Business Day [falling in][[immediately following][immediately preceding] the first day of] the relevant Interest Accrual Period]

  (Only applicable where the Floating Rate Option is not an overnight rate, otherwise the Reset Date is set as the last day of the relevant Interest Accrual Period, unless otherwise specified)

- Compounding: [Applicable] [Not Applicable]

  (Only applicable where the Floating Rate Option is an overnight rate)

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

- OIS Compounding: [Applicable] [Not Applicable]

  - Compounding with Lookback: [Applicable] [Not Applicable]

  - Compounding with Observation Period Shift: Lookback: [●]

    (If no number is specified, and there is no default applicable to the Floating Rate Option, the default value will be five (5))

    [Applicable] [Not Applicable]

    Observation Period Shift: [●]

    (If no number is specified, and there is no default applicable to the Floating Rate Option, the default value will be five (5))

    [Observation Period Shift Additional Business Day: [●]]

    Set in Advance: [Applicable] [Not Applicable]

  - Compounding with Lockout: [Applicable] [Not Applicable]

    Lockout: [●]

    (If no number is specified, and there is no default applicable to the Floating Rate Option, the default value will be five (5))

    [Lockout Period Business Day: [●]]

  - Averaging: [Applicable] [Not Applicable]

(Only applicable where the Floating Rate Option is an overnight rate)

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

- Overnight Averaging: [Applicable] [Not Applicable]

- Averaging with Lookback: [Applicable] [Not Applicable]

  Lookback: [●]

  (If no number is specified, and there is no default applicable to the Floating Rate Option, the default value will be five (5))

- Averaging with Observation Period Shift: [Applicable] [Not Applicable]

  Observation Period Shift: [●]

  (If no number is specified, and there is no default applicable to the Floating Rate Option, the default value will be five (5))

  [Observation Period Shift Additional Business Day: [●]]

  Set in Advance: [Applicable] [Not Applicable]

- Averaging with Lockout: [Applicable] [Not Applicable]

  Lockout: [●]]

  (If no number is specified, and there is no default applicable to the Floating Rate Option, the default value will be five (5))

  [Lockout Period Business Day: [●]]

- Daily Capped Rate: [●] [Not Applicable]

  (Only applicable where the Floating Rate Option is an overnight rate and Compounding or Averaging is applicable)

- Daily Floored Rate: [●] [Not Applicable]

  (Only applicable where the Floating Rate Option is an overnight rate and Compounding or Averaging is applicable)

- Delayed Payment: [Applicable] [Not Applicable]

  Number of days: [●]

  (If no number is specified, the default value will be five (5))

(j) Margin(s): [[+/-][•] per cent. Per annum[,applicable [generally][for [●] Interest Accrual Periods]]]

(k) Minimum Rate of Interest: [●] per cent. per annum [for [●] Interest Accrual Periods]

(l) Maximum rate of Interest: [●] per cent. per annum [for [●] Interest Accrual Periods]

(m) Day Count Fraction: [1/1]

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

[Actual/Actual (ICMA)]

[Actual/365 (Fixed)]

[Actual/365 (Sterling)]

[Actual/360]

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

[30E/360 or Eurobond Basis]

[30E/360 (ISDA)]

[Not Applicable]

(n) Interest Accrual Periods: Interest Accrual Periods will be [adjusted][unadjusted]

(Specify which, if any, Interest Accrual Periods will be subject to Linear Interpolation in accordance with General Condition 4.9 (Interpolation))

(o) Determination Date(s): [[●] in each year] [Not Applicable]

(Insert regular interest payment dates, ignoring issue date or redemption date in the case of a long or short first or last coupon)

(N.B.: This will need to be amended in the case of regular interest accrual periods which are not of equal duration)

(N.B.: Only relevant where Day Count Fraction is Actual/Actual (ICMA))

(p) Additional Disruption Event: [Applicable in accordance with General Condition 4.2(e)]

[Change in Law is not applicable]

[Hedging Disruption is not applicable]

[Increased Cost of Hedging is not applicable]

(q) Universal Leverage: [●] [● per cent.][Not Applicable]

(r) Benchmark Replacement-ARRC: [General Condition 4.2(b)(iv)(B) applies] [Not Applicable - General Condition 4.2(b)(iv)(A) applies] (*only relevant where SOFR is the Reference Rate*)

14. **Linked Interest Note:** [[Applicable] - [Index Linked Note] [Equity Linked Note] [Fund Linked Note]]

[(See paragraph "PROVISIONS RELATING TO THE UNDERLYING(S) IF ANY" for further information in relation to the Underlying(s))]

[Not Applicable]

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

(a)	Applicable to:	[All Interest Accrual Periods] [The following Interest Accrual Periods: [●]]
(b)	Interest Payment Date(s):	[[●] in each year from and including [●] up to and including the Maturity Date] [●]
(c)	Interest Period Dates:	[●] [Not Applicable]
(d)	Interest Determination Date(s):	[●] *(Often second day on which the TARGET System is open prior to the start of each Interest Accrual Period if EURIBOR)*
(e)	Business Day Convention for the purposes of adjustment of "Interest Accrual Periods" in accordance sub-paragraph (h) below:	[Not Applicable] [Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention]
(f)	Additional Business Centres:	[Not Applicable] [●] *(Specify only if "Interest Accrual Periods will be adjusted" is indicated in sub-paragraph (h) below)*
(g)	Day Count Fraction:	[1/1] [Actual/Actual (ISDA) or Actual/Actual] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis] [30E/360 (ISDA)] [Not Applicable]
(h)	Interest Accrual Periods:	Interest Accrual Periods will be [adjusted][unadjusted] *(Specify which, if any, Interest Accrual Periods will be subject to Linear Interpolation in accordance with General Condition 4.9 (Interpolation))*
(i)	Determination Date(s):	[[●] in each year] [Not Applicable] *(Insert regular interest payment dates, ignoring issue date or redemption date in the case of a long or short first or last coupon)*

(N.B.: This will need to be amended in the case of regular interest accrual periods which are not of equal duration)

(N.B.: Only relevant where Day Count Fraction is Actual/Actual (ICMA))

(j) Calculation Agent responsible for calculating the Linked Interest Rate and the Interest Amount: [●]

(k) Interest Payoff: [Applicable] [Not Applicable]

(if "Applicable", select only the applicable Interest Payoff(s))

(If "Not Applicable", delete the following sub- paragraphs)

(i) [Interest Type: [Fixed Amount (as completed in paragraph "Fixed Rate Note" of these Final Terms for the purposes of this Interest Payoff)] [plus]
(If applicable fill in variables under paragraph "Fixed Rate Note" of these Final Terms)]

[Floating Amount (as completed in paragraph "Floating Rate Note" of these Final Terms for the purposes of this Interest Payoff)] [plus]
(If applicable fill in variables under paragraph "Floating Rate Note" of these Final Terms)]

[Conditional Bonus Amount]

[Conditional Amount]

[Phoenix Without Memory]

[Phoenix With Memory]

[Insert relevant value(s) and other related provisions from Annex 2, and*, where relevant, the Definitions Conditions]]*

(ii) Coupon Barrier Event: [greater than] [greater than or equal to] [less than] [less than or equal to] applies

*(If **Phoenix with Memory** is not applicable, delete the following sub-paragraphs)*

- Calculation Amount (CA): [●]
- Memory Interest Value [●]
- t: [The amount set forth in the Interest Payment Table in the column entitled "t" in the row corresponding to the Interest Payment Date][In respect of an Interest Payment Date, the number of Interest Payment Dates falling in the period commencing on, but excluding, the Issue Date and ending on, and including, such Interest Payment Date]

[*If Memory Coupon is applicable, insert:* **Interest Payment Table***]

t:	**[Coupon Barrier Level]**	**[Coupon Valuation Date(s)]**	**Interest Payment Date(s)**
1	[●]	[●]	[●]
[2]	[●]	[●]	[●]

(Insert date, repeat as appropriate) *(Insert date, repeat as appropriate)*

PROVISIONS RELATING TO REDEMPTION

15. **Redemption Determination Date(s):** [For the purposes of determining the Final Redemption Amount [•]]

[For the purposes of determining an Early Redemption Amount, the date falling [•] Business Days prior to the Early Redemption Date]

[Not Applicable]

16. Call Option: [Applicable/Not Applicable]

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

(a) Optional Redemption Date(s): [●]

(b) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[●] per Calculation Amount]
[Total Accrued$_T$ is applicable]

[- Accrual Rate: [●]] (*complete if Total Accrued$_T$ is applicable, otherwise delete*)

t=number of periods	**Valuation Date (t)**	**Optional Redemption Date (t)**

(c) If redeemable in part:

- Minimum Redemption Amount: [●] per Calculation Amount

- Maximum Redemption Amount: [●] per Calculation Amount

(d) Notice period:[6] [●]

17. Put Option: [Applicable/Not Applicable]

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

(a) Optional Redemption Date(s): [●]

(b) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[●] per Calculation Amount]

(c) Notice period:[6] [●]

18. Bail-inable Notes – TLAC Disqualification Event Call Option: [Applicable][Not Applicable]

19. [Early Redemption Amount:

Early Redemption Amount(s) of each Note: payable on redemption for tax [Fair Market Redemption Amount calculated in accordance with General Condition 5.4] [For the purposes hereof the provision "The Fair Market Value Redemption Amount specified above shall be determined taking into account any amounts in respect of accrued but

	reasons, [TLAC Disqualification Event Call Option,] on Event of Default or Illegality and Force Majeure or other early redemption in accordance with the Conditions	unpaid interest accrued, and accordingly no other amount of" shall be deemed to be deleted from General Condition 5.4(a) and replaced with "No amount of"] [Standard Redemption as set out in Annex 3 – Redemption Method Conditions: [Early Redemption Level is [●]]] [*insert other payoff conditions as applicable*]
	(a) Hedge Amount	[Applicable] [Not Applicable] (*for Fair Market Redemption Amount)*
	(b) Fair Market Value Redemption Amount Percentage:	[[●] per cent.][Not Applicable] (*for Fair Market Redemption Amount)*
20.	Automatic (Autocall) Early Redemption for the purposes of General Condition 5.2 and Automatic Early Redemption Conditions (Annex 3)]:	[Applicable] [Not Applicable] *(If "Not Applicable", delete the remaining subparagraphs of this paragraph)*
	- Performance ER	For the purposes of Performance ER in the definition of Automatic Early Redemption Event [greater than] [greater than or equal to] [less than] [less than or equal to] applies.
	- Early Redemption Amount:	[●] [Determined in accordance with [Standard Redemption] [●] *(Insert name of other Redemption Payoff)*]] [Fair Market Redemption Amount calculated in accordance with General Condition 5.4] [For the purposes hereof the provision "The Fair Market Value Redemption Amount specified above shall be determined taking into account any amounts in respect of accrued but unpaid interest accrued, and accordingly no other amount of" shall be deemed to be deleted from General Condition 5.4(a) and replaced with "No amount of"] [Hedge Amount is [Applicable/Not Applicable]] [[Fair Market Value Redemption Amount Percentage is [[●] per cent.][Not Applicable]] [Not Applicable]
	- Redemption Unwind Costs:	[Applicable] [Not Applicable] (*applicable to Standard Redemption*)
	- Reference Price Percentage:	[[●] (*applicable to Standard Redemption for the purpose of the definition of Reference Price Percentage)* *(Specify each separate percentage where different Reference Price Percentages apply to different dates)]* [A price calculated pursuant to sub-paragraph (c) of the definition of "Reference Price Percentage" in Annex 4 (*Redemption Method Conditions*), where: C = [●]; n = [●]; and N = [●].]
	- Early Redemption Barrier (ERB):	[●]

- Early Redemption Date(s): [●] (S*pecify if other than each Interest Payment Date other than the Maturity Date*)

- Early Redemption Observation Date(s): [●] *(Specify any business day convention applicable to the Early Redemption Observation Date)*

- Early Redemption Observation Period: [●]

- Initial Price: [●]

- Relevant Timing: On [the] [the current] Valuation Date

  or

  On [the] [the current] [each] [at least one previous] [each previous] Early Redemption Observation Date

  or

  [At least one time] [On at least one Scheduled Trading Day] [At all times] [On all Scheduled Trading Days which are not Disrupted Days] during the Early Redemption Observation Period

  (*delete unapplicable items*)

- Underlying Performance Type: [Single Asset] [All Assets] [Worst-of] [Basket]

- Valuation Date(s): [●] (*insert dates or complete table below and delete*)

- Valuation Price: [●] [[Averaging-out] [Min Look-back-in] [Max Lookback-in] is Applicable] (*if none is specified or none of the foregoing is applicable, the default under the definition of Valuation Price for purposes of Performance_ER is the official closing price, or in respect of an index, the level, of the Underlying Asset on the Valuation Date*)

(*For a Basket of Underlyings use the following table*)

i	**Underlying asset:**	**Initial Price**	**[ERB]**	**[Valuation Date]**	**[Valuation Price]**	**[Averaging Dates] [Lookback Dates]**	**[Currency]**
1	[[●] *(with further information set out in paragraph [●] (Insert reference to correct Asset Condition line item which includes the relevant identifier) of these Final Terms) (The relevant Index,*	[●]	[●]	[●]	[●]	[●]	[●]

Equity, Fund or ETF)]

(add rows (numbered sequentially) as required)	(Add rows as required)	(Add rows as required)	(Add rows as required)	(Add rows as required)	(Add rows as required)	

21. Final Redemption Amount for the purposes of General Condition 5.1 (*Final Redemption*) determined in accordance with: [Not Applicable]

(Specify "Not Applicable" for Preference Share Linked Notes)

(a) Redemption Payoff: [Determined in accordance with [Standard Redemption] [Reverse Convertible] [Reverse Convertible (Worst of)] [Barrier Reverse Convertible] [Barrier Reverse Convertible (Worst of)] - *(Insert name of Redemption Method Condition*)] [Not Applicable]

- Final Redemption Percentage: [●]
- Redemption Unwind Costs: [Applicable][Not Applicable]
- Reference Price Percentage: [[●]

(Specify each separate percentage where different Reference Prices apply to different dates)]

[A price calculated pursuant to sub-paragraph (c) of the definition of "Reference Price" in Annex 5 (*Redemption Method Conditions*), where:

C = [●];

n = [●]; and

N = [●].]

- Initial Price: [●] [As set out in paragraph 22]
- Strike Price: [●] [Not Applicable]
- Kick-in Event: In the definition of Kick-in Event [greater than] [greater than or equal to] [less than] [less than or equal to] applies.
- Kick-in Level: [●]
- [PL ("**Protection Level**"): [●]]

(b) Early Redemption Level [[●] per cent.][Not Applicable] (*for purposes of definition of Reference Price Percentage in Annex 3 – Redemption Conditions*)

(c) Fair Market Value Redemption Amount: [Applicable][Not Applicable]

(i) Hedge Amount [Applicable] [Not Applicable]

(ii) Fair Market Value Redemption Amount Percentage: [[●] per cent.][Not Applicable]

PROVISIONS RELATING TO THE UNDERLYING(S) IF ANY

[Applicable][Not Applicable]

(If applicable, at least one of paragraphs 22(a) to 22(e) below should be specified as Applicable)

22. (a) [Index Linked Note: *(If both interest or redemption items below are not applicable, delete this entire paragraph 22(a). If only one applies, please select relevant interest or redemption items below)*

[Index Linked [Interest] [and] [Redemption] Note: Applicable in accordance with Annex 1, Chapter 1][Not Applicable]

(i) Single Underlying: [Applicable][Not Applicable]

(If not applicable, delete the remaining subparagraphs of this subparagraph)

- Applicable for the purposes of: [Interest Payoff Condition [● *(Insert name of Interest Payoff)*]]

[Redemption Payoff [● *(Insert name of Redemption Payoff)*]]

[Automatic (Autocall) Early Redemption]

- Index: [●][Not Applicable]
- Exchange: [●] [Not Applicable]
- Multiple Exchange: [Applicable][Not Applicable]
- Index Sponsor: [●][Not Applicable]
- Related Exchange: [●] [All Exchanges] [Not Applicable]
- Valuation Time: [Closing][Intraday][●]
- Bloomberg Ticker: [●][Not Applicable]
- Initial Level: [●]

(ii) Basket: [Applicable][Not Applicable]

(If not applicable, delete the remaining subparagraphs of this subparagraph)

- Scheduled Trading Day: [Scheduled Trading Day (All Indices Basis)][Scheduled Trading Day (Per Index Basis)]
- Exchange Business Day: [Exchange Business Day (All Indices Basis)][Exchange Business Day (Per Index Basis)]
- Applicable for the purposes of: [Interest Payoff Condition [● *(Insert name of Interest Payoff Condition)*]]

[Redemption Payoff [● *(Insert name of Redemption Payoff)*]]

[Automatic (Autocall) Early Redemption]

Underlying	**Index:**	**Exchange:**	**Multiple Exchange:**	**Index Sponsor:**	**Related Exchange:**	**Valuation Time:**	**Bloomberg Ticker:**	**Initial Level:**

[1]	[●] [*Insert Weighting*]	[●] [Not Applicable]	[Applicable] [Not Applicable]	[●][Not Applicable]	[●][All Exchanges] [Not Applicable]	[Closing] [Intraday] [●]	[●] [Not Applicable]	[●]
(Add rows (numbered sequentially) as required)	*(Add rows as required)*	*(Add rows as required)*	*(Add rows as required)*	*(Add rows as required)*	*(Add rows as required)*	*(Add rows as required)*	*(Add rows as required)*	*(Add rows as required)*

(iii) Additional Disruption Event: [Applicable in accordance with Index Linked Asset Condition 3.4][Not Applicable]

[The following Additional Disruption Events apply to the Notes:

[Change in Law]

[Hedging Disruption]

[Increased Cost of Hedging]

[Dividend Disruption]

[Increased Cost of Stock Borrow –

Initial Stock Loan Rate is [●]]

[Loss of Stock Borrow –

Maximum Stock Loan Rate is [●]]

(iv) Other Events: [Applicable][Not Applicable]

(v) Correction of Index Levels: [Applicable][Not Applicable] [*If Applicable:* The Reference Price shall be calculated without regard to any subsequently published correction].

(If Correction of Index Levels does not apply, delete the item below)

(vi) Correction Cut-Off Date: [●] Business Days prior to the Maturity Date

(vii) Observation Date(s): [●] *(Specify any business day convention applicable to the Early Redemption Observation Date)*

(viii) Observation Period: [●]

(ix) Averaging Date Disruption: [Omission][Postponement][Modified Postponement][Not Applicable]

(x) Maximum Days of Disruption: [●][Eight (8) Scheduled Trading Days][[●] Scheduled Trading Days]

(xi) Payment Extension Days: [●] *(If nothing is specified the default is two (2) Payment Business Days)*

(xii) Clearance System: [●] *[As specified in Index Linked Asset Condition 2]]*

(xiii) Multiplier: [●] [Not Applicable] (*include for a Basket if Indices for purposes of "Reference Price")*

(b) [Equity Linked Note: *(If both interest or redemption items below are not applicable, delete this entire paragraph 22(b). If only one applies, please select relevant interest or redemption items below)*

[Equity Linked [Interest] [and] [Redemption] Note: Applicable in accordance with Annex 1, Chapter 2][Not Applicable]

(i) Single Underlying: [Applicable][Not Applicable]

(If not applicable, delete the remaining subparagraphs of this subparagraph)

- Applicable for the purposes of: [Interest Payoff Condition [● *(Insert name of Interest Payoff)*]]

  [Redemption Payoff [● *(Insert name of Redemption Payoff)*]]

  [Automatic (Autocall) Early Redemption]
- Underlying Equity: [(*insert name of underlying equity issuer and the equity)*]

  [ISIN: [●]

  [Bloomberg Code: [●]]

  [[Strike] Price:]

  [Give details, including name of the issuer and the equity and ISIN or other applicable identification code for each equity security. Note underlying equities are to be equities listed on a regulated market in the UK or EEA or an equivalent market in a third country only.]
- Exchange
- Related Exchange: [●] [All Exchanges]
- Initial Price: [●]
- [Strike Price]: [●]] (*delete if not applicable)*

(ii) Basket [Applicable][Not Applicable]

(If not applicable, delete the remaining subparagraphs of this subparagraph)

Underlying	**Equity:**	**ISIN/ Bloomberg Code:**	**Exchange:**	**Weighting/ Multiplier:**	**Related Exchange:**	**Valuation Time:**	**[[Strike] [Initial] Price]:**
[1]	[●]	[●] [Not Applicable]	[Applicable] [Not Applicable]	[●][Not Applicable]	[●][All Exchanges] [Not Applicable]	[Closing] [Intraday] [●]	[●] [Not Applicable]
(Add rows (numbered sequentially) as required)	*(Add rows as required)*	*(Add rows as required)*	*(Add rows as required)*	*(Add rows as required)*	*(Add rows as required)*	*(Add rows as required)*	*(Add rows as required)*

(iii) Potential Adjustment Events: [Applicable/Not Applicable]

(iv)	De-listing:	[Applicable/Not Applicable]
(v)	Merger Event:	[Applicable/Not Applicable]
(vi)	Nationalization:	[Applicable/Not Applicable]
(vii)	Insolvency:	[Applicable/Not Applicable]
(viii)	Tender Offer:	[Applicable/Not Applicable]
(ix)	Valuation Date(s):	[●] [Disrupted Day is [Applicable] [Not Applicable] for purposes of the definition of Reference Price]
(x)	Valuation Time:	[Annex 1, Chapter 2 applies] [As set forth in the table above]
(xi)	Correction of Equity Prices:	[Applicable/Not Applicable] [(*If Applicable:* The Reference Price shall be calculated without regard to any subsequently published correction] *(If Correction of Equity Prices does not apply, delete the following sub paragraph)*
	- Correction Cut-Off Date:	[●] Business Days prior to the Maturity Date
(xii)	Additional Disruption Events:	[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* [The following Additional Disruption Events apply to the Notes: [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Insolvency Filing] [Increased Cost of Stock Borrow] [Loss of Stock Borrow]] [The Maximum Stock Loan Rate in respect of [*specify in relation to each Underlying Equity*] is [ ].] *(NB: Only applicable if Loss of Stock Borrow is applicable)* [The Initial Stock Loan rate in respect of *[specify in relation to each Underlying Equity]*] *(NB: Only applicable if Increased Cost of Stock Borrow is applicable)*
(xiii)	Other Events:	[Applicable] [Not Applicable]
(c)	**Fund Linked Note:**	(*If not applicable, delete this entire paragraph 22(c))* *(If both interest or redemption items below are not applicable, delete this entire paragraph 22(c). If only one applies, please select relevant interest or redemption items below)* [Fund Linked [Interest] [and] [Redemption] Note: Applicable in accordance with Annex 1, Chapter 3] [Not Applicable]
(i)	Single Fund:	[Applicable] [Not Applicable] (*If not applicable, delete remaining subparagraphs)*

- Applicable for the purposes of: [Interest Payoff Condition [● *(Insert name of Interest Payoff)*]]

  [Redemption Payoff [● *(Insert name of Redemption Payoff)*]]

  [Automatic (Autocall) Early Redemption]

- Fund [●] (*insert name of Fund(s)*)

  [ISIN: [●]

  [Bloomberg Code(s): [●]]

  [*Include ISIN or other applicable identification code for underlying Fund(s)*]

  [The Fund is an Exchange Traded Fund (ETF)] [mutual fund][other]

- Exchange: [●]

- Related Exchange: [●] [All Exchanges]

- Underlying Index: [●] *(Include for ETFs*)

- Fund Interest: [●]

- Valuation Time: [●][As specified in the Fund Linked Asset Conditions] (*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)

(ii) Basket [Applicable] [Not Applicable]

(*If not applicable, delete below subparagraph and table)*

- Applicable for the purposes of: [Interest Payoff Condition [● *(Insert name of Interest Payoff)*]]

  [Redemption Payoff [● *(Insert name of Redemption Payoff)*]]

  [Automatic (Autocall) Early Redemption]

Fund:	**[ISIN/Bloomberg Code(s)]**	**Underlying Index:**	**Exchange:**	**Related Exchange:**	**Valuation Time:**	**Fund Interests:**	**Weighting/ proportion**	**Initial Price**
[[●]*(List on a separate row each Fund used as an Underlying for determination of the applicable redemption amount)*	[●]	[●]	[●]	[●] [All Exchanges]]	[●]	[●] [Not Applicable]	[[●] percent.] [Not Applicable]	[[●] percent.] [Not Applicable]
Add rows (numbered sequentially) as required)								

(iii) Fund Performance: [●] [As specified in the Fund Linked Conditions]

(iv) Barrier Event (intraday): [Applicable] [Not Applicable]

- Barrier Event Determination Day: [As specified in the Fund Linked Asset Conditions] [*other*]

(v) Barrier Event (closing): [Applicable] [Not Applicable]

- Barrier Event Determination Day: [Valuation Date]

		[In respect of [the] [each] Fund Share, each Scheduled Trading Day for such Fund Share during an Observation Period that is not a Disrupted Day for such Fund Share] [Each Common Scheduled Trading Day that is not a Disrupted Day for any Fund in the Basket of Funds during [the] [each] Observation Period]
(vi)	Barrier Level:	[●][Not Applicable]
(vii)	Averaging:	[Applicable] [Not Applicable] (*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)
	- Averaging Dates:	[*insert dates*]
	- Omission:	[Applicable] [Not Applicable]
	- Postponement	[Applicable] [Not Applicable]
	- Modified Postponement:	[Applicable] [Not Applicable]
(viii)	Valuation Date(s):	[●]
(ix)	Observation Date(s):	[●](*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)
	- Observation Date (Closing Valuation):	[Applicable] [Not Applicable]
(x)	Observation Period:	[Applicable: [Extension] [No Extension]] [Not Applicable] (*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)
- Observation Period Start Date		[[●] ([Including] [Excluding])] [Not Applicable]
- Observation Period End Date:		[[●] ([Including] [Excluding])] [Not Applicable]
(xi)	Common Scheduled Trading Days:	[Applicable: [Common Disrupted Days will apply] [Individual Disrupted Days will apply] (*N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)*] [Not Applicable] (*N.B. May only be applicable in relation to Fund Linked Notes relating to a Basket*)
(xii)	Additional Disruption Events:	[Applicable][Not Applicable] [The following Additional Disruption Events apply to the Notes: [Change in Law] [Fund Hedging Disruption] [Increased Cost of Hedging]
(xiii)	Initial Price:	[*insert if not the Fund Share Closing Price of such Fund Share or the Fund Interest Share Closing Price of such Fund Interest on the Strike Date or Pricing Date (as applicable) per the Fund Linked Asset Conditions*] [Not Applicable] [As set forth in the table above]

(xiv)	Final Price	[*insert if not the Fund Share Closing Price of such Fund Share or the Fund Interest Share Closing Price of such Fund Interest on the Valuation Date per the Fund Linked Asset Conditions*] [Not Applicable]
(xv)	Strike Date:	[●]
(xvi)	Pricing Date:	[●]
(xvii)	Merger Event	[Merger Date on or before the Valuation Date] [*other*]]
(xviii)	Other Events:	[Applicable][Not Applicable]

(d) Preference Share Linked Note:

(i)	Preference Share Issuer:	Tower Securities Limited A description of the Preference Share Issuer is contained in [the Base Prospectus/*insert other*]
(ii)	Information:	[The Preference Share Terms and Conditions are [attached to these Final Terms] [available for inspection at the following website and/or address: [●]] [The Articles are available for inspection at the following website and/or address: [●]] [The Preference Share Value will be available on each Business Day on request from Canadian Imperial Bank of Commerce, London Branch, 150 Cheapside, London, EC2V 6ET, Attention: Execution Management]
(iii)	Preference Shares:	Series [●] Preference Shares, issued by the Preference Share Issuer
(iv)	Preference Share Underlying:	[Equity Linked Preference Shares] [Index Linked Preference Shares] [Fund Linked Preference Shares]
(v)	Final Valuation Date:	[[ten] [ ] Business Day[s] following the Preference Share Valuation Date] [●]
(vi)	Valuation Time:	[●] (London time)
(vii)	Additional Disruption Event:	
	(A) Change in Law:	[Applicable: Hedging Arrangements is [Applicable] [Not Applicable]] [Not Applicable] [
	(B) Hedging Disruption:	[Applicable][Not Applicable]
	(C) Increased Cost of Hedging:	[Applicable][Not Applicable]
	(D) Insolvency Filing:	[Applicable][Not Applicable]
(viii)	Early Redemption Notice Period Number	[●][insert if less than 10]

	(a)	Fair Market Value Redemption Amount:	[As specified in Preference Share Linked Condition 1.6(b)] [Preference Share Linked Condition 1.6(b)(i) shall not apply[in relation to the following events leading to early redemption of the Notes: [●] (Insert applicable events from the General Conditions giving rise to payment of the Fair Market Value Redemption Amount)]]
	(b)	Extraordinary Events:	[Applicable][Not Applicable] (If not applicable, delete the following subparagraph) [Merger Event is Applicable] [Tender Offer is Applicable] [Insolvency is Applicable] [Nationalisation is Applicable]
(e)	**Delivery:**		[Cash Settlement] [Physical Delivery] [Cash Settlement and/or Physical Delivery] is Applicable *(Only specify if Equity Linked Asset Conditions or Fund Linked Asset Conditions apply. If not applicable, delete the remaining subparagraph of this paragraph)*
	- Cash or Physical Settlement:		[Applicable for the purposes of [●] (*Insert name of Redemption Payoff and relevant elements which apply for determining whether cash or physical settlement applies*) where Physical Settlement will apply if [●]] [[●] (*Specify other*)]
	-	Relevant Asset(s):	[●] [*In case of physical delivery of listed underlying equities include the following:* Share Rights: [●]]
	-	Asset Amount:	[●]
	-	Cut-Off Date:	[●]
	-	Failure to Deliver due to Illiquidity:	[Applicable/Not Applicable]
	-	Delivery provisions for Asset Amount (including place of delivery) if different from Annex 1, Chapter 4:	[●]
	-	Settlement Business Day:	[●]
	-	Issuer's option to vary Settlement:	[Applicable/Not Applicable]
	-	Delivery Agent:	[Canadian Imperial Bank of Commerce, London Branch][●][Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	(a)	Form:	*[(Bearer Notes)* [Bearer Form:] [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes only upon an Exchange Event] [Temporary Bearer Global Note exchangeable for Bearer Notes on or after the Exchange Date (*include such notice period as is required*)]] [Permanent Bearer Global Note] [*(Registered Notes)* [Registered Form: [Registered Global Note registered in the name of a nominee for a common [safekeeper][depositary] for Euroclear and Clearstream, Luxembourg]
	(b)	Notes in New Global Note form	[Yes][No][Not Applicable]
24.		Business Day Convention for the purposes of "Payment Business Day" election in accordance with General Condition 6.6 (*Payment Business Day*):	[Following Payment Business Day] [Modified Following Payment Business Day][Preceding Payment Business Day] [Floating Rate Convention] *(Note that if no Business Day Convention is specified in the Final Terms, "Following Business Day Convention" will be deemed to apply.)*
25.		Additional Financial Centre(s):	[Not Applicable][●] *(Note that this paragraph relates to the place of payment and not Interest Period end dates)*
26.		Additional Business Centre(s):	[The following shall be Additional Business Centres for the purposes of determining Business Days in respect of [specify relevant dates][the Interest Determination Date(s)][●]: [*specify relevant Additional Business Centres*].][Not Applicable] [The Additional Business Centre(s) for the purposes of making an adjustment to any Interest Accrual Period [is][are] set out in paragraph ["Fixed Rate Note"]["Floating Rate Note"]["Linked Interest Note"] above]
27.		Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes and dates on which such Talons mature:	[Yes][No] *[(Dates on which such Talons mature usually following 25th Interest Payment Date)]* *(This paragraph should only be "Yes" if Definitive Bearer Notes may be issued)*
28.		Redenomination (for the purposes of General Condition 11):	[Applicable][Not Applicable] *(If Redenomination for the purposes of General Condition 11 is not applicable, delete the remaining sub-paragraphs of this paragraph)*

	- Day Count Fraction:	[●] [Not Applicable]
29.	Calculation Agent:	[Canadian Imperial Bank of Commerce, London Branch] [[●] (*Insert name and address*)]
30.	Governing Law	[Ontario Law] [English Law]
31.	Relevant Index Benchmark:	[●][As per the definition in Index Linked Asset Condition 2]
	(a) Specified Public Source:	[●][As per the definition in the Definitions Condition] (*If "As per the definition in the Definitions Condition" is selected, all the sources listed in the definition of "Specified Public Source" will apply)*
	(b) Impacted Index:	[Not Applicable][●] (Specify an index, benchmark or price source)*(If Not Applicable, delete the row below)*
	- Alternative Pre-Nominated Index:	[●] *(Specify one or more indices, benchmarks or other price sources)*
	(c) Close of Business:	[●]

THIRD PARTY INFORMATION

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.][Not Applicable]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(a) [Listing and admission to trading:]:	[Not Applicable] [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's main market with effect from [●][and to be listed on the Official List of FCA.] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's main market with effect from [●][and to be listed on the Official List of the FCA.] *Where documenting a fungible issue need to indicate that original securities are already admitted to trading*.
(b) [Estimate of total expenses related to admission to trading:]	[●] *(Only required for Notes with a denomination of at least €100,000 (or its equivalent in any other currency))]*

2. **RATINGS:**

Ratings:	[The Notes to be issued have not been rated] [The Notes to be issued have been rated:] [The Notes to be issued are expected to be rated:] [S&P: [●]] [Moody's: [●]] [Fitch: [●]] [[Other]: [●]] (*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider)* *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)* *[(Insert other wording as appropriate)]*

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Need to include a description of any interest, including a conflict of interest, 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"] in the Base Prospectus [and save for any fees payable to the [Managers/Dealers, and any distributor] in connection with the issue of Notes,] so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer."]/[●] [(*Amend as appropriate if there are other interests*.)]

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the UK Prospectus Regulation.)

4. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(a) Reasons for the offer:	[●][Not Applicable] [The Notes constitute [Green]/[Social] Notes and the net proceeds will be used to finance and/or refinance one or more of the Eligible Assets described below: *[Describe Eligible Assets categories, availability of Second-Party Opinion and any relevant third party opinions and where the information can be obtained]* *(See "Use of Proceeds" wording in Base Prospectus - if reasons for offer different from (i) what is disclosed in the Base Prospectus and/or (ii) financing or refinancing any new or existing Eligible [Green]/[Social] Assets, give details.)*
(b) 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.)*
Estimated total expenses:	[●]/[Not Applicable][2] (*Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".)*

5. [**YIELD** (*Only Fixed Rate Notes*)

Indication of yield:	[●]]

6. **[PERFORMANCE OF RATES** (*Floating Rate Notes Only*)

Details of performance of [EURIBOR][other] rates can be obtained from, [but not] free of charge, *[Reuters/give details of electronic means of obtaining the details of performance*].]

7. [**PERFORMANCE OF UNDERLYING AND OTHER INFORMATION CONCERNING THE UNDERLYING** (*Index Linked Notes, Equity Linked Notes and Fund Linked Notes only*)

[Underlying:	Where past and future performance [and volatility] of the Underlying can be obtained from, [but not] free of charge:
[●] (Index, Equity, Fund)	[Bloomberg Screen:][Reuters Screen:][give details of electronic means of obtaining the details of performance:]
[Further information is set out in paragraph [●] of these Final Terms]	[www.[●]] *(insert Index Disclaimer if required)*
(Repeat as necessary)	*(Repeat as necessary)*

(*Where the underlying is an index need to include the name of the index and details of where the information about the index can be obtained.)*

[2] Not required for Securities with a denomination per unit of at least € 100,000 (or its equivalent in another currency).

(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 UK Prospectus Regulation.)

(N.B. The above applies if the Notes are derivative Notes to which Annex 17 of Delegated Regulation (EU) No 2019/980 as it forms part of domestic law by virtue of the EUWA applies.)

Post-issuance information

The Issuer [does not] intend to publish post-issuance information in relation to any underlying element to which the Notes are linked. [This information will relate to [●] and can be obtained [at][on] [●].]]

8. **[PERFORMANCE OF UNDERLYING PREFERENCE SHARE AND OTHER INFORMATION CONCERNING THE PREFERENCE SHARE (***Preference Share Linked Notes only)*

[Preference Share Underlying:	[●]
Where past and future performance and volatility of the Preference Share Underlying can be found:	The performance of the Preference Shares, and accordingly the Preference Share Linked Notes, is linked to the performance of the Preference Share Underlying, information relating to which can be obtained from, [but not] free of charge: [Bloomberg Screen:][Reuters Screen:][*give details of electronic means of obtaining the details of performance:]* [www.[●]]
(Repeat as necessary)	*(Repeat as necessary)*

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 UK Prospectus Regulation.)

(N.B. The above applies if the Notes are derivative Notes to which Annex 17 of Delegated Regulation (EU) No 2019/980 as it forms part of domestic law by virtue of the EUWA applies.)]

9. **DISTRIBUTION**

*(Items identified below with *** are not required for Notes with a denomination of at least € 100,000 (or the equivalent in any other currency)*

(a)	Method of distribution	[Syndicated/Non-syndicated]
(b)	If syndicated:	
	(i) Names [and addresses*** and underwriting commitments***] of Managers:	*[Not Applicable] [/give names[, addresses and underwriting commitments***]]* *[(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)***]*
	(ii) [Date of [Subscription] Agreement	[●]***]
	(iii) Stabilising Manager:	[Not Applicable][Give name]
(c)	If non-syndicated, name [and address***] of Dealer	*[Not Applicable][The following Dealer[s] [is][are] procuring subscribers for the Notes: [give name [and address***]]*

(d)	[Indication of the overall amount of the underwriting commission and of the placing commission***:	[[•] per cent. of the Aggregate Nominal Amount***]
(e)	U.S. Selling Restrictions:	*[*Reg. S Compliance Category [2][3]] *[*Notes in Bearer Form – TEFRA C / TEFRA D / TEFRA NOT APPLICABLE]
(f)	Public Offer where there is no exemption from the obligation under the FSMA to publish a prospectus:	[Applicable] [Not Applicable](if not applicable, delete the remaining placeholders of this paragraph (f) and also paragraph 12 below)
	Offer Period:	*[Specify date] until [specify date or a formula such as the "Issue Date" or "the date which falls [ ] Business Days thereafter"]*
	Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the conditions in it:	*[Insert names and addresses of financial intermediaries receiving consent (specific consent)]*
	General Consent:	[Applicable] [Not Applicable]
	Other Authorised Offeror Terms:	[Not Applicable][*Add here any other Authorised Offeror Terms*]. *(Authorised Offeror Terms should only be included here where General Consent is applicable.)* *[N.B Consider any UK regulatory requirements necessary to be fulfilled so as to be able to make a Public Offer where there is no exemption from the obligation under the FSMA to publish a prospectus. No such offers should be made in the UK until those requirements have been met).]*
(g)	Prohibition of Sales to EEA Retail Investors:	[Not Applicable/Applicable] *(If the Notes do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
(h)	Prohibition of Sales to UK Retail Investors	[Not Applicable/Applicable] *(If the Notes do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
(i)	U.S. Dividend Equivalent Withholding	[Applicable] [Not Applicable] *(The Notes will not be subject to withholding under the Section 871(m) Regulations if they (i) are issued prior to January 1, 2025 and are not "delta-one" for U.S. tax purposes or (ii) do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Notes reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities and (i) are issued*

prior to January 1, 2025 and provide a return that does not differ significantly from the return on an investment in the underlying, or (ii) are issued on or after January 1, 2025, further analysis would be required.)]

10. **OPERATIONAL INFORMATION**

(a)	ISIN Code:	[●]
(b)	Temporary ISIN	[●] [Not Applicable]
(c)	Common Code	[●]
(d)	Other applicable Note identification number	[Not Applicable][●] (Specify)
(e)	Relevant clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s)	[Not Applicable][●]
(f)	Delivery:	Delivery [against/free of] payment
(g)	Names and addresses of additional Paying Agent(s) (if any)	[Not Applicable][●]
(h)	Notes intended to be held in a manner which would allow Eurosystem eligibility:	[No][Yes] [(Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.)] (*Include this text if "yes" selected, in which case Bearer Notes must be issued in NGN form)* [While the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper). Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *(Include this text if "no" selected)*

11. **[UK BENCHMARKS REGULATION**

UK Benchmarks Regulation: Article 29(2) statement on benchmarks:	[Not Applicable][Applicable: Amounts payable under the Notes are calculated by reference to [the Euro Interbank Offered Rate] [SONIA] [SOFR] [*insert name[s] of benchmark(s)]*, which [is/are] provided by [the European Money Markets Institute] [the Bank of England] [the Federal

Reserve Bank of New York][*insert name[s] of the administrator[s] – if more than one specify in relation to each relevant benchmark].*

[As at the date of these Final Terms, [the European Money Markets Institute][*insert name[s] of the administrator[s*]] [is/are] [not] included in the register of administrators and benchmarks established and maintained by [the Financial Conduct Authority ("**FCA**")][FCA] pursuant to article 36 of [the UK Benchmarks Regulation (Regulation (EU) 2016/1011) as it forms part of domestic law by virtue of [the European Union (Withdrawal) Act 2018 ("**EUWA**")][EUWA] (the "**UK Benchmarks Regulation**")][the UK Benchmarks Regulation].] (*Repeat as necessary*)]]

[As far as the Issuer is aware, the [Bank of England] [Federal Reserve Bank of New York] as administrator of [SONIA][SOFR], is not required to be registered by virtue of article 2 of the UK Benchmarks Regulation]

[As far as the Issuer is aware the transitional provisions of Article 51 of the UK Benchmarks Regulation apply, such that [ ] [is/are] not currently required to obtain authorisation or registration (or, if located outside the United Kingdom, recognition, endorsement or equivalence).]]

12. **[TERMS AND CONDITIONS OF THE OFFER**

(Delete whole section if "Public Offer where there is no exemption from the obligation under the FSMA to publish a prospectus" above is specified to be "Not Applicable" because there is no Public Offer)

Offer Price:	[Issue Price/Not applicable/specify]
Conditions to which the offer is subject:	[Not applicable/*give details*]
Description of the application process:	[Not applicable/*give details*]
Details of the minimum and/or maximum amount of the application:	[Not applicable/*give details*]
Description of possibility to reduce subscriptions and manner for refunding amounts paid in excess by applicants:	[Not applicable/*give details*]
Details of the method and time limits 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*]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not applicable/*give details*]
[Whether tranche(s) have been reserved for certain countries:	[Not applicable/*give details*]
Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made:	[Not applicable/*give details*]

Amount of any expenses and taxes charged to the subscriber or purchaser:	[Not applicable/*give details*] *(If the Issuer is subject to MiFID II/UK MiFIR and/or PRIIPs/UK PRIIPS Regulation such that it is required to disclose information relating to costs and charges, also include that information)*
Name(s) and address(es), to the extent known to the Issuer, of the placers in the [various countries where the offer takes place][United Kingdom].	[The Authorised Offerors identified above and identifiable from the Base Prospectus/None/*give details*].
[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:]	[None/*give details*] (*Include details where Notes are being admitted to [the London Stock Exchange's Order book for Retail Bonds/insert name of relevant EEA regulated market having a market maker requirement])]*

[ANNEX A – INSERT ISSUE SPECIFIC SUMMARY]

(Only required for Notes which have a denomination of less than €100,000 (or its equivalent in any other currency))

ANNEX B

ADDITIONAL PROVISIONS NOT REQUIRED BY THE PROSPECTUS RELATING TO THE UNDERLYING PREFERENCE SHARE

Terms and Conditions of the Underlying Preference Share

The following are the completed terms and conditions of the Preference Shares:

[ ]

[Information on the market value of the Preference Share can be obtained from [ ].]

Performance of the Tower Securities Limited Preference Shares, Explanation of Effect on Value of Investment and Associated Risks and Other Information Concerning the Tower Securities Limited Preference Shares:

The Notes relate to the Series [ ] Preference Shares of Tower Securities Limited relating to the [Standard and Poor's 500® Index] (the "**Preference Share**").

The Preference Share Value will be available on each Business Day on request from Canadian Imperial Bank of Commerce, London Branch, 150 Cheapside, London, EC2V 6ET, Attention: Execution Management.

The Preference Share Underlying is the [Standard and Poor's 500® Index].

[Information on the [Standard and Poor's 500® Index] [●] (including past and future performance and volatility) is published on [**https://us.spindices.com/indices/equity/sp-500]** [●].]

Investors should review the Terms and Conditions of the Preference Shares and consult with their own professional advisors if they consider it necessary. [The Terms and Conditions of the Preference Shares will be made available to Investors upon written request to the specified office of Tower Securities Limited.]

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

[ANNEX [C] – INDEX SPONSOR DISCLAIMER

The following Index disclaimer[s] [is] [are] applicable in respect of the [ ] [Index] [Indices]: [●]]

TERMS AND CONDITIONS OF THE NOTES

This section provides an introduction to the terms and conditions of the Notes.

This introductory section does not form part of the Conditions.

*The following sections below (including, for the avoidance of doubt, the annexes below) together form the terms and conditions of the Notes (the "**Conditions**") which will be incorporated by reference into each Global Note (as defined below) and each Definitive Note, in the latter case only if permitted by the rules of the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Definitive Note. Reference should be made to "**Form of the Final Terms**" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

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GENERAL CONDITIONS

This section sets out the terms and conditions that apply to all Notes.

*The following (except for the paragraphs in italics) are the general conditions (the "**General Conditions**") that apply to the Notes.*

The following are the General Conditions that will apply to all Notes together with the Definitions Condition, as supplemented in accordance with the provisions of the applicable Final Terms and any applicable Additional Conditions specified to be applicable in such Final Terms. Where any Additional Conditions are specified in the applicable Final Terms for any Notes, the General Conditions shall be subject to the provisions contained in such Additional Conditions and will not apply to the extent they are inconsistent with the provisions of such Additional Conditions. In all cases, these General Conditions, the Definitions Condition and the provisions of such Additional Conditions shall be subject to the applicable Final Terms and will not apply to the extent they are inconsistent with the provisions of such Final Terms.

All capitalized terms that are not defined in these terms and conditions or the Definitions Condition will have the meanings given to them in the applicable Final Terms.

This Note is one of a Series (as defined below) of Notes issued by Canadian Imperial Bank of Commerce (the "**Issuer**" or "**CIBC**") pursuant to the Agency Agreement (as defined below).

The Notes are issued pursuant to an amended and restated agency agreement dated January 26, 2024 (as amended or supplemented as at the Issue Date of the Notes, the "**Agency Agreement**") among the Issuer, Deutsche Bank AG, London Branch as fiscal agent and the other agents named therein and with the benefit of an amended and restated Deed of Covenant (as amended or supplemented as at the Issue Date of the Notes, the "**Deed of Covenant**") dated January 26, 2024 executed by CIBC in relation to the Notes. Each fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agents), the "**Registrar**", the "**Transfer Agents**" and the "**Calculation Agent(s)**" and together, as the "**Agents**".

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading, as applicable) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading, as applicable) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices. References herein to the Notes shall be references to the Notes of this Series and shall mean:

(i) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;

(ii) any Global Note; or

(iii) any Definitive Notes in bearer form issued in exchange for a Global Note in bearer form or for registered notes.

Interest bearing Definitive Bearer Notes have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note and complete these Conditions. References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at CIBC's registered head office at 81 Bay Street, CIBC Square, Toronto, Ontario, Canada M5J 0E7 and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available during normal business hours at the specified office of each of the Fiscal Agent, the Registrar and the other Paying Agents and Transfer Agents. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms, which are applicable to them.

1. FORM, DENOMINATION, TITLE, TRANSFER

1.1 Form and Denomination

The Notes are issued in bearer form ("**Bearer Notes**", which expression includes Notes that are Exchangeable Bearer Notes), in registered form ("**Registered Notes**") or in bearer form exchangeable for Registered Notes ("**Exchangeable Bearer Notes**") in each case in the Specified Denomination(s) shown thereon, provided that in the case of any Notes which are to be admitted to trading on the London Stock Exchange's main market (the "**Main Market**"), the minimum Specified Denomination shall not be less than €1,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes) and, in the case of Notes issued in definitive form ("**Definitive Notes**"), are serially numbered, in the Specified Currency and the Specified Denomination(s).

Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same minimum Specified Denomination as the lowest denomination of Exchangeable Bearer Notes. Registered Notes will not be exchangeable for Bearer Notes.

So long as the Bearer Notes are represented by a temporary Global Note or permanent Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided in the applicable Final Terms and (unless otherwise specified in the applicable Final Terms) higher integral multiples of at least 1,000 in the relevant currency as provided in the applicable Final Terms (the "**Integral Amount**"), notwithstanding that no definitive Notes will be issued with a denomination above the Definitive Amount in such currency. For purposes of these Conditions, the "**Definitive Amount**" shall be equal to two times the lowest Specified Denomination minus the Integral Amount.

This Note may be a Note bearing interest on a fixed rate basis ("**Fixed Rate Note**"), a Note bearing interest on a floating rate basis ("**Floating Rate Note**"), a Note with respect to which interest or principal is calculated by reference to an index and/or a formula ("**Index Linked Note**"), a Note with respect to which interest or principal is calculated by reference to a single equity security or a basket of equity securities ("**Equity Linked Note**"), a Note with respect to which interest or principal is calculated by reference to a single fund or exchange traded fund or a basket of funds or exchange traded funds ("**Fund Linked Note**"), a Note with respect to which principal is calculated by reference to specified preference shares of a Preference Share Issuer ("**Preference Share Linked Note**" and Index Linked Notes, Equity Linked Notes, Fund Linked Notes and Preference Share Linked Notes, together "**Linked Notes**") or a Fixed/Floating Rate Note or a combination of any of the foregoing, depending upon the Interest Basis and/or Redemption/Payment Basis specified in the applicable Final Terms.

1.2 **Bearer Notes**

Definitive Bearer Notes are issued with Coupons attached, presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein, and, where so specified in the applicable Final Terms, shall also have attached thereto at the time of their initial delivery a Talon for further coupons. The expression "**Coupons**" shall, where the context so requires, include Talons.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery.

Bearer Notes shall be issued in the new global note form if so specified in the applicable Final Terms.

1.3 **Registered Notes**

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2, each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**") on which shall be entered, inter alia, the name and address of the beneficial owner of the principal and stated interest of the Registered Notes, the amount and type of the Registered Notes held by each holder, and particulars of all transfers of title of the Registered Notes.

1.4 **Holders**

Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the Holder.

In these Conditions, "**Noteholder**" or "**Holder**" means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalized terms have the meanings given to them herein or in the applicable Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

For greater certainty, any Note or Certificate delivered or issued by the Issuer pursuant to Condition 2, any permanent Global Note delivered or issued upon an exchange of a temporary Global Note in accordance with the terms thereof and any direct rights arising under the Deed of Covenant shall not constitute new indebtedness but rather shall in each case evidence the same indebtedness of the Issuer evidenced by the prior existing Note or Certificate.

Except as set out below, title to the Registered Notes will pass upon registration of transfers in the Register and surrender in accordance with the Agency Agreement. The entries in the Register shall be conclusive absent manifest error and, except as ordered by a court of competent jurisdiction or as required by law, the registered holder of any Registered Note whose name is recorded in the Register pursuant to these Conditions shall be deemed to be and may be treated as the absolute owner for purposes of payment of principal and interest on such Registered Notes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss, and no person shall be liable for so treating the registered holder.

For so long as any of the Notes is represented by a Bearer Global Note or a Registered Global Note held on behalf of Euroclear Bank SA/NV, ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error or proven error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

For so long as Euroclear or Clearstream, Luxembourg or any of their nominees is the registered owner or holder of a Certificate, Euroclear or Clearstream, Luxembourg or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Certificate for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with, Euroclear's or Clearstream, Luxembourg's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants. Beneficial interests in Notes which are represented by a Global Note will be transferable only through an account with, and in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, or such other clearing system approved by the Issuer or the Fiscal Agent.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative relevant clearing system specified in the applicable Final Terms.

2. EXCHANGE OF EXCHANGEABLE BEARER NOTES AND TRANSFERS OF REGISTERED NOTES

2.1 Exchange of Exchangeable Bearer Notes

Subject as provided in General Condition 2.2(j), Notes which are designated in the applicable Final Terms to be Exchangeable Bearer Notes may be exchanged for the same Nominal

Amount of Registered Notes at the request in writing of the relevant Noteholder who shall deliver an exchange notice in the form set out in Part B of Schedule 4 to the Agency Agreement to the specified office (which shall in no case be within the United States of America) of the Registrar or any Transfer Agent and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of the Registrar or any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date for any payment of interest and prior to the due date for such payment, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

2.2 **Transfer of Registered Notes**

(a) **General**

Notes which are represented by Registered Notes in definitive form will be transferred only in accordance with General Conditions 2.1 (c) (*Transfers of Registered Notes in definitive form*) and 2.1(f) (*Exchanges and transfers of Registered Notes generally*) and the legends appearing on such Registered Notes.

(b) **Transfer of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the Specified Denominations and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be and in accordance with the terms and conditions specified in the Agency Agreement.

(c) **Transfers of Registered Notes in definitive form**

Subject as provided in General Condition 2.2(d) *(Registration of transfer upon partial redemption*), upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the Specified Denominations). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, and upon being satisfied with the documents of title and the identity of the person making the request, enter the name of the transferee of the Registered Notes in definitive form in the Register as the holder of such Registered Notes. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 9 (*Additional Duties of the Agent and the Registrar*) to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three (3) business days (being for this purpose a day on which banks are open for business in the city where the specified

office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(d) **Registration of transfer upon partial redemption**

In the case of a Call Option or a Put Option in respect of, or a partial redemption of, a holding of Registered Notes in definitive form, a new Registered Note shall be issued to the Holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of either a Call Option or a Put Option resulting in Registered Notes in definitive form of the same holding having different terms, separate Registered Notes in definitive form shall be issued in respect of those Notes of that holding that have the same terms. New Registered Notes in definitive form shall only be issued against surrender of the existing Registered Notes in definitive form to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes in definitive form to a person who is already a Holder of Registered Notes, a new Registered Note in definitive form representing the enlarged holding shall only be issued against surrender of the Registered Note in definitive form representing the existing holding.

(e) **Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer partial redemption or exercise of either a Call Option or Put Option as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(f) **Exchanges and transfers of Registered Notes generally**

Noteholders holding Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(g) **Transfers of interests in Registered Global Notes**

Transfers by the holder of, or of a beneficial interest in, a Registered Global Note will only be made upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a Permitted Transferee outside the United States in accordance with Regulation S who takes delivery of such interest through a Registered Global Note and in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

(h) **Minimum Trading Size**

Where the applicable Final Terms specifies that a Minimum Trading Size is applicable in respect of the Notes, and notwithstanding anything to the contrary in this General Condition

2.2, Noteholders shall only be permitted to acquire, transfer or trade Notes with an aggregate nominal amount equal to the minimum amount specified in the applicable Final Terms (the "**Minimum Trading Size**").

(i) **Delivery of New Certificates**

Each new Registered Note in definitive form to be issued pursuant to this General Condition 2.2 shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice or surrender of the Registered Note in definitive form for exchange. Delivery of the new Registered Note(s) in definitive form shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Registered Note in definitive form shall have been made or, at the option of the Noteholder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the Noteholder to such address as may be so specified, unless such Noteholder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as such Noteholder may specify. In this General Condition 2.2(i), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(j) **Closed Periods**

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to General Condition 5.6, (iii) after any such Note has been called by the Issuer for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined in General Condition 6.4. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Exchangeable Bearer Note is simultaneously surrendered not later than the relevant Record Date.

3. STATUS OF NOTES

(a) **Deposit Liabilities**

Notes and the Coupons relating to them will constitute deposit liabilities of the Issuer for purposes of the Bank Act (Canada) (the "**Bank Act**"), constitute legal, valid and binding unconditional and unsecured obligations of the Issuer and will rank *pari passu* with all deposit liabilities of the Issuer (except as otherwise prescribed by law and subject to the exercise of bank resolution powers under the CDIC Act) without any preference amongst themselves. Such Notes will not be deposits insured under the CDIC Act. The deposits evidenced by Notes have been issued by the branch of the Issuer specified as the Branch of Account in the applicable Final Terms (or, if no Branch of Account is specified, by the main branch of the Issuer in Toronto which shall be the Branch of Account), such branch being the branch of account for the purposes of the Bank Act.

(b) **Bail-inable Notes**

This General Condition 3(b) applies to Notes that are identified as Bail-inable Notes in the applicable Final Terms.

Notes other than "structured notes" (as defined in the *Bank Recapitalization (Bail-in) Conversion Regulations* (Canada)) having an original or amended term to maturity of more than 400 days, have one or more explicit or embedded options, that if exercised by or on behalf of the Issuer could result in a maturity date that is more than 400 days from the Issue Date or that have an explicit or embedded option that, if exercised by or on behalf of the Noteholder could by itself result in a maturity date that is more than 400 days from the maturity date that would apply if the option were not exercised and that have been assigned a CUSIP or an ISIN or similar identification number and are not otherwise excluded are subject to the Canadian bank recapitalization regime for banks designated by the Superintendent of Financial Institutions (Canada) (the "**Superintendent**") as domestic systemically important banks (such Notes, "**Bail-inable Notes**") and will be identified as Bail-inable Notes in the applicable Final Terms. Bail-inable Notes are subject to General Condition 5.9 (*Regulatory Conversion, Variation or Extinguishment*).

4. INTEREST

The applicable Final Terms will indicate whether the Notes are one or more of: (a) Fixed Rate Notes, (b) Floating Rate Notes, and/or (c) Linked Interest Notes.

4.1 Interest on Fixed Rate Notes

(a) If:

(i) "**All Interest Accrual Periods**" is specified in the applicable Final Terms, each Fixed Rate Note bears interest from (and including) the Interest Commencement Date to (but excluding) the Maturity Date at the rate(s) equal to the Rate(s) of Interest; and

(ii) certain Interest Accrual Periods (other than All Interest Accrual Periods) are specified in the applicable Final Terms, each Fixed Rate Note bears interest from (and including) the first day of the first Interest Accrual Period so specified in the applicable Final Terms to (and including) the last day of the last Interest Accrual Period so specified in the applicable Final Terms at the rate(s) equal to the Rate(s) of Interest. For the avoidance of doubt, any references in this General Condition 4.1 to Interest Accrual Period will be deemed to be references only to such specified Interest Accrual Periods for the purpose of this provision.

In each case above, interest will accrue on a daily basis on each day during each relevant Interest Accrual Period and will be payable in respect of the relevant Interest Accrual Period in arrears on the relevant Interest Payment Date.

(b) If "**One-off Coupon**" is specified as applicable in the applicable Final Terms, each Fixed Rate Note will bear interest at the Rate of Interest, which will be payable on the Interest Payment Date, in each case as specified in the applicable Final Terms. Where "One-off Coupon" is applicable to a Series of Notes, it may be the sole interest payment or an additional interest payment in respect of such Notes.

(c) If the Notes are in definitive form the amount of interest payable on each Interest Payment Date in respect of the Interest Accrual Period ending on (but excluding) the Interest Period Date immediately preceding, or falling on, such Interest Payment Date will amount to the "**Fixed Coupon Amount**". Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to

the "**Broken Amount**" (the Fixed Coupon Amount and the Broken Amount being together, "**Interest Amounts**").

(d) Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, the interest amount in respect of a period (an "**Interest Amount**") shall be calculated by applying the Rate of Interest to:

(i) in the case of Fixed Rate Notes which are represented by a Global Note, either (i) the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note or (ii) the nominal amount represented by the Specified Denomination (or, if more than one, the lowest Specified Denomination), all as provided in the applicable Final Terms; or

(ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and in each case multiplying such sum by the applicable Day Count Fraction (except in the case of Notes for which One-off Coupon has been specified and where no Interest Accrual Period applies), and rounding the resultant figure in accordance with General Condition 4.5 (*Rounding*). Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

4.2 **Interest on Floating Rate Notes**

(a) **Interest Payment Dates**

If:

(i) "**All Interest Accrual Periods**" is specified in the applicable Final Terms, each Floating Rate Note bears interest from (and including) the Interest Commencement Date to (but excluding) the Maturity Date at the applicable Rate of Interest; or

(ii) certain Interest Accrual Periods (other than All Interest Accrual Periods) are specified in the applicable Final Terms, each Floating Rate Note bears interest from (and including) the first day of the first Interest Accrual Period so specified in the applicable Final Terms to (and including) the last day of the last Interest Accrual Period so specified in the applicable Final Terms at the applicable Rate of Interest. For the avoidance of doubt, any references in this General Condition 4.2 to Interest Accrual Period will be deemed to be references only to such specified Interest Accrual Periods.

In each case, interest will accrue on a daily basis on each day during each relevant Interest Accrual Period and such interest will be payable in respect of the relevant Interest Accrual Period in arrears on the relevant Interest Payment Date.

(b) **Rate of Interest**

Subject to General Condition 4.4 *(Margin, Minimum Rate of Interest and Maximum Rate of Interest*), the Rate of Interest payable from time to time in respect of Floating

Rate Notes will be determined in accordance with the provisions below relating to either ISDA Determination for Floating Rate Notes or Screen Rate Determination for Floating Rate Notes, as specified in the applicable Final Terms.

(i) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period shall be determined by the Calculation Agent specified in the applicable Final Terms as a rate equal to the relevant ISDA Rate (adjusted as required by General Condition 4.4 *(Margin, Minimum Rate of Interest and Maximum Rate of Interest*)), provided that in any circumstances where under the ISDA Definitions the Calculation Agent would be required to exercise any discretion, including the selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee. For the purposes of this subparagraph (A), "**ISDA Rate**" for any Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if it were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating (i) if "2006 ISDA Definitions" is specified in the applicable Final Terms the 2006 ISDA Definitions (as amended, supplemented and updated as at the Issue Date of the first Tranche of the Notes), published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"); or (ii) if "2021 ISDA Definitions" is specified in the applicable Final Terms the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published by ISDA as at the Issue Date of the first Tranche of the Notes, (the "**ISDA Definitions**") and under which:

(A) if the Final Terms specifies either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(I) the Floating Rate Option (which may refer to a Rate Option in the ISDA Definitions) is as specified in the applicable Final Terms;

(II) the Designated Maturity, if applicable, is the period specified in the applicable Final Terms; and

(III) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the Euro inter-bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms;

(B) if the Floating Rate Option is an Overnight Floating Rate Option and Compounding is specified to be applicable in the applicable Final Terms, the Overnight Rate Compounding Method will be one of the following as specified in the applicable Final Terms:

(I) Compounding with Lookback;

(II) Compounding with Observation Period Shift; or

(III) Compounding with Lockout;

(C) if the Floating Rate Option is an Overnight Floating Rate Option and Averaging is specified to be applicable in the applicable Final Terms, the

Overnight Rate Averaging Method will be one of the following as specified in the applicable Final Terms:

(I) Averaging with Lookback;

(II) Averaging with Observation Period Shift; or

(III) Averaging with Lockout;

(D) if the Floating Rate Option is a Compounded Index Floating Rate Option, the Index Method will be Compounded Index Method with Observation Period Shift as specified in the applicable Final Terms;

(E) in connection with the Overnight Rate Compounding Method references in the ISDA Definitions to numbers or other items specified in the relevant confirmation shall be deemed to be references to the numbers or other items specified for such purposes in the applicable Final Terms;

(F) if the Final Terms specifies "2021 ISDA Definitions" as the applicable ISDA Definitions:

(I) "Administrator/Benchmark Event" shall be disapplied; and

(II) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication – Fallback Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication – Fallback Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate"; and

(G) all other terms were as specified in the applicable Final Terms.

The ISDA Definitions contain provisions for determining the applicable Floating Rate (as defined below) in the event that the specified Floating Rate is not available.

For the purpose of this subparagraph 4.2(b)(i) capitalized terms used but not defined in these Conditions or the applicable Final Terms have the meanings given to those terms in the ISDA Definitions.

When this subparagraph 4.2(b)(i) applies, in respect of each relevant Interest Period the Calculation Agent will be deemed to have discharged its obligations in respect of the determination of the Rate of Interest if it has determined the Rate of Interest (adjusted as required by General Condition 4.5, in respect of such Interest Period in the manner provided in this subparagraph 4.2(b)(i).

(ii) *Change in Standard Terms and Market Conventions*

The Calculation Agent, acting reasonably, may amend General Condition 4.2(b)(i) from time to time to the extent that it determines necessary in order to ensure consistency with prevailing market standards or market trading conventions (as established pursuant to the agreement of the leading dealers in the derivatives market for rates or any relevant committee established by ISDA, a market-wide protocol, any applicable law or regulation or the rules of any applicable exchange or clearing system) that would be or are applicable to any Reference Hedge Transaction from time to time. The

Calculation Agent may not, without the consent of the Issuer, make any amendments to General Condition 4.2(b)(i) of the Notes pursuant to this General Condition 4.2(b)(ii) other than to the extent necessary to give effect to the relevant change(s). The Calculation Agent shall notify the Issuer and the Noteholders as soon as reasonably practicable upon making any such amendment.

For the purpose of the above paragraph, **"Reference Hedge Transaction**" means a transaction entered into, or which would be entered into, on market standard terms and at arm's length with a leading dealer in the relevant market and pursuant to which the Issuer's risk in respect of its payment obligations linked to any interest rate benchmark referenced in the Notes is, or would be, hedged.

(iii) *Screen Rate Determination for Floating Rate Notes*

(A) **Screen Rate Determination for Floating Rate Notes not referencing SONIA or SOFR**

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is a rate other than SONIA or SOFR, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded if necessary in accordance with General Condition 4.5 (*Rounding)*) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Screen Page Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five (5) or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided in General Condition 4.5 (*Rounding*)) of such offered quotations.

If the Relevant Screen Page is not available or if subparagraph (1) applies and no offered quotation appears or if subparagraph (2) applies and fewer than three (3) offered quotations appear on the Relevant Screen Page or if the offered rate or rates which appear do not apply to a period or duration equal to the Interest Accrual Period, in each case at the Relevant Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at the Relevant Screen Page Time on the Interest Determination Date in question. If two (2) or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Accrual Period shall be the arithmetic mean (rounded if necessary in accordance with General Condition 4.5 (*Rounding*)) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If, on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Accrual Period shall be the rate

per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary in accordance with General Condition 4.5 *(Rounding)*) of the rates per annum (expressed as a percentage), as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two (2) or more of them, at which such banks were offered at the Relevant Screen Page Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Relevant Inter-Bank Market plus or minus (as appropriate) the Margin (if any) or, if fewer than two (2) of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded in accordance with General Condition 4.5 (*Rounding*)) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at the Relevant Screen Page Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the Relevant Inter-Bank Market plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph and provided further that such failure is not due to the occurrence of a Benchmark Transition Event, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period in place of the Margin relating to that last preceding Interest Accrual Period). If the Reference Rate cannot be determined because of the occurrence of a Benchmark Transition Event, the Reference Rate shall be calculated in accordance with the terms of General Condition 4.2(b)(iv).

"**Relevant Screen Page**" means the screen page specified as such in the applicable Final Terms.

"**Relevant Screen Page Time**" means 11:00 a.m. Brussels time in the case of EURIBOR or such other time specified as such in the applicable Final Terms.

(B) **Screen Rate Determination for Floating Rate Notes referencing SONIA**

(1) SONIA Compounded Daily Reference Rate

Where (i) Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and (ii) the Reference Rate is specified in the relevant Final Terms as being SONIA Compounded Daily Reference Rate, the Rate of Interest for each Interest Accrual Period will, subject to General Conditions 4.4 and 4.2(b)(iv), be the SONIA Compounded Daily Reference Rate as follows,

"**SONIA Compounded Daily Reference Rate**" means, in respect of an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards,

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_{\mathrm{i}}\times \mathrm{n_i}}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"***d***" is the number of calendar days in the relevant:

(i) Observation Period, where Observation Shift is specified in the relevant Final Terms; or

(ii) Interest Accrual Period, where Lag is specified in the relevant Final Terms;

"d_o" is the number of London Business Days in the relevant:

(i) Observation Period, where Observation Shift is specified in the relevant Final Terms; or

(ii) Interest Accrual Period, where Lag is specified in the relevant Final Terms;

"***i***" is a series of whole numbers from one to d_o, each representing the relevant London Business Day in chronological order from, and including, the first London Business Day in the relevant:

(i) Observation Period, where Observation Shift is specified in the relevant Final Terms to, and including, the last London Business Day in the relevant Observation Period; or

(ii) Interest Accrual Period, where Lag is specified in the relevant Final Terms to, and including, the last London Business Day in the relevant Interest Accrual Period;

"**London Business Day**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**Observation Period**" means, in respect of an Interest Accrual Period, the period from (and including) the date falling "p" London Business Days prior to the first day of such Interest Accrual Period (and the first Observation Period shall begin on and include the date which is "p" London Business Days prior to the Interest Commencement Date) and ending on (but excluding) the date which is "p" London Business Days prior to the relevant Interest Payment Date (or the date falling "p" London Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"n_i", for any London Business Day "*i*", means the number of calendar days from, and including, such London Business Day "*i*" up to, but excluding, the following London Business Day;

"**p**" means, for any Interest Accrual Period the whole number specified in the relevant Final Terms (or, if no such number is so specified, five London Business Days, provided that a number lower than five shall only be so specified with the prior agreement of the Calculation Agent) representing a number of London Business Days;

"$SONIA_i$" means the SONIA reference rate in respect of:

(i) that London Business Day "i" falling in the relevant Observation Period, where Observation Shift is specified in the relevant Final Terms; or

(ii) the London Business Day (being a London Business Day falling in the relevant Interest Accrual Period) falling "p" London Business Days prior to the relevant London Business Day "i", where Lag is specified in the relevant Final Terms; and

the "**SONIA reference rate**", in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page on the next following London Business Day or, if the Relevant Screen Page is unavailable, as published by authorised distributors on such London Business Day or, if SONIA cannot be obtained from the Relevant Screen Page, as published on the Bank of England's Website at ***www.bankofengland.co.uk/boeapps/database/*** (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate).

(2) SONIA Compounded Index Reference Rate

Where (i) Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and (ii) the Reference Rate is specified in the relevant Final Terms as being "SONIA Compounded Index Rate", the Rate of Interest for each Interest Accrual Period will, subject to General Conditions 4.4 and 4.2(b)(iv), be the SONIA Compounded Index Rate, where:

"**SONIA Compounded Index Rate**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards,

$$\left(\frac{SONIA\ Compounded\ Index_{END}}{SONIA\ Compounded\ Index_{START}} - 1\right) \times \left(\frac{365}{d}\right)$$

provided, however, that, and subject to General Condition 4.2(b)(iv), if the SONIA Compounded Index Value is not available in relation to any Interest Accrual Period on the Relevant Screen Page or on the Bank of England's website at **www.bankofengland.co.uk/boeapps/database/** (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) for the determination of either or both of SONIA Compounded $Index_{START}$ and SONIA Compounded $Index_{END}$, the Rate of Interest shall be calculated for such Interest Accrual Period on the basis of the SONIA Compounded Daily Reference Rate as set out in Condition 4.2(b)(iii)(B)(1) as if SONIA Compounded Daily Reference Rate with Observation Shift had been specified in the relevant Final Terms and the Relevant Screen Page shall be deemed to be the Relevant Fallback Screen Page as specified in the relevant Final Terms,

where:

"**d**" means the number of calendar days in the relevant Observation Period;

"**London Business Day**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**Observation Period**" means, in respect of an Interest Accrual Period, the period from (and including) the date falling "p" London Business Days prior to the first day of such Interest Accrual Period (and the first Observation Period shall begin on and include the date which is "p" London Business Days prior to the Interest Commencement Date) and ending on (but excluding) the date which is "p" London Business Days prior to the relevant Interest Payment Date (or the date falling "p" London Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" means, for any Interest Accrual Period the whole number specified in the relevant Final Terms (or, if no such number is so specified, five London Business Days, provided that a number lower than five shall only be so specified with the prior agreement of the Calculation Agent) representing a number of London Business Days;

"**SONIA Compounded Index**" means the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof);

"**SONIA Compounded Index$_{END}$**" means the SONIA Compounded Index Value on the last day of the relevant Observation Period;

"**SONIA Compounded Index$_{START}$**" means the SONIA Compounded Index Value on the first day of the relevant Observation Period; and

"**SONIA Compounded Index Value**" means in relation to any London Business Day, the value of the SONIA Compounded Index as published by authorised distributors on the Relevant Screen Page on such London Business Day or, if the value of the SONIA Compounded Index cannot be obtained from the Relevant Screen Page, as published on the Bank of England's Website at **www.bankofengland.co.uk/boeapps/database/** (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) on such London Business Day.

(3) Subject to Condition 4.2(b)(iv), where either (i) SONIA Compounded Daily Reference Rate is specified in the relevant Final Terms, or (ii) the SONIA Compounded Index Rate is specified in the relevant Final Terms and Condition 4.2(b)(iii)(B)(1) applies, if, in respect of any London Business Day, the SONIA reference rate is not available on the Relevant Screen Page or Relevant Fallback Screen Page as applicable, (or as otherwise provided in the relevant definition thereof) or as published on the Bank of England's website at **www.bankofengland.co.uk/boeapps/database/** (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate), such Reference Rate shall be

(I) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or

(II) if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof) or (if later) as published on the Bank of England's website at ***www.bankofengland.co.uk/boeapps/database/*** (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate) for the first preceding London Business Day on which the SONIA reference rate was published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof) or (if later) as published on the Bank of England's website at *www.bankofengland.co.uk/boeapps/database/* (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate), and

in each case, $SONIA_i$ shall be interpreted accordingly.

(4) If the Rate of Interest cannot be determined in accordance with the foregoing provisions, but without prejudice to Condition 4.2(b)(iv), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

(5) If the relevant Series of Notes become due and payable in accordance with General Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

(C) **Screen Rate Determination for Floating Rate Notes referencing SOFR**

(1) Compounded Daily SOFR

Where (i) Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and (ii) the Reference Rate is specified in the relevant Final Terms as being Compounded Daily SOFR, the Rate of Interest for each Interest Accrual Period will, subject to General Conditions 4.4 and 4.2(b)(iv), be Compounded Daily SOFR.

"**Compounded Daily SOFR**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily U.S. dollars secured overnight financing rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{\mathrm{i}}\times \mathrm{n_i}}{D}\right)-1\right]\times\frac{\mathrm{D}}{d}$$

where:

"***d***" is the number of calendar days in:

I. where "Lag" or "Lock-out" is specified in the applicable Final Terms, the relevant Interest Accrual Period; or

II. where "Observation Shift" is specified in the applicable Final Terms, the relevant Observation Period;

"**D**" is the number specified as such in the applicable Final Terms (or, if no such number is specified, 360);

"***d_o***" means:

I. where "Lag" or "Lock-out" is specified in the applicable Final Terms, the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period; or

II. where "Observation Shift" is specified in the applicable Final Terms, the number of U.S. Government Securities Business Days in the relevant Observation Period;

"***i***" is a series of whole numbers from one to "d_o", each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

I. where "Lag" or "Lock-out" is specified in the applicable Final Terms, the relevant Interest Accrual Period; or

II. where "Observation Shift" is specified in the applicable Final Terms, the relevant Observation Period;

"**Lock-out Period**" means the period from (and including) the day following the Interest Determination Date to (but excluding) the corresponding Interest Payment Date;

"**New York Fed's Website**" means the website of the Federal Reserve Bank of New York (or a successor administrator of SOFR) or any successor source;

"***n_i***" for any U.S. Government Securities Business Day "*i*", means the number of calendar days from (and including) such U.S. Government Securities Business Day "*i*" up to (but excluding) the following U.S. Government Securities Business Day;

"**Observation Period**" means the period from (and including) the date falling "*p*" U.S. Government Securities Business Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling "*p*" U.S. Government Securities Business Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

"***p***" means:

I. where “Lag” is specified in the applicable Final Terms, the number of U.S. Government Securities Business Days specified in the applicable Final Terms (or, if no such number is so specified, five U.S. Government Securities Business Days);

II. where “Lock-out” is specified in the applicable Final Terms, zero U.S. Government Securities Business Days; or

III. where “Observation Shift” is specified in the applicable Final Terms, the number of U.S. Government Securities Business Days specified in the applicable Final Terms (or, if no such number is specified, five U.S. Government Securities Business Days);

"**Reference Day**" means each U.S. Government Securities Business Day in the relevant Interest Accrual Period, other than any U.S. Government Securities Business Day in the Lock-out Period;

"**SOFR**" in respect of any U.S. Government Securities Business Day ("**$USBD_x$**"), is a reference rate equal to the daily secured overnight financing rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Fed’s Website, in each case at or around 3.00 p.m. (New York City time) on the U.S. Government Securities Business Day immediately following such $USBD_x$;

"**$SOFR_i$**" means the SOFR for:

i. where “Lag” is specified in the applicable Final Terms, the U.S. Government Securities Business Day falling “*p*” U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day “*i*”;

ii. where “Lock-out” is specified in the applicable Final Terms:

I. in respect of each U.S. Government Securities Business Day “*i*” that is a Reference Day, the SOFR in respect of the U.S. Government Securities Business Day immediately preceding such Reference Day; or

II. in respect of each U.S. Government Securities Business Day “*i*” that is not a Reference Day (being a U.S. Government Securities Business Day in the Lock-out Period), the SOFR in respect of the U.S. Government Securities Business Day immediately preceding the last Reference Day of the relevant Interest Accrual Period (such last Reference Day coinciding with the Interest Determination Date); or

iii. where “Observation Shift” is specified in the applicable Final Terms, the relevant U.S. Government Securities Business Day “*i*”; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(2) Compounded SOFR Index Determination

Where (i) Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and (ii) the Reference Rate is specified in the relevant Final Terms as being Compounded SOFR Index Determination, the Rate of Interest for each Interest Accrual Period will, subject to General Conditions 4.4 and 4.2(b)(iv), be Compounded SOFR.

"**Compounded SOFR**" means, with respect to an Interest Accrual Period, the rate (expressed as a percentage) determined by the Calculation Agent in accordance with the following formula:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \frac{360}{d_c}$$

where:

"***d_c***" is the number of calendar days from (and including) the day in relation to which SOFR $Index_{Start}$ is determined to (but excluding) the day in relation to which SOFR $Index_{End}$ is determined;

"**Relevant Number**" is the number specified as such in the applicable Final Terms (or, if no such number is specified, five);

"**SOFR**" means the daily secured overnight financing rate as provided by the SOFR Administrator on the SOFR Administrator's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

"**SOFR Administrator's Website**" means the website of the SOFR Administrator, or any successor source;

"**SOFR Index**", with respect to any U.S. Government Securities Business Day, means the SOFR index value as published by the SOFR Administrator as such index appears on the SOFR Administrator's Website at or around 3.00 p.m. (New York time) on such U.S. Government Securities Business Day (the "**SOFR Determination Time**");

"**SOFR $Index_{Start}$**", with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding the first day of such Interest Accrual Period;

"**SOFR $Index_{End}$**", with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding (A) the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period); and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published or displayed on the SOFR Administrator's Website by the SOFR Administrator, the Compounded SOFR for the applicable Interest Accrual Period for which the relevant SOFR Index is not available shall be "Compounded Daily SOFR" determined in accordance with Condition 4.2(b)(iii)(C)(1) above as if the Reference Rate specified in the applicable Final Terms was "Compounded Daily SOFR", and for these purposes: (i) "*Observation Shift*" shall be deemed to be specified in the applicable Final Terms and (ii) "*p*" shall be deemed to be equal to five U.S. Government Securities Business Days, as if such elections had been made in the applicable Final Terms.

(iv) *Benchmark Discontinuation*

(A) **Benchmark Transition Events**

This General Condition 4.2(b)(iv)(A) does not apply to Notes where the Original Reference Rate is SOFR, unless otherwise specified in the applicable Final Terms.

If a Benchmark Transition Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with General Condition 4.2(b)(iv)(A)(1)) and, in either case, an Adjustment Spread if any (in accordance with General Condition 4.2(b)(iv)(A)(2)) and any Benchmark Amendments (in accordance with General Condition 4.2(b)(iv)(A)(3))).

Without prejudice to the obligations of the Issuer under General Condition 4.2(b)(iv)(A)(1) (2) and (3), if (i) the Issuer is unable to determine a Successor Rate, failing which an Alternative Rate (in accordance with General Condition 4.2(b)(iv)(A)(1)) and, in either case, an Adjustment Spread if any; or (ii) the Independent Advisor appointed by it fails to determine a Successor Rate or, failing which an Alternative Rate, and any related Benchmark Amendments the Original Reference Rate and the fallback provisions provided for in General Condition 4.2(b)(iii) will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread (if applicable) and Benchmark Amendments, in accordance with General Condition 4.2(b)(iv)(A)(4).

An Independent Adviser appointed pursuant to this General Condition 4.2(b)(iv)(A) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this General Condition 4.2(b)(iv)(A).

(1) **Successor Rate or Alternative Rate**

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that:

(a) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in General Condition 4.2(b)(iv)(A)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest

(or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this General Condition 4.2(b)(iv)(A)); or

(b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in General Condition 4.2(b)(iv)(A)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this General Condition 4.2(b)(iv)(A)).

(2) **Adjustment Spread**

An Adjustment Spread (which may be positive, negative or zero) shall be applied to the Successor Rate or the Alternative Rate (as the case may be) and the Issuer, in consultation with the Independent Adviser, if any, and acting in good faith shall determine the quantum of, or a formula or methodology for determining such Adjustment Spread (which may be positive, negative or zero) and such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(3) **Benchmark Amendments**

If any Successor Rate or Alternative Rate and any applicable Adjustment Spread is determined in accordance with this General Condition 4.2(b)(iv)(A) and the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and any applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with General Condition 4.2(b)(iv)(A)(4), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments (provided that the Benchmark Amendments do not, without the prior agreement (which shall not be unreasonably withheld) of each Paying Agent, Transfer Agent or the Calculation Agent, as applicable, have the effect of increasing the obligations or duties, or decreasing the rights or protections, of each Paying Agent, Transfer Agent or the Calculation Agent under these Conditions and/or the Agency Agreement) with effect from the date specified in such notice.

In connection with any such variation in accordance with this General Condition 4.2(b)(iv)(A)(3), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this General Condition 4.2(b)(iv)(A), no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendments of the terms and conditions of any Series of Notes be made to effect the Benchmark Amendments if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to either (a) prejudice the qualification of the relevant Series of Bail-inable Notes as total loss absorbing capacity ("**TLAC**") or (b) result in the Superintendent treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Series of Notes, rather than the relevant Maturity Date, except with the prior approval of the Superintendent.

(4) **Notices**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this General Condition 4.2(b)(iv)(A) will be notified promptly by the Issuer to the Fiscal Agent and the Calculation Agent and, in accordance with General Condition 15 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than one Business Day following the date of notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorized signatories of the Issuer:

(c) confirming (i) that a Benchmark Transition Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this General Condition 4.2(b)(iv)(A); and

(d) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Fiscal Agent shall display such certificate at its offices for inspection by the Noteholders at all reasonable times during normal business hours.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

(5) **Definitions**

As used in this General Condition 4.2(b)(iv)(A):

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(B) the Issuer determines, following consultation with the Independent Adviser and acting in good faith, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt

capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate;

(C) if the Issuer determines that no such spread is customarily applied in international debt capital markets transactions, the Issuer determines, following consultation with the Independent Adviser and acting in good faith, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

(D) if the Issuer determines, following consultation with the Independent Adviser (if any) and acting in good faith, that no such spread is customarily applied in international debt capital markets, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged); or

(E) if the Issuer determines that no industry standard is recognised or acknowledged as aforesaid and, consequently, no such spread, formula or methodology can be determined in accordance with (A) to (D) above, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate.

"**Alternative Rate**" means an alternative to the Reference Rate which the Issuer determines in accordance with General Condition 4.2(b)(iv)(A)(1) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in General Condition 4.2(b)(iv)(A)(3).

"**Benchmark Transition Event**" in this General Condition 4.2(b)(iv)(A) means:

(A) the Original Reference Rate ceasing be published for a period of at least five Business Days or ceasing to exist; or

(B) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely and no successor administrator has been appointed that will continue publication of the Original Reference Rate; or

(C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate is no longer representative of its relevant underlying market or will be prohibited from

being used or that its use will be subject to restrictions or adverse consequences; or

(E) it has become unlawful for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate

provided that in the case of paragraphs (B) to (D) above, a Benchmark Transition Event shall occur on the date of cessation, discontinuation or prohibition of use of the Original Reference Rate as set out in the public statement.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under General Condition 4.2(b)(iv)(A).

"**Original Reference Rate**" means either (i) the originally-specified Reference Rate used to determine the Rate of Interest (or any component part thereof) on the Notes or (ii) any Successor or Alternative Rate which replaces the originally specified Reference Rate pursuant to the operations of this General Condition 4.2(b)(iv)(A).

"**Relevant Nominating Body**" means, in respect of a Reference Rate:

(A) the central bank, reserve bank, monetary authority or similar institution for the currency to which the Reference Rate relates, or the central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (w) the central bank, reserve bank, monetary authority or similar institution for the currency to which the Reference Rate relates, (x) the central bank or similar institution or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (y) a group of the aforementioned central banks or other supervisory authorities or (z) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(B) **Benchmark Replacement – ARRC**

This General Condition 4.2(b)(iv)(B) applies to all Notes where the Original Reference Rate is SOFR, unless otherwise specified in the applicable Final Terms.

(i) *Benchmark Replacement.* If the Issuer or its designee determines that a USD Benchmark Transition Event and its related USD Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the then-current USD Benchmark on any date, the Benchmark Replacement will replace the then-current USD Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates;

(ii) *Benchmark Replacement Conforming Changes.* In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will

have the right to make Benchmark Replacement Conforming Changes from time to time;

(iii) *Decisions and Determinations.* Any determination, decision or election that may be made by the Issuer or its designee pursuant to this General Condition 4.2(b)(iv)(B), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

(A) will be conclusive and binding absent manifest error;

(B) if made by the Issuer, will be made in the Issuer's sole discretion; and

(C) if made by the Issuer's designee, will be made after consultation with the Issuer, and the designee will not make any such determination, decision or election to which the Issuer objects; and

(D) shall become effective without consent, sanction or absence of objection from the Noteholders.

Any determination, decision or election pursuant to the benchmark replacement provisions not made by the Issuer's designee will be made by the Issuer on the basis as described above. The designee shall have no liability for not making any such determination, decision or election absent bad faith or fraud.

(iv) *Notices, etc.* The occurrence of a Benchmark Transition Event, Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under this General Condition 4.2(b)(iv)(B) will be notified promptly by the Issuer to the Fiscal Agent and the Calculation Agent and, in accordance with General Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date(s) on which such changes take effect.

No later than one Business Day following the date of notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

(a) confirming (i) that a Benchmark Transition Event has occurred, (ii) the relevant Benchmark Replacement and, (iii) where applicable, any Benchmark Replacement Adjustment and/or specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this General Condition 4.2(b)(iv)(B); and

(b) certifying that the Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

The Fiscal Agent shall make available such certificate at its offices for inspection by the Noteholders at all reasonable times during normal business hours.

(v) Definitions: For the purposes of this General Condition 4.2(b)(iv)(B):

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(A) the sum of: (I) an alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current USD Benchmark for the applicable Corresponding Tenor and (II) the Benchmark Replacement Adjustment;

(B) the sum of: (I) the ISDA Fallback Rate and (II) the Benchmark Replacement Adjustment; or

(C) the sum of: (I) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current USD Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current USD Benchmark for U.S. dollar denominated floating rate notes or notes at such time calculated by reference to the then-current USD Benchmark, at such time and (II) the Benchmark Replacement Adjustment.

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the USD Benchmark Replacement Date:

(A) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current USD Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes or notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including the timing and frequency of determining rates and making payments, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**USD Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(A) in the case of clause (A) or (B) of the definition of "USD Benchmark Transition Event", the later of (I) the date of the public statement or publication of information referenced therein and (II) the date on which an administrator (who initially is the Federal Reserve Bank of New York) of the USD Benchmark permanently or indefinitely ceases to provide the USD Benchmark; or

(B) in the case of clause (C) of the definition of "USD Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the USD Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the USD Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

For the avoidance of doubt, for purposes of the definitions of Benchmark Replacement Date and Benchmark Transition Event, references to Benchmark also include any reference rate underlying such Benchmark.

"**USD Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including, the daily published component used in the calculation thereof):

(A) a public statement or publication of information by or on behalf of the administrator of the USD Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the USD Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the USD Benchmark (or such component); or

(B) a public statement or publication of information by the regulatory supervisor for the administrator of the USD Benchmark (or such component), the central bank for the currency of the USD Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the USD Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the USD Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the USD Benchmark (or such component), which states that the administrator of the USD Benchmark (or such component) has ceased or will cease to provide the USD Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the USD Benchmark (or such component) ; or

(C) a public statement or publication of information by the regulatory supervisor for the administrator of the USD Benchmark announcing

that the USD Benchmark is no longer, or as of a specified future date will no longer be representative;

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current USD Benchmark;

"**designee**" means an affiliate or other agent of the Issuer designated by the Issuer;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the Relevant ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the USD Benchmark for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the 2021 ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the USD Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the USD Benchmark means:

(A) where the USD Benchmark is Compounded SOFR, 3:00 p.m. (New York City time) on the U.S. Government Securities Business Day the relevant rate is in respect of; or

(B) otherwise, the time determined by the Issuer or its designee after giving effect to the modifications noted in Condition 4(d).

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment; and

"**USD Benchmark**" means, initially, Compounded SOFR; provided that if a USD Benchmark Transition Event and its related USD Benchmark Replacement Date have occurred with respect to Compounded SOFR or the then-current USD Benchmark, then "USD Benchmark" means the applicable Benchmark Replacement.

(vi) *Conflict*. To the extent that there is any inconsistency between the conditions set out in Condition 4(d) and any other Condition, the statements in this Condition 4(d) shall prevail with respect to any U.S. dollar denominated Floating Rate Notes calculated by reference to a USD Benchmark.

(vii) *Future Benchmark Replacement*. For the avoidance of doubt, the Issuer or its designee may give effect to a USD Benchmark Transition Event on more than

one occasion provided that the conditions set out in this Condition 4(d) are satisfied.

(viii) *Survival of the USD Benchmark.* Without prejudice to the obligations of the Issuer under this Condition 4(d), the Reference Rate in respect of a USD Benchmark and the fallback provisions provided for in Condition 4(b) will continue to apply unless and until the Fiscal Agent has received the USD Benchmark Transition Event Certificate in accordance with this Condition 4(d). For the avoidance of doubt, this Condition 4(d) shall apply to the determination of the Interest Rate on the relevant Interest Determination Date or Reset Determination Date (as applicable) only, and the Rate of Interest applicable to any subsequent Interest Accrual Period(s) or Reset Period(s) is subject to the operation of, and to adjustment as provided in, this Condition 4(d).

(e) **Determination of Rate of Interest and Calculation of Interest Amount**

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Accrual Period.

Following such determination of the Rate of Interest, the Calculation Agent will determine the applicable Rate of Interest for the relevant Interest Accrual Period.

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant Interest Accrual Period by applying the applicable Rate of Interest to:

(i) in the case of Notes which are represented by a Global Note, either (A) the aggregate outstanding nominal amount of the Notes represented by such Global Note or (B) the nominal amount represented by the Specified Denomination (or, if more than one, the lowest Specified Denomination), all as provided in the applicable Final Terms; or

(ii) in the case of Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure in accordance with General Condition 4.5 (*Rounding*). Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Where any Interest Period comprises two or more Interest Accrual Periods, as specified in the applicable Final Terms, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of the relevant Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(f) **Notification of Applicable Rate of Interest and Interest Amounts**

The Calculation Agent shall notify the Fiscal Agent of the Applicable Rate of Interest and Interest Amounts for the relevant Interest Accrual Period as soon as practicable after calculating the same.

The Fiscal Agent will cause the applicable Rate of Interest and each Interest Amount for each Interest Accrual Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with General Condition 15 (*Notices*) as soon as possible after their determination but in no event later than the first London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Accrual Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with General Condition 15 (*Notices*). For the purposes of this General Condition 4.2(f), the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(g) **Additional Disruption Events**

The provisions of this General Condition 4.2(g) apply to Floating Rate Notes only.

(i) **Consequences of the occurrence of an Additional Disruption Event**

If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action, if applicable, described in (1) or (2) below:

(1) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to the Conditions to account for the Additional Disruption Event and determine the effective date of such adjustment; or

(2) upon giving notice to the Noteholders in accordance with General Condition 15 (*Notices*), redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the Fair Market Value Redemption Amount, where payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 15 (*Notices*).

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

(ii) **Definitions**

"**Additional Disruption Event**" means any of Change in Law, Hedging Disruption and/or Increased Cost of Hedging, in each case unless disapplied in the applicable Final Terms.

"**Change in Law**" means, unless Change in Law is specified as not applicable in the applicable Final Terms, 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 in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of relevant hedge positions relating to the floating element of the Interest Rate.

"**Hedging Disruption**" means, unless Hedging Disruption is specified as not applicable in the applicable Final Terms, that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (I) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge any relevant price risk including but not limited to the currency risk of the Issuer, in issuing and performing its obligations with respect to the Notes, or (II) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"**Increased Cost of Hedging**" means, unless Increased Cost of Hedging is specified as not applicable in the applicable Final Terms, that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer in issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

4.3 **Interest on Linked Interest Notes**

(a) **Interest Payment Dates**

If:

(i) "All Interest Accrual Periods" is specified in the applicable Final Terms, each Linked Interest Note bears interest at the applicable Linked Interest Rate (as defined in General Condition 4.3(b) (*Linked Interest Rate*)) on its outstanding nominal amount from (and including) the Interest Commencement Date to (but excluding) the Maturity Date; or

(ii) certain Interest Accrual Periods (other than All Interest Accrual Periods) are specified in the applicable Final Terms, each Linked Interest Note bears interest from (and including) the first day of the first Interest Accrual Period so specified in the applicable Final Terms to (and including) the last day of the last Interest Accrual Period so specified in the applicable Final Terms at the applicable Linked Interest Rate. For the avoidance of doubt, any references in this General Condition 4.3 to Interest Accrual Period will be deemed to be references only to such specified Interest Accrual Periods.

In each case, interest will accrue on a daily basis on each day during each relevant Interest Accrual Period and such interest will be payable in respect of the relevant Interest Accrual Period in arrears on the relevant Interest Payment Date.

(b) **Linked Interest Rate**

The rate payable from time to time in respect of the applicable Linked Interest Notes (each a "**Linked Interest Rate**") will be determined in accordance with the relevant Conditions, as specified in the applicable Final Terms.

(c) **Determination of Linked Interest Rate and calculation of Interest Amounts**

(i) The Calculation Agent will determine the Linked Interest Rate on the Interest Determination Date for the relevant Interest Accrual Period.

(ii) The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Linked Interest Notes for the relevant Interest Accrual Period by applying the applicable Linked Interest Rate to:

(1) in the case of Linked Interest Notes which are represented by a Global Note (other than where General Condition 4.3(c)(ii)(3) applies), either (i) the aggregate outstanding nominal amount of the Notes represented by such Global Note or (ii) the nominal amount represented by the Specified Denomination (or, if more than one, the lowest Specified Denomination), all as provided in the applicable Final Terms;

(2) in the case of a Linked Interest Note in definitive form, the Calculation Amount (other than where General Condition 4.3(c)(ii)(3) applies); or

(3) in the case of a Linked Interest Note where the relevant Linked Interest Rate is determined in whole or in part by reference to the Equity Linked Asset Conditions or the Index Linked Asset Conditions, the Specified Denomination of the relevant Linked Interest Note,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure in accordance with General Condition 4.5 (*Rounding*). In the case of General Condition 4.3(c)(iii)(3), where the Specified Denomination of a Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach such Specified Denomination, without any further rounding.

(d) **Notification of Applicable Linked Interest Rate and Interest Amounts**

The Calculation Agent shall notify the Fiscal Agent of the Applicable Linked Interest Rate and Interest Amounts for the relevant Interest Accrual Period as soon as practicable after calculating the same.

The Fiscal Agent will cause the Applicable Linked Interest Rate and each Interest Amount for each Interest Accrual Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with General Condition 15 (*Notices*) as soon as possible after the day on which the

notice was given to the Fiscal Agent but in no event later than the fourth London Business Day thereafter. For the purposes of this General Condition 4.3(d), the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

4.4 **Margin, Minimum Rate of Interest and Maximum Rate of Interest**

(a) With respect to Floating Rate Notes only, if any Margin is specified in the applicable Final Terms (either (i) generally, or (ii) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Applicable Rates of Interest, in the case of (i), or the Applicable Rates of Interest for the specified Interest Accrual Periods, in the case of (ii), by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin.

(b) With respect to Floating Rate Notes only, if the applicable Final Terms specify a Minimum Rate of Interest for any Interest Accrual Period, then, in the event that the Applicable Rate of Interest in respect of such Interest Accrual Period determined in accordance with General Condition 4.2 (*Interest on Floating Rate Notes*) is less than such Minimum Rate of Interest, the Applicable Rate of Interest for such Interest Accrual Period shall be such Minimum Rate of Interest.

(c) With respect to Floating Rate Notes only, if the applicable Final Terms specify a Maximum Rate of Interest for any Interest Accrual Period, then, in the event that the Applicable Rate of Interest in respect of such Interest Accrual Period determined in accordance with General Condition 4.2 (*Interest on Floating Rate Notes*) is greater than such Maximum Rate of Interest, the Applicable Rate of Interest for such Interest Accrual Period shall be such Maximum Rate of Interest. For greater certainty, "Rate of Interest" here means the rate of interest after adjustment for the applicable Margin.

(d) With respect to all Notes, unless otherwise stated in the applicable Final Terms with respect to Floating Rate Notes, the Minimum Rate of Interest, shall be deemed to be zero.

4.5 **Rounding**

For the purposes of any calculations required pursuant to these General Conditions (unless otherwise specified), (a) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (b) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant shall be rounded up) and (c) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up or otherwise in accordance with applicable market convention save in the case of Japanese yen ("**Yen**"), which shall be rounded down to the nearest unit). For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

4.6 **Accrual of Interest**

(a) Except as otherwise provided in this General Condition 4 (*Interest*), each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of the principal amount is improperly withheld or refused. In such event, interest will continue to accrue as from the date for its redemption, until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Note have been paid; and

(ii) five (5) days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Fiscal Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with General Condition 15 (*Notices*).

4.7 **Interest Payoff Conditions**

The interest payable in respect of each Note will be subject to each Interest Payoff Condition (if any) specified as applicable in the applicable Final Terms. An Interest Payoff Condition will apply to: (a) all Interest Accrual Periods if "All Interest Accrual Periods" is specified to apply in the applicable Final Terms; or (b) to certain Interest Accrual Periods as specified in the applicable Final Terms in respect of an Interest Payoff.

4.8 **Interpolation**

In respect of any Interest Accrual Period to which "Linear Interpolation" is specified as being applicable in the applicable Final Terms, the Rate of Interest or Linked Interest Rate, as the case may be, for that Interest Accrual Period shall be determined by the Calculation Agent, in its sole and absolute discretion, through the use of straight-line interpolation by reference to two rates based on the relevant Rate of Interest or Linked Interest Rate, as the case may be, one of which shall be determined as if the designated maturity of that rate were the period of time for which rates are next shorter than the length of the Interest Accrual Period and the other of which shall be determined as if the designated maturity of that rate were the period of time for which rates are next longer than the length of the Interest Accrual Period, provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

4.9 **Negative Interest**

Where an amount or rate of interest is calculated as, in accordance with this General Condition 4 and any applicable Additional Conditions, a negative amount or rate, as the case may be, such amount or rate shall be deemed to be zero.

5. REDEMPTION, PURCHASE AND OPTIONS

5.1 **Final Redemption**

Unless previously redeemed or purchased and cancelled as provided in this General Condition 5:

(a) subject to paragraph (b), each Note will be finally redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms and determined in accordance with the provisions set out in Annex 4 *(Redemption Method Conditions*) in the relevant Specified Currency on the Maturity Date, subject to any provision to the contrary in the Additional Conditions; and

(b) each Note that is a Preference Share Linked Note will be finally redeemed by the Issuer at its Final Redemption Amount determined in accordance with the provisions set out in Annex 5 (*Preference Share Linked Notes*) in the relevant Specified

Currency on the Maturity Date, subject to any provision to the contrary in the Additional Conditions.

5.2 **Automatic Early Redemption (Autocall)**

The applicable Final Terms will specify whether any Automatic (Autocall) Early Redemption applies to the Notes. The provisions detailing such Automatic (Autocall) Early Redemption are set out in Annex 3 (*Automatic Early Redemption Conditions)*.

The Early Redemption Amount payable in respect of Notes to which an Automatic Early Redemption Event applies shall be determined by the Calculation Agent in accordance with these General Conditions and, as applicable, the provisions of Annex 4 (*Redemption Method Conditions*).

5.3 **Redemption for taxation reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if the Note is a Floating Rate Note, or Linked Note) or at any time (if the Note is a Fixed Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders, at their Early Redemption Amount, together with interest accrued, if any, to (but excluding) the date fixed for redemption:

(i) if the Issuer has or will become obliged to pay additional amounts as provided or referred to in General Condition 8 as a result of any change in, or amendment to, the laws or regulations of Canada or, in the case of Notes issued by the Issuer acting through a Branch of Account outside Canada, of the country in which such Branch of Account is located, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant Tranche of the Notes, or

(ii) upon any payment or deemed payment as determined for United States tax purposes with respect to the Notes or with respect to a direct or indirect hedging arrangement entered into by the Issuer or any of its Affiliates relating to the Notes being treated as a dividend or "dividend equivalent" for United States tax purposes

and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due and provided further that in respect of Bail-inable Notes where such redemption would lead to a breach of the Issuer's TLAC requirements, such redemption will be subject to the prior approval of the Superintendent. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two directors or senior officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognized standing to the effect that the Issuer has or may become obliged to pay such additional amounts as a result of such change or amendment.

Any notice of redemption given by the Issuer under this General Condition 5.3 shall be irrevocable, except that in the case of Bail-inable Notes an order under subsection 39.13(1) of the CDIC Act, prior to the date fixed for redemption, shall automatically rescind such notice of

redemption and, in such circumstances, such Bail-inable Notes shall not be redeemed on an Optional Repayment Date and no payment in respect of the rescinded redemption shall be due and payable. Bail-inable Notes continue to be subject to a Bail-in Conversion (as defined below) prior to their repayment in full.

5.4 **Redemption Amounts**

(a) **Fair Market Value Redemption Amounts**

Where the Notes are to be redeemed prior to the Maturity Date at their Fair Market Value Redemption Amount pursuant the Conditions, including, without limitation, pursuant to General Condition 5.3 (*Redemption for tax reasons*), General Condition 10 (*Events of Default*) or General Condition 20 (*Illegality and Force Majeure*), each Note will be redeemed at the Fair Market Value Redemption Amount. Notes may also be redeemed at the Fair Market Value Redemption Amount in any other circumstances set out in the applicable Additional Conditions.

The Fair Market Value Redemption Amount shall be determined by the Calculation Agent in its sole and absolute discretion as equal to the fair market value of the Note as at (or about) the date fixed for redemption, taking into account, without limitation and without double counting, where "Hedge Amount" is specified in the applicable Final Terms as being applicable, the deduction of the Hedge Amount, provided that:

(i) this determination shall disregard the financial condition of the Issuer in case an Event of Default has occurred and is continuing with respect to the Issuer;

(ii) if a Fair Market Value Redemption Amount has been determined for any reason other than the occurrence of an Event of Default (the "**Pre-Default FMVRA**") and is unpaid on the date on which an Event of Default occurs with respect to the Issuer (the "**Post-Default FMVRA Determination Date**"), then the Pre-Default FMVRA will be deemed to be equal to the Fair Market Value Redemption Amount determined as of the Post-Default FMVRA Determination Date (the "**Post-Default FMVRA**") and the Post-Default FMVRA shall disregard the financial condition of the Issuer in accordance with paragraph (a) above; and

(iii) the Fair Market Value Redemption Amount shall not be a negative amount.

In determining the fair market value of the Note, the Calculation Agent shall take into consideration all information, which it deems relevant (including, without limitation, market conditions, and, in the case of early redemption pursuant to General Condition 20 (*Illegality and Force Majeure*), the impracticality, illegality or impossibility giving rise to the early redemption).

The Fair Market Value Redemption Amount determined as specified above shall be determined taking into account any amounts in respect of accrued but unpaid interest and accordingly no other amount of accrued but unpaid interest will be payable where the Notes are redeemed by payment of the Fair Market Value Redemption Amount.

In connection with any early redemption of the Notes, the "**Hedge Amount**" is the losses or costs (expressed as a positive number) to the Issuer or any Affiliate thereof that are incurred under then prevailing circumstances or gains (expressed as a negative number) of the Issuer or any Affiliate thereof that are realised under then prevailing circumstances in each case in unwinding any related underlying hedging

arrangements entered into in respect of such Note (including, without limitation, any rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, interest rate option, currency transaction, asset swap transaction, credit derivative transaction or funding transaction such as but not limited to internal funding arrangement or a repurchase transaction, including any market bid/offer spread and any ancillary cost in relation to such unwinding), whether such hedging arrangement is held directly by the Issuer or indirectly through an Affiliate, provided that the determination of the Hedge Amount shall disregard the financial condition of the Issuer in case an Event of Default has occurred and is continuing with respect to the Issuer.

Notwithstanding the above, in respect of any Note for which a Fair Market Value Redemption Amount Percentage is specified in the applicable Final Terms, the Fair Market Value Redemption Amount will be an amount equal to the Nominal Amount of such Note outstanding as at the date of calculation (as set out in Annex 4 (*Redemption Method Conditions*) as if the Early Redemption Amount was being calculated) multiplied by the Fair Market Value Redemption Amount Percentage specified in the applicable Final Terms.

Payment of such Fair Market Value Redemption Amount will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 15 (*Notices*).

5.5 **Redemption at the Option of the Issuer ("Call Option")**

If a Call Option is specified as applying in the applicable Final Terms, the Issuer may on giving not less than 10 nor more than 30 days' notice to the Noteholders (or such other notice period as may be specified in the applicable Final Terms) in accordance with General Condition 15 (*Notices*) redeem all or, if so provided, some, of the Notes on any Optional Redemption Date, provided that in respect of Bail-inable Noes where such redemption would lead to a breach of the Issuer's TLAC requirements, such redemption will be subject to the prior approval of the Superintendent. Any such redemption of Notes shall be at their Optional Redemption Amount, together with interest accrued, if any, to (but excluding) the date fixed for redemption.

"**Optional Redemption Amount**" shall mean (i) the amount specified in the applicable Final Terms or, (ii) where "**Total Accrued$_T$**" is specified as being applicable in the applicable Final Terms, the amount calculated by the Calculation Agent on the Valuation Date in accordance with the following formula:

$$CA \times (100\% + \text{Total Accrued}_T)$$

"**Total Accrued$_T$**" means:

$$\sum_{1}^{t} Accrual\ Rate$$

"**Accrual Rate**" is the rate specified in the applicable Final Terms;

"**t**" means the number correlating to the applicable Optional Redemption Date(t) as specified in the table set out in the applicable Final Terms; and

"**Valuation Date**" means the date correlating to the applicable Optional Redemption Date(t) as specified in the table set out in the applicable Final Terms.

For the avoidance of doubt, Total Accrued$_T$ on the Issue Date is equal to zero.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the Holder(s) of such Registered Notes, to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements. So long as the Notes are listed on the Main Market and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in London a notice specifying the aggregate Nominal Amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

While such Notes are represented by a Global Note, a Call Option shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by this General Condition 5.6 and Final Terms, except that the notice shall not be required to contain the certificate numbers of Notes drawn by lot in the case of a partial exercise of an Issuer Call Option and accordingly no drawing of Notes shall be required. In the event that any Issuer Call Option is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be) and in respect of Notes which are in NGN form this shall be reflected in the records of Euroclear, Clearstream or Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion.

Any such redemption must relate to Notes of a Nominal Amount at least equal to the Minimum Redemption Amount to be redeemed specified in the applicable Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the applicable Final Terms.

Redemption of any Bail-inable Notes pursuant to this General Condition 5.6 where the redemption would lead to a breach of the Issuer's TLAC requirements, will be subject to the prior approval of the Superintendent.

Any notice of redemption given by the Issuer under this General Condition 5.6 shall be irrevocable, except that in the case of Bail-inable Notes an order under subsection 39.13(1) of the CDIC Act, prior to the date fixed for redemption, shall automatically rescind such notice of redemption and, in such circumstances, such Bail-inable Notes shall not be redeemed on an Optional Repayment Date and no payment in respect of the rescinded redemption shall be due and payable. Bail-inable Notes continue to be subject to a Bail-in Conversion (as defined below) prior to their repayment in full.

5.6 **Redemption at the Option of the Noteholder ("Put Option")**

This General Condition 5.6 does not apply to Notes that are Bail-inable Notes.

If a Put Option is specified as applying in the applicable Final Terms, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other Notice Period as may be specified in the applicable Final Terms) (the "**Noteholders Option Period**") redeem such Note on the Option Redemption

Date(s) at its Optional Redemption Amount, as specified in the applicable Final Terms, together with interest accrued, if any, to (but excluding) the date fixed for redemption.

To exercise such option the Noteholder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Registered Note representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Option Period. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

While such Notes are represented by a Global Note a Put Option may be exercised by the holder of the Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in this General Condition 5.6 substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised, and stating the principal amount of Notes in respect of which the Put Option is exercised and at the same time, where the Global Note is not in NGN form, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is in NGN form, the Issuer shall procure that details of such exercise shall be entered pro rata in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

5.7 **Purchases**

The Issuer and any of its Subsidiaries may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Notes purchased by or on behalf of the Issuer may, at the option of the Issuer, be so surrendered and cancelled or may be held or resold, in accordance with applicable laws and regulations. In respect of Bail-inable Notes where such purchase would lead to a breach of the Issuer's TLAC requirements, such purchase will be subject to the prior approval of the Superintendent. Notes represented by a Global Note may only be purchased by the Issuer if they are purchased together with the rights to receive all future payments of interest thereon.

5.8 **Cancellation**

All Notes which are purchased for cancellation or redeemed by the Issuer, will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes purchased by or on behalf of the Issuer and any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Registered Note representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged. Cancellation of any Note represented by a Global Bearer Note (other than upon its redemption) will be effected by reduction in the Nominal Amount of the relevant Global Bearer Note.

For the purposes of these Conditions, "**Subsidiary**" has the meaning provided in the Bank Act.

5.9 **Regulatory Conversion, Variation or Extinguishment**

By its acquisition of an interest in Bail-inable Notes, each Noteholder (which, for the purposes of this General Condition 5.9, includes each holder of a beneficial interest in such Bail-inable Notes):

(i) agrees to be bound, in respect of such Bail-inable Notes, by the CDIC Act, including the conversion of the Bail-inable Notes, in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Issuer or any of its affiliates under subsection 39.2(2.3) of the CDIC Act and the variation or extinguishment of the Bail-inable Notes in consequence ("**Bail-in Conversion**"), and by the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to such Bail-inable Notes;

(ii) attorns to the jurisdiction of courts in the Province of Ontario with respect to the CDIC Act and the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to such Bail-inable Notes;

(iii) acknowledges and agrees that the terms referred to in paragraphs (i) and (ii), of this General Condition 5.9, are binding on such Noteholder despite any other provisions in these General Conditions or any applicable Additional Conditions, any other law that governs such Bail-inable Notes and any other agreement, arrangement or understanding between such Holder and the Issuer with respect to such Bail-inable Notes;

(iv) agrees that the Bail-in Conversion does not give rise to an Event of Default under General Condition 10; and

(v) is deemed to have represented and warranted to the Issuer that the Issuer has not, directly or indirectly, provided financing to the Noteholder for the express purpose of investing in Bail-inable Notes.

Noteholders holding Bail-inable Notes shall have no further rights in respect of their Bail-inable Notes to the extent those Bail-inable Notes are converted in a Bail-in Conversion, other than those provided under the Bail-in Regime, and by its acquisition of an interest in any Bail-inable Notes, each Noteholder of that Bail-inable Note shall be deemed to irrevocably consent to the converted portion of the principal amount of that Bail-inable Note and any accrued and unpaid interest thereon being deemed paid in full by the issuance of common shares of the Issuer (or, if applicable, any of its affiliates) upon the occurrence of a Bail-in Conversion, which Bail-in Conversion shall occur without any further action on the part of that Noteholder; *provided* that, for the avoidance of doubt, this consent shall not limit or otherwise affect any rights of that Noteholder provided for under the Bail-in Regime.

Each Noteholder of a Bail-inable Note that acquires an interest in the Bail-inable Notes in the secondary market and any successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of such Noteholder shall be deemed to acknowledge, accept, agree to be bound by and consent to the same provisions specified herein to the same extent as the Noteholders that acquire an interest in the Bail-inable Notes upon their initial issuance, including, without limitation, with respect to the terms of the Bail-inable Notes related to the Bail-in Regime.

"**Bail-in Regime**" means the provisions of, and regulations under, the Bank Act, the CDIC Act and certain other Canadian federal statutes pertaining to banks, providing for a bank recapitalization regime for banks designated by the Superintendent as domestic systemically important banks, including subsection 39.2(2.3) of the CDIC Act, the Bank Recapitalization (Bail-in) Conversion Regulations (*Canada*), the Bank Recapitalization (Bail-in) Issuance Regulations (*Canada*) and the Compensation Regulations (*Canada*), and in each case any successor statute or regulation thereto, as amended from time to time.

This General Condition 5.9 is binding on all holders of Bail-inable Notes despite any other terms of the Bail-inable Notes, any other law that governs the Bail-inable Notes and any other agreement, arrangement or understanding between the Issuer and such holder with respect to the Bail-inable Notes.

5.10 **Early Redemption of Bail-inable Notes upon TLAC Disqualification Event**

Where the applicable Final Terms indicates a TLAC Disqualification Event Call Option is applicable, on the occurrence of a TLAC Disqualification Event the Issuer may, at its option, on giving not more than 60 days' nor less than 30 days' prior notice in accordance with General Condition 15 (*Notices*), redeem all but not less than all of the outstanding Bail-inable Notes of such Series on the date set out in such notice (which shall be on or within 90 days after the occurrence of the TLAC Disqualification Event) at their Early Redemption Amount set out in the applicable Final Terms, together with interest, if any, accrued to (but excluding) the date fixed for redemption. Such early redemption will be subject to the prior approval of the Superintendent.

For purposes of this General Condition 5.10:

"**TLAC Disqualification Event**" means (a) the Office of the Superintendent of Financial Institutions ("**OSFI**") has advised the Issuer in writing that the relevant Series of Bail-inable Notes will no longer be recognized in full as TLAC under the OSFI Guideline for Total Loss Absorbing Capacity (TLAC) (as amended, supplemented or replaced as at the Issue Date of the relevant Series of Bail-inable Notes, the "**TLAC Guideline**") as interpreted by the Superintendent; provided however that a TLAC Disqualification Event shall not occur where the exclusion of the relevant Series of Notes from the Issuer's TLAC requirements is due to the remaining term to maturity of such Series of Bail-inable Notes being less than any period prescribed under the TLAC eligibility criteria applicable as at the Issue Date of the first Tranche of such Series of Bail-inable Notes.

5.11 **NGN Notes**

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

5.12 **Payoff Features**

With respect to each Note (other than a Preference Share Linked Note), the Early Redemption Amount or the Final Redemption Amount will be subject to the Interest Payoff Conditions (if any) and/or Redemption Method Conditions (if any) specified as applicable in the applicable Final Terms.

5.13 **Negative Redemption Amount**

Where an Early Redemption Amount, Fair Market Value Redemption Amount, Final Redemption Amount or other relevant redemption amount is calculated or determined as, in accordance with this General Condition 5 and any applicable Additional Conditions, a negative amount, then such amount will be deemed to be zero. Noteholders will not in such circumstances be required to make any payment to the Issuer in respect of such negative amount or rate nor will any other payments then or in the future due in respect of the Notes be adjusted in respect of such negative amount.

6. PAYMENTS

6.1 **Method of payment**

Subject as provided below:

(a) payments in a Specified Currency other than euro and U.S. dollars will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively);

(b) payments in euro will be made by credit or transfer to a euro account maintained outside the United States (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and

(c) payments in U.S. dollars, except as provided by General Condition 6.5, shall be made by credit or transfer to a U.S. dollar account outside the United States specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws to which the Issuer or its Agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of General Condition 8 (*Taxation*).

6.2 **Presentation of Definitive Bearer Notes, Receipts and Coupons**

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in General Condition 6.1 (*Method of payment*) only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same

proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 2 years after the Relevant Date (as defined in General Condition 8.1 (*Taxation*)) in respect of such amount (whether or not such Coupon would otherwise have become void under General Condition 9 (*Prescription*)), but in no event thereafter.

Upon the date on which any Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding or Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

6.3 **Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to Bearer Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable. In respect of Bearer Notes which are not in NGN form, a record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes.

In respect of Bearer Notes issued in NGN form, a record of each payment shall be entered pro rata in the records of Euroclear or Clearstream, Luxembourg and, upon any such entry being made, the nominal amount of the Notes recorded in the records of Euroclear or Clearstream, Luxembourg and represented by the Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled. Payments under Notes issued in NGN form will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

No payment falling due after the Exchange Date will be made on any Temporary Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership that is satisfactory for purposes of the D Rules on a form proscribed by Euroclear, Clearstream, Luxembourg or any other agreed clearing system.

6.4 **Payments in respect of Registered Notes**

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined

below) of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the nominal amount of the Notes held by a holder is less than US$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of principal in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**") at their address shown in the Register on the Record Date and at their risk. Upon application of the holder to the specified office of the Registrar not less than three (3) business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and principal in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder.

Noteholders holding Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this General Condition 6.4 arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 **General provisions applicable to payments**

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or any Relevant Clearing System as the beneficial holder of a particular nominal amount of Notes represented

by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for their share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this General Condition 6, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.6 **Payment Business Day**

(a) If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Business Day, the holder thereof shall instead be entitled to payment: (i) if "Following Payment Business Day" is specified in the applicable Final Terms on the next following Payment Business Day in the relevant place; or (ii) if "Modified Following Payment Business Day" is specified in the applicable Final Terms 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, or (iii) , if "Preceding Payment Business Day" is specified in the applicable Final Terms on the immediately preceding Payment Business Day in the relevant place; provided that if neither "Following Payment Business Day" nor "Modified Following Payment Business Day" nor "Preceding Payment Business Day" is specified in the applicable Final Terms, "Following Payment Business Day" shall be deemed to apply.

(b) In the event that (A) any adjustment is made to the date for payment in accordance with this General Condition 6 and (B) "Interest Accrual Periods will be unadjusted" is specified in the applicable Final Terms, the relevant amount due in respect of any Note, Receipt or Coupon shall not be affected by any such adjustment.

(c) For these purposes, "**Payment Business Day**" means any day, which is:

(i) subject to the provisions of the Agency Agreement, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(1) (in respect of Definitive Notes) the relevant place of presentation or (in respect of Registered Notes) the place of registration; and

(2) each Additional Financial Centre specified in the applicable Final Terms; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currencyis Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) (if other than the place of presentation and any Additional Financial Centre) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

(d) If the date specified for a payment of any amount in respect of any Note, Receipt or Coupon falls on a day in a month which does not exist (including, without limitation, when such payment is scheduled to be paid on 29 February in a year when that day does not occur), the holder of such Note, Receipt or Coupon shall instead be entitled to payment on the immediately preceding Payment Business Day in the relevant place.

6.7 **Unavailable Currency**

Unless specified otherwise in the applicable Final Terms, if the Issuer is due to make a payment in a currency (the "**original currency**") other than U.S. dollars in respect of any Note, Coupon or Receipt and the original currency is not available on the foreign exchange markets due to the imposition of exchange controls, the original currency's replacement or disuse or other circumstances beyond the Issuer's control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in U.S. dollars on the basis of the spot exchange rate (the "**US FX Rate**") at which the original currency is offered in exchange for U.S. dollars in the London foreign exchange market (or, at the option of the Issuer or its designated Calculation Agent, in the foreign exchange market of any other financial centre which is then open for business) at noon, London time, two Business Days prior to the date on which payment is due, or if the US FX Rate is not available on that date, on the basis of a substitute exchange rate determined by the Issuer or by its designated Calculation Agent acting in its absolute discretion from such source(s) and at such time as it may select. For the avoidance of doubt, the US FX Rate or substitute exchange rate as aforesaid may be such that the resulting U.S. dollars amount is zero and in such event no amount of U.S. dollars or the original currency will be payable. Any payment made in U.S. dollars or non-payment in accordance with this paragraph will not constitute an Event of Default.

6.8 **General**

None of the Calculation Agent, the Issuer, any Dealer or any Agent shall have any responsibility for any errors or omissions in the calculation of any Early Redemption Amount, or the Final Redemption Amount, as the case may be, or other amount whatsoever.

6.9 **Interpretation**

Any reference in these Conditions to principal in respect of the Notes shall, to the extent permitted by applicable law, be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under General Condition 8 (*Taxation*), if applicable;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Fair Market Value Redemption Amount of the Notes; and

(e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under General Condition 8 (*Taxation*).

Any reference in these Conditions to "payment", "repayment" and "redemption" and other related expressions (including, without limitation, for the purposes of the definition of "Payment Business Day" in General Condition 6.6 (*Payment Business Day*)) shall, where the context admits, include the delivery of any securities or other assets pursuant to physical settlement as provided in Annex 1 (*Asset Conditions*) and payment of any Failure to Deliver Settlement Price or Disruption Cash Settlement Price in respect of Equity Linked Notes.

7. ADDITIONAL CONDITIONS

7.1 Application of the Additional Conditions

Where any Additional Conditions are specified in the applicable Final Terms for any Notes, the General Conditions shall be subject to the provisions contained in such Additional Conditions and will not apply to the extent they are inconsistent with the provisions of such Additional Conditions. In all cases, these General Conditions and the provisions of such Additional Conditions shall be subject to the applicable Final Terms and will not apply to the extent they are inconsistent with the provisions of such Final Terms.

(a) **Index Linked Notes**

Additional conditions relating to Index Linked Notes will be set out in Chapter 1 *(Index Linked Asset Conditions*) of Annex 1 (*Asset Conditions*).

(b) **Equity Linked Notes**

Additional conditions relating to Equity Linked Notes will be set out in Chapter 2 (*Equity Linked Asset Conditions*) of Annex 1 (*Asset Conditions*).

(c) **Fund Linked Notes**

Additional conditions relating to Fund Linked Notes will be set out in Chapter 3 (*Fund Linked Asset Conditions*) of Annex 1 (*Asset Conditions*).

(d) **Preference Shares Linked Notes**

Additional conditions relating to Preference Share Linked Notes will be set out in Annex 5 (*Preference Share Linked Notes*).

(e) **Interest Payoff Conditions**

Additional conditions relating to Interest Payoffs will be set out in Annex 2 (*Interest Payoff Conditions*).

(f) **Automatic Early Redemption**

Additional conditions relating to Automatic Early Redemption will be set out in Annex 3 *(Automatic Early Redemption Conditions*).

(g) **Early Redemption Amount and Final Redemption Amount**

Additional conditions relating to the determination of the Early Redemption Amount and the Final Redemption Amount will be set out in Annex 4 (*Redemption Method Conditions)*.

7.2 **Product Simplification**

Where any amount payable in respect of the Notes is determined by reference to a formula set out in the Definitions Condition or in the applicable Additional Conditions, that formula, where set out in the Final Terms applicable to the Notes, may be simplified from the form of that formula set out in the Definitions Condition or in the applicable Additional Conditions in circumstances where an element of the formula has a value of either 0 or 1, or is not used or is not applicable for the purposes of the relevant Series of Notes, so that such element may be omitted from the relevant formula as set out in the applicable Final Terms.

8. TAXATION

8.1 **Taxation**

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Canada or in addition, if the Issuer's Branch of Account is located outside Canada, the country in which such Branch of Account is located or any political subdivision or authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Canada or, if the Issuer's Branch of Account is located outside Canada, the country in which such Branch of Account is located, other than the mere holding of the Note, Receipt or Coupon; or

(b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption from or, reduction of, the amount of deduction or withholding to any tax authority or paying

agent in the place where the relevant Note (or the Certificate representing it), Receipt or Coupon is presented for payment; or

(c) to, or to a third party on behalf of, a Holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the Holder being a person: (i) with whom the Issuer is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)) or (ii) who is a "specified entity" (as defined in proposed subsection 18.4(1) of the *Income Tax Act* (Canada) contained in proposals to amend such Act released on April 29, 2022) in respect of the Issuer; or

(d) presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the Holder of it would have been entitled to such additional amounts on presenting it for payment on the 30th such day, assuming that day to have been a Payment Date; or

(e) in respect of a debt or other obligation to pay an amount to a person with whom the Issuer is not dealing at arm's length within the meaning of the Income Tax Act (Canada); or

(f) where any combination of items (a) – (e) applies.

For the purposes of this General Condition 8, the term "**Holder**" shall be deemed to refer to the beneficial holder(s) for the time being of the Notes, Receipts and Coupons and the term "person" shall include a partnership. As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

No additional amounts will be paid by the Issuer or any Paying Agent on account of any deduction or withholding from a payment on, or in respect of, the Notes:

(a) where such deduction or withholding is imposed pursuant to any agreement with the U.S. Internal Revenue Service in connection with Sections 1471-1474 of the U.S. Internal Revenue Code, as amended and the U.S. Treasury regulations thereunder ("**FATCA**"), any intergovernmental agreement between the United States and France, Luxembourg or any other jurisdiction with respect to FATCA, or any law, regulation or other official guidance enacted in any jurisdiction implementing, or relating to, FATCA or any intergovernmental agreement; or

(b) where such withholding or deduction is imposed with respect to any Reference Item Linked Notes on or with respect to the "dividend equivalent" payment pursuant to section 871 or 881 of the United States Internal Revenue Code.

9. PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons shall be prescribed and become void unless made within (a) two years (in the case where the relevant Notes are governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein ("**Ontario Law**"), (b) ten years (in the case of claims in respect of principal

where the relevant Notes are governed by English law) or (c) five years (in the case of claims in respect of interest where the relevant Notes are governed by English law) from the appropriate Relevant Date in respect of them.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this General Condition 9 or General Condition 6.2 (*Presentation of Definitive Bearer Notes, Receipts and Coupons*) or any Talon which would be void pursuant to General Condition 6.2 *(Presentation of Definitive Bearer Notes, Receipts and Coupons*).

10. EVENTS OF DEFAULT

If any of the following events ("**Events of Default**") occurs and is continuing, the Holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable ("**acceleration**"), whereupon the Early Redemption Amount of such Note together with accrued interest, if any, to the date of payment shall become immediately due and payable upon receipt of such notice by the Fiscal Agent:

(a) default is made for more than 30 Business Days in the payment on the due date of interest or principal or in the delivery when due of the Asset Amount in respect of any such Notes (whether at maturity or upon redemption or otherwise); or

(b) if the Issuer shall become insolvent or bankrupt or subject to the provisions of the *Winding-up* and *Restructuring Act (Canada)* (as amended or replaced from time to time), or if the Issuer goes into liquidation, either voluntarily or under an order of a court of competent jurisdiction or otherwise acknowledges its insolvency.

Upon the occurrence of any Event of Default, a Holder of any Note will not be required to present such Note, demand payment or serve legal process or any similar procedure at the Branch of Account of the Issuer which issued such Note.

Each Global Note provides that the Holder may cause such Global Note, or a portion of it, to become due and repayable ("**acceleration**") in the circumstances described in this General Condition 10 by stating in the notice to the Fiscal Agent the Nominal Amount of such Global Note that is to become due and repayable. If, following such acceleration, the principal in respect of any Note is not paid when due, the Holder of a Global Note may elect for direct enforcement rights against the Issuer under the terms of the Deed of Covenant to come into effect in relation to the whole or a part of such Global Note in favour of the persons entitled to such part of such Global Note as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note and, in the case of Registered Global Notes, the corresponding entry in the register kept by the Registrar will become void as to the specified portion.

Holders may only exercise, or direct the exercise of, their rights under this General Condition 10 in respect of Bail-inable Notes where an order has not been made pursuant to subsection 39.13(1) of the CDIC Act in respect of the Issuer. Notwithstanding the exercise of any rights by Holders under this General Condition 10 in respect of Bail-inable Notes, the Bail-inable Notes will remain subject to a Bail-in Conversion until paid in full. A Bail-in Conversion will not be an Event of Default.

11. REDENOMINATION

11.1 General

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders and the Couponholders, on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with General Condition 15 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Notes of the relevant Series shall be redenominated in euro.

The election will have effect as described in the provisions below.

(a) The Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination in euro of internationally offered Notes is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments.

(b) Save to the extent that an Exchange Notice has been given in accordance with General Condition 11.1(d), the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes held (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01.

(c) If Definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders.

(d) If issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such Notes are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes.

(e) After the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing

before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; in each case multiplying such sum by the applicable Day Count Fraction as the case may be, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(f) If the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

(i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest either to (i) the aggregate outstanding nominal amount of the Notes represented by such Global Note or (ii) the nominal amount represented by the Specified Denomination (or, if more than one, the lowest Specified Denomination), all as provided in the applicable Final Terms; and

(ii) in the case of Definitive Notes, by applying the Rate of Interest to the Calculation Amount,

and in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub- unit being rounded upwards or otherwise in accordance with applicable market conventions. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(g) Such other changes shall be made to this General Condition 11 (*Redenomination*) as the Issuer may decide after consultation with the Paying Agent(s) and, in the case of Registered Notes, the Registrar and as may be specified in the notice, to conform it to conventions applicable to instruments denominated in Euro.

12. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts and Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. AGENTS

13.1 General provisions

The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Fiscal Agent, a Registrar and a Transfer Agent;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority);

(c) where the Conditions so require, there will be a Delivery Agent; and

(d) there will at all times be a Paying Agent in the United Kingdom.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in General Condition 6.5 (*General provisions applicable to payments*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 days' prior notice thereof shall have been given to the Noteholders in accordance with General Condition 15 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

In addition, the Delivery Agent may (with the prior written consent of the Issuer) delegate certain of its functions and duties as delivery agent to a delegee in relation to Equity Linked Notes subject to physical delivery.

13.2 Calculation Agent

(a) The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the applicable Final Terms and for so long as any Notes are outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in the Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions.

(b) If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails to perform any functions or duty imposed on it by the Conditions or the Calculation Agency Agreement, it shall forthwith notify the Issuer and the relevant Agent and such Issuer shall appoint a leading bank or financial institution engaged

in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through any office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed.

(c) For the avoidance of doubt, nothing in this General Condition 13.2 shall prevent the Issuer from appointing its Affiliate to act as a Calculation Agent in relation to any Series of the Notes.

(d) If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest or the Linked Interest Rate for an Interest Accrual Period or any Interest Amount, the Issuer shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Issuer shall apply the provisions of General Condition 4 *(Interest)* and General Condition 6 (*Payments*), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(e) The Issuer reserves the right at any time to vary or terminate the appointment of the Calculation Agent in accordance with the relevant Calculation Agency Agreement, provided that there will at all times be a Calculation Agent, if so required by the Conditions. Notice of any termination of appointment of the Calculation Agent will be given to Noteholders in accordance with General Condition 15 (*Notices*).

(f) In relation to each Series of Notes, the Calculation Agent (whether it be the Issuer, its Affiliate or another entity) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Noteholders or the Couponholders.

(g) The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate and any determination or calculation by any such delegate shall be deemed to be a determination or calculation by the Calculation Agent.

13.3 **Determinations**

(a) Unless stated otherwise in the Conditions, all determinations and calculations under the Conditions will be made by the Calculation Agent.

(b) Any determination, judgment or adjustment made by the Issuer and/or the Calculation Agent pursuant to the Conditions shall (save in the case of manifest error) and to the extent permitted by applicable law, be final, conclusive and binding on the Issuer, the relevant Agents and the Noteholders, unless otherwise expressly provided in the Conditions.

(c) In particular, all certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of General Condition 4 *(interest)* and General Condition 5 *(Redemption and Purchase*), whether by the relevant Agent or, if applicable, the Calculation Agent or the Issuer, shall (in the absence of manifest error), and to the extent permitted by applicable law, be binding on the Issuer, the Fiscal Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders and

Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Fiscal Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(d) In making any determination, judgment or adjustment pursuant to the Conditions, the Issuer and/or the Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Calculation Agent shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences of any such determination upon individual Noteholders.

(e) Unless stated otherwise in the Conditions and subject as provided below, the Issuer or the Calculation Agent is entitled to act in its sole and absolute discretion, but it shall act in good faith. Whenever the Calculation Agent is required to act, make a determination or to exercise judgement in any way as a result of a Benchmark Trigger Event under these Conditions (and notwithstanding any statement to the contrary in the Asset Conditions), it will do so (i) in good faith, in a commercially reasonable manner and by reference to any Relevant Market Data and (ii) in a way that does not (A) result in it being, or will not be, unlawful at any time under any applicable law or regulation to determine the relevant Benchmark in accordance with any applicable fallback (or it will be unlawful were a determination to be made at such time), (B) contravene any applicable licensing requirements to determine the relevant Benchmark in accordance with any applicable fallback (or it will not contravene those licensing requirements.

The Noteholders may not be charged any costs for the modification or adjustment of the General Conditions or for the early redemption of the Notes before their Maturity Date.

14. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of General Condition 8 (*Taxation*).

15. NOTICES

15.1 Notes other than Linked Interest Notes or Linked Redemption Notes

All notices regarding Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the Financial Times in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Bearer Notes are for the time being listed. Any such notice will be deemed to have been given on the

date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange and the rules of that stock exchange (or other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange (or other relevant authority).

Until such time as any Definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange (or any other relevant authority). Any such notice shall be deemed to have been given to the holders of the Notes on the first Euroclear and/or Clearstream, Luxembourg business day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Fiscal Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). While any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Fiscal Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Fiscal Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

At the current date, Euroclear and/or Clearstream, Luxembourg have stated that they will only accept as valid notices in electronic form such as SWIFT transmissions.

15.2 **Linked Interest Notes or Linked Redemption**

Notwithstanding the provisions of General Condition 15.1 (*Notes other than Linked Interest Notes or Linked Redemption Notes*), so long as the Notes, being Linked Interest Notes or Linked Redemption Notes, are represented by a Global Note held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg, all notices to the Noteholders may be given by delivery of such notices to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given on the day on which such notice was given to Euroclear and/or Clearstream, Luxembourg. Notwithstanding as aforesaid, for so long as any such Notes are admitted to trading on the Main Market, all notices regarding such Notes shall be deemed to be validly given if published in a daily newspaper of general circulation in London. It is expected that such publication will be made in *Financial Times* in London. Any such notice will be deemed to have been given on the date of the first publication in the required newspaper.

If the Global Note is exchanged for Definitive Notes, as a condition to such exchange, the relevant Noteholder will be required to give to the Issuer an address to which notices concerning the Note may be validly given. Upon any transfer of the Definitive Notes, the new holder of the Definitive Notes must provide to the Issuer at its specified office an address to

which notices concerning the Definitive Note may be validly given. Until the Issuer is informed of any new address as aforesaid it shall be entitled to deliver notices concerning the Definitive Note to the last address notified to it as aforesaid, and any notice so given shall be deemed validly given notwithstanding that the Definitive Note may have been transferred. Any such notice shall be deemed to have been given on the day when delivered or, if delivered after 5.00 p.m. on a business day or on a day other than a business day, on the next following business day in the place of delivery.

16. MEETINGS OF NOTEHOLDERS AND MODIFICATIONS

16.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders of a Series at a physical location or by means of an electronic platform such as videoconference or conference call or a combination of such methods to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by one or more Noteholders holding not less than 10 per cent. in Principal Amount of the Notes of the relevant Series for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in Principal Amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the Principal Amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the Principal Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Early Redemption Amount or Redemption Amount is specified in the applicable Final Terms, to reduce or cancel any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amounts, Early Redemption Amounts or Optional Redemption Amounts, including the method of calculating the Amortized Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in Principal Amount of the Notes for the time being outstanding. The Agency Agreement provides that a written resolution signed by or on behalf of the holders of not less than 75 per cent. in Principal Amount of Notes outstanding (a "**Written Resolution**") shall be as valid and effective as a duly passed Extraordinary Resolution. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The holder of a Global Note shall be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and as being entitled to one vote in respect of each Note represented by the Global Note.

For so long as the Notes are represented by a Global Note registered in the name of a nominee for one or more of Euroclear, Clearstream, Luxembourg or another clearing system, then, in respect of any resolution proposed by the Issuer where the terms of the proposed resolution have been notified to the Noteholders through the relevant clearing system(s), the Issuer shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing

system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding ("**Electronic Consent**"). The Issuer shall not be liable or responsible to anyone for such reliance. A Written Resolution and/or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Noteholders, whether or not they participated in such Written Resolution and/or Electronic Consent.

The consent or approval of the Noteholders shall not be required in the case of amendments to the Conditions pursuant to General Condition 4.2(b)(iv) to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes or for any other variation of these Conditions and/or the Agency Agreement required to be made in the circumstances described in General Condition 4.2(b)(iv), where the Issuer has delivered to the Fiscal Agent a certificate pursuant to General Condition 4.2(b)(iv)(D). Any such action shall be binding on all Noteholders and the Couponholders.

Notwithstanding any other provision of the Agency Agreement, an amendment, modification or variance that may affect the eligibility of the Bail-inable Notes to continue to be treated as TLAC under the TLAC Guideline shall be of no effect unless the prior approval of the Superintendent has been obtained.

16.2 **Modification of Agency Agreement, Notes, Receipts and Coupons**

The Agency Agreement, the Notes and any Receipts and Coupons attached to the Notes may be amended by the Issuer and the Fiscal Agent without the consent of the holder of any Note, Receipt or Coupon (i) for the purpose of curing any ambiguity or manifest error, or for curing, correcting or supplementing any defective provision contained therein, or to provide for substitution of the Issuer as provided in General Condition 18.1, (ii) to make any further modifications of the terms of the Agency Agreement necessary or desirable to allow for the issuance of any additional Notes (which modifications shall not be materially adverse to holders of outstanding Notes) or (iii) in any manner which the Issuer and the Fiscal Agent may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes, Receipts and Coupons. The Issuer shall only permit any modification of, or any waiver or authorization of any breach or proposed breach of or any failure to comply with, the Agency Agreement, the Notes and any Receipts and Coupons attached to the Notes, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

Notwithstanding any other provision of the Agency Agreement, an amendment, modification or variance that may affect the eligibility of Bail-inable Notes to continue to be treated as TLAC under the OSFI Guideline for Total Loss Absorbing Capacity (TLAC) shall be of no effect unless the prior approval of the Superintendent has been obtained..

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further Notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. SUBSTITUTION

18.1 Conditions Precedent to Substitution

The Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes, the Receipts, the Coupons and the Talons any company (the "**Substitute**") that is a Subsidiary of the Issuer, provided that no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue and provided that in respect of Bail-inable Notes where substitution for the Issuer would lead to a breach of the Issuer's TLAC requirements, the Issuer may only make a substitution with the prior approval of the Superintendent. The substitution shall be made by a deed poll (the "**Deed Poll**"), to be substantially in the form scheduled to the Agency Agreement as Schedule 8, and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon, Talon or the Deed of Covenant and that would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (ii) the obligations of the Substitute under the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant shall be unconditionally guaranteed by CIBC, (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and that all action, conditions and things required to be later fulfilled are done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons, Talons, Deed of Covenant and any guarantee provided by CIBC represents its valid, legally binding and enforceable obligations have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Agency Agreement in its capacity as Issuer, with any appropriate consequential amendments, (v) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfillment of the preceding conditions of this paragraph (c) and the other matters specified in the Deed Poll and (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents. References in General Condition 10 to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and the events listed in General Condition 10 shall be deemed to include any guarantee provided in connection with such substitution not being (or being claimed not to be) in full force and effect. For the purpose of this General Condition 18 "**Subsidiary**" has the meaning provided in the Bank Act.

18.2 Branch of Account

The Issuer may change the branch designated as the Branch of Account for the deposits evidenced by the Notes for purposes of the Bank Act, upon not less than 14 days' prior notice to the Noteholders subject to the following terms and conditions:

(a) if this Note is denominated in Yen, the Branch of Account shall not be in Japan;

(b) the Issuer shall indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge that is imposed on it as a consequence of such

change, and shall pay the reasonable costs and expenses of the Fiscal Agent in connection with such change; and

(c) notwithstanding (b) above, no change of the Branch of Account may be made unless immediately after giving effect to such change (i) no Event of Default, and no event which, after the giving of notice or lapse of time or both, would become an Event of Default shall have occurred and be continuing and (ii) payments of principal and interest on Notes of this Series and Coupons and Receipts relating thereto to Holders thereof (other than Excluded Holders, as hereinafter defined) shall not, in the opinion of counsel to the Issuer, be subject to any taxes, as hereinafter defined, to which they would not have been subject had such change not taken place. For the purposes of this section, an "**Excluded Holder**" means a Holder of a Note of this Series or Coupon or Receipt relating thereto who is subject to taxes by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of a Note of this Series or Coupon or Receipt as a non-resident of such Relevant Jurisdiction. "**Relevant Jurisdiction**" means Canada, its provinces or territories and the jurisdiction in which the new Branch of Account is located, and "**taxes**" means and includes any tax, duty, assessment or other governmental charge imposed or levied in respect of the payment of the principal of the Notes of this Series or interest thereon for or on behalf of a Relevant Jurisdiction or any authority therein or thereof having power to tax.

19. REPRESENTATIONS AND ACKNOWLEDGEMENTS

EACH NOTEHOLDER (BEING IN THE CASE OF NOTES HELD BY A NOMINEE OR HELD IN A CLEARING SYSTEM, THE BENEFICIAL OWNER OF THE NOTES), BY SUBSCRIBING FOR OR PURCHASING THE NOTES OR AN INTEREST IN THE NOTES, CONFIRMS THAT ALL OF THE FOLLOWING STATEMENTS WITH RESPECT TO THAT NOTEHOLDER ARE TRUE AND CORRECT ON THE DATE OF THE SUBSCRIPTION OR PURCHASE OF THE NOTES:

19.1 In the Case of Notes generally:

(a) The Noteholder is solely responsible for making its own independent appraisal of an investigation into the Issuer and any Affiliate of the Issuer (the "**Group**"). Except for the publication of the Base Prospectus and any supplements thereto, the Noteholder does not and will not rely on the Issuer or any other member of the Group to provide it with any additional information relating to the Issuer.

(b) The Noteholder's purchase of the Notes (i) is fully consistent with its financial needs, objectives and condition, (ii) complies with all applicable investment policies, guidelines and restrictions, and (iii) is a fit, proper and suitable investment for it, notwithstanding the clear and potentially substantial risks inherent in investing in or holding the Notes. The Noteholder has taken sufficient independent professional advice, as appropriate, to make its own evaluation of the legality, merits and risks of investment in the Notes.

(c) The Noteholder is not relying on any communication (written or oral) from the Issuer or any member of the Group as investment advice or as a recommendation to purchase the Notes.

(d) The Noteholder acknowledges that neither the Issuer nor any other member of the Group is acting as a fiduciary or adviser or as an agent of the Noteholder in respect of the Notes.

(e) The Noteholder's subscription or purchase of the Notes is lawful under the laws of the jurisdiction of its incorporation and the jurisdiction in which it operates (if different), and such subscription or purchase does not contravene any law or regulation applicable to it.

(f) The Noteholder acknowledges that no communication (written or oral) received from any member of the Group shall be deemed to be an assurance or guarantee as to the expected results or performance of the Notes. The Noteholder acknowledges that the amount of principal to be repaid on the Maturity Date may be less than the stated nominal amount of the Notes or may even be zero.

(g) The Noteholder acknowledges and agrees that any term sheet with respect to the Notes that it received on or prior to the issue date is superseded in its entirety by the Base Prospectus together with the applicable Final Terms, which solely constitute the legally binding terms and conditions of the Notes.

(h) The Noteholder (except where the Noteholder is acting as dealer appointed under the Programme) is purchasing the Notes as principal for its own account and/or for subsequent transfer to the account of third parties.

(i) Where a Noteholder is acting as a dealer appointed under the Programme or as a distributor of Notes and acquires Notes at a price that is lower than the issue price and/or receives a placement fee in relation to a transaction, the dealer or distributor is solely responsible for making adequate disclosure to investors as required by applicable law, regulation, rule or best market practice.

(j) In connection with any subsequent transfer of the Notes by the Noteholder to any third party, the Noteholder agrees that it will: (i) be solely responsible for assessing the suitability and appropriateness of the Notes for that third party; (ii) comply with all relevant laws, regulations and rules affecting the transfer and have obtained any governmental or other consents or approvals required to sell to the third party (including, without limitation any laws, regulations and rules that pertain to “know your customer”, anti-money laundering, anti- terrorism and bribery); (iii) not represent itself to be in a partnership, association, joint venture or acting as agent with or for any member of the Group in connection with the transfer; (iv) ensure that any transferee receives or is given access to sufficient documentation with respect to the Notes prior to any transfer; and (v) conduct any transfer in accordance with any sales restrictions specified in the Base Prospectus.

(k) In addition, in the case of Index Linked Notes, the amounts payable in respect of principal and/or interest (as the case may be) are determined by a formula linked to the level of an Index. Movements in the level of the Index may therefore adversely affect the amount of principal and/or interest to be repaid to the Noteholder and may also adversely affect the market value of the Notes prior to maturity. The amount of principal to be repaid on the Maturity Date may be less than the stated nominal amount of the Notes or may even be zero.

20. ILLEGALITY AND FORCE MAJEURE

This General Condition 20 will apply to the Notes if so specified in the applicable Final Terms.

20.1 **Notice of Termination**

The Issuer shall have the right to redeem the Notes at any time, by giving notice to the Noteholders in accordance with General Condition 15 (*Notices*), if it determines in good faith that:

(a) its performance under the Notes has become unlawful in whole or in part for any reason; or

(b) its performance under the Notes has become impracticable or impossible by reason of a Force Majeure Event occurring after the date on which the relevant transaction has been concluded (such date being excluded).

For the purposes of this General Condition 20.1:

"**Force Majeure Event**" means:

(a) any event beyond the reasonable control of the Issuer, including, without limitation,

(i) any act, law, rule, regulation, judgment, order, directive, decree or material legislative interference of any Government Authority or otherwise; or

(ii) the occurrence or declaration of war (civil or otherwise), disruption, military action, unrest political insurrection, terrorist activity of any kind, riot, protest and/or civil commotion; or

(iii) the occurrence of sabotage, fire, flood, explosion, earthquake, meteorological or geological catastrophe or other calamity or emergency; or

(iv) any financial, political or economic event(s) (including, without limitation, any change in national or international political, legal, tax or regulatory conditions) or any other causes or impediments beyond the control of the Issuer,

(b) otherwise, any event beyond the reasonable control of the Issuer, including, without limitation,

(i) any act, law, rule, regulation, judgment, order, directive, decree or material legislative interference of any Government Authority or otherwise; or

(ii) the occurrence or declaration of war (civil or otherwise), disruption, military action, unrest political insurrection, terrorist activity of any kind, riot, protest and/or civil commotion; or

(iii) the occurrence of sabotage, fire, flood, explosion, earthquake, meteorological or geological catastrophe or other calamity or emergency; or

(iv) any financial, political or economic event(s) (including, without limitation, any change in national or international political, legal, tax or regulatory conditions) or any other causes or impediments beyond the control of the Issuer,

20.2 **Payment**

Upon the termination of the Notes as aforesaid, the Issuer will, in respect of each Note, cause to be paid to the Noteholder the Fair Market Value Redemption Amount. Payment will be made

in such manner as shall be notified to the Noteholders in accordance with General Condition 15 (*Notices*).

21. CURRENCY INDEMNITY

Except as set out in General Condition 6.7 (*Unavailable Currency*), any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

22. COVENANT TO DISCLOSE INFORMATION

Each Noteholder (being in the case of Notes held by a nominee or held in a clearing system, the beneficial owner of the Notes), by subscribing or purchasing the Notes or an interest in the Notes:

(a) agrees to provide to the Issuer (or agents acting on its behalf) all information and documentation available to it that is reasonably requested by the Issuer (or agents acting on its behalf) in connection with legal, tax or regulatory matters, including any information that is necessary or advisable in order for the Issuer to comply with legal, tax and regulatory requirements applicable to the Issuer from time to time;

(b) agrees to provide to the Issuer (or agents acting on its behalf) all information and documentation available to it that is reasonably requested by the Issuer (or agents acting on its behalf) to verify the Noteholder's identity and the source of the payment used by such Noteholder or its subsequent transferee when purchasing Notes; and

(c) agrees that the Issuer (or agents acting on its behalf) may, subject to any applicable banking secrecy laws and relevant confidentiality provisions (1) provide such information and documentation and any other information concerning its investment in the Notes to any relevant governmental, banking, taxation or other regulatory authority and (2) take such other steps as they deem necessary or helpful (in all cases, in the sole discretion of the Issuer or its respective agents) to comply with any applicable law or regulation.

23. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of any Notes which are governed by English law under the Contracts (Rights of Third Parties) Act 1999.

24. SEVERABILITY

Should any of the provisions contained in these Conditions be or become invalid, the validity of the remaining provisions shall not be affected in any way.

25. WAIVER OF SET-OFF AND NETTING RIGHTS

No holder or beneficial owner of Bail-inable Notes may exercise, or direct the exercise of, claim or plead any right of set-off, netting, compensation or retention in respect of any amount owed to it by the Issuer arising under, or in connection with, the Bail-inable Notes, and each holder or beneficial owner of Bail-inable Notes shall, by virtue of its acquisition of an interest any Bail-inable Note, be deemed to have irrevocably and unconditionally waived all such rights of set-off, netting, compensation or retention. Notwithstanding the foregoing, if any amounts due and payable to any holder or beneficial owner of the Bail-inable Notes by the Issuer in respect of, or arising under, the Bail-inable Notes are purportedly discharged by set-off, netting, compensation or retention, without limitation to any other rights and remedies of the Issuer under applicable law, such holder or beneficial owner shall pay to the Issuer an amount equal to the amount of such discharge and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer and, accordingly, any such discharge shall be deemed not to have taken place.

26. GOVERNING LAW AND SUBMISSION TO JURISDICTION

26.1 Governing Law

Unless otherwise specified in the applicable Final Terms, the Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, Ontario Law.

If specified in the applicable Final Terms, Notes issued on a non-syndicated basis and the Receipts, Coupons, Talons and any non-contractual obligations arising out of or in connection with them, shall be governed by, and shall be construed in accordance with, English law except that the provisions of General Condition 3(b) are governed by, and shall be construed in accordance with, Ontario Law.

If the governing law for Notes issued on a non-syndicated basis and the Receipts, Coupons and Talons relating thereto, is specified in the applicable Final Terms as being English law (i) the Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with such Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with such Notes, Receipts, Coupons or Talons ("**Proceedings**") may be brought in such courts and (ii) the Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Holders of the Notes, Receipts, Coupons and Talons governed by English law and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not). The Issuer irrevocably appoints Canadian Imperial Bank of Commerce, London Branch of 150 Cheapside, London EC2V 6ET, United

Kingdom as its agent in England to receive, for it and on its behalf, service of process in any such Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with General Condition 15 (*Notices*). Nothing shall affect the right to serve process in any manner permitted by law.

27. DEFINITIONS

All capitalised terms that are not defined in these General Conditions or elsewhere in the Conditions (including, without limitation, in the Definitions Condition) will have the meanings given to them in the applicable Final Terms.

DEFINTIONS CONDITION

This section sets out certain definitions that apply to all Notes.

*The following is the definitions condition (the "**Definitions Condition**") that applies to all Notes together with the General Conditions, as completed in accordance with the provisions of the applicable Final Terms and any applicable Additional Conditions specified to be applicable in such Final Terms.*

Where any Additional Conditions are specified in the applicable Final Terms for any Notes, the Definitions Condition shall be subject to the provisions contained in such Additional Conditions to the extent it relates to the content of such Additional Conditions and will not apply to the extent they are inconsistent with the provisions of such Additional Conditions. In all cases, these General Conditions, the Definitions Condition and the provisions of such Additional Conditions shall be subject to the applicable Final Terms, and will not apply to the extent they are inconsistent with the provisions of such Final Terms.

For the purposes of the Conditions, (unless otherwise specified), the following general definitions will apply.

"**Additional Conditions**" means the Asset Conditions, the Interest Payoff Conditions, the Automatic Early Redemption Conditions, the Redemption Method Conditions and the Preference Share Linked Conditions.

"**Additional Business Centre**" means, in respect of such day(s) or date(s) specified in the applicable Final Terms, the relevant financial centre(s) specified as such in the applicable Final Terms.

"**Additional Financial Centre**" means the relevant financial centre(s) specified as such in the applicable Final Terms.

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

"**Agency Agreement**" has the meaning set out in the introductory section of the Conditions.

"**Agent(s)**" has the meaning set out in the introductory section of the Conditions.

"**Aggregate Nominal Amount**" means the aggregate nominal amount specified as such in the applicable Final Terms.

"APCA" means Aggregate Preceding Coupon Amounts, being the sum of each Interest Amount paid in respect of one Note on all Interest Payment Date(s) (if any) preceding the relevant Interest Payment Date.

"**Asset Conditions**" means with respect to:

(a) Index Linked Notes, the additional conditions set out in Chapter 1 (*Index Linked Asset Conditions*) of Annex 1 (*Asset Conditions*);

(b) Equity Linked Notes, the additional conditions set out in Chapter 2 (*Equity Linked Asset Conditions*) of Annex 1 (*Asset Conditions*);

(c) Fund Linked Notes, the additional conditions set out in Chapter 3 (*Fund Linked Asset Conditions*) of Annex 1 (*Asset Conditions*); and

(d) each other chapter of Annex 1 (*Asset Conditions*) relating to each underlying by reference to which interest, the Early Redemption Amount or the Final Redemption Amount (as the case may be) are calculated.

"**Asset Transfer Notice**" means a completed Asset Transfer Notice substantially in the form set out in the Agency Agreement.

"**Automatic Early Redemption Event**" has the meaning set out in Annex 3 (*Automatic Early Redemption Conditions*).

"**Bail-inable Notes**" has the meaning set out in General Condition 3(b) (*Bail-inable Notes*).

"**Bail-in Conversion**" has the meaning set out in General Condition 5.9 (*Regulatory Conversion, Variation or Extinguishment*).

"**Bail-in Regime**" has the meaning set out in General Condition 5.9 (*Regulatory Conversion, Variation or Extinguishment*).

"**Barrier Level**" means the number, the percentage or a percentage specified as such in the applicable Final Terms.

"**Base Prospectus**" means the Base Prospectus dated January 26, 2024 approved by the FCA on January 26, 2024.

"**Bearer Global Notes**" means a Temporary Global Note or a Permanent Global Note.

"**Bearer Notes**" has the meaning set out in General Condition 1 (*Form, Denomination, Title, Transfer*).

"**Bloomberg Screen**" means the display page so designated on the Bloomberg service.

"**Broken Amount**" means the amount specified as such in the applicable Final Terms.

"**Business Day**" means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any applicable Additional Business Centre; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (ii) in relation to any sum payable in euro, a day on which real time gross settlement system operated by the Eurosystem, or any successor system ("**TARGET System**") is open ("**TARGET Settlement Day**").

"**Business Day Convention**" means that if any date referred to in the Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(a) the "Floating Rate Convention", such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Business Day and (ii) after the foregoing paragraph (i) shall have applied, each subsequent date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment; or

(b) the "Following Business Day Convention", such date shall be postponed to the next day which is a Business Day; or

(c) the "Modified Following Business Day Convention", such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

(d) the "Preceding Business Day Convention", such date shall be brought forward to the immediately preceding Business Day,

provided that if neither "Floating Rate Convention" nor "Following Business Day Convention" nor "Modified Following Business Day Convention" nor "Preceding Payment Business Day Convention" is specified in the applicable Final Terms, "Following Business Day Convention" shall be deemed to apply.

If "**Interest Accrual Periods will be adjusted**" is specified in the applicable Final Terms, (a) any Interest Payment Date otherwise falling on a day which is not a Business Day will be postponed or brought forward (as applicable) in accordance with the specified Business Day Convention (as described above), (b) the Interest Accrual Period ending on the Interest Period Date immediately preceding, or falling on, such Interest Payment Date will be adjusted accordingly and (c) the amount of interest payable on such Interest Payment Date will be adjusted accordingly.

If "**Interest Accrual Periods will be unadjusted**" is specified in the applicable Final Terms, any Interest Payment Date otherwise falling on a day which is not a Business Day will be postponed or brought forward (as applicable) in accordance with the applicable Business Day Convention and there will be no corresponding adjustment to any Interest Accrual Period or to the amount of interest payable on that or any other Interest Payment Date.

"**Calculation Agency Agreement**" in relation to any Series of Notes means an agreement entered into by, inter alia, the Issuer and the Calculation Agent in or substantially in the form of Schedule 1 to the Agency Agreement.

"**Calculation Agent**" means the calculation agent specified in the applicable Final Terms.

"**Calculation Amount**" means the calculation amount specified as such in the applicable Final Terms.

"**Calculation Amount Factor**" means a number equal to the Specified Denomination divided by the Calculation Amount.

"**Cap**" means the percentage or number specified as such in the applicable Final Terms. If Cap is specified as "Not Applicable", the Cap shall be infinity.

"**Certificate**" has the meaning set out in General Condition 1.3 (*Registered Notes*).

"**Clearstream, Luxembourg**" has the meaning set out in General Condition 1.4 (*Holders*).

"**Conditions**" means, with respect to any Note, the General Conditions, the Definitions Condition, the applicable Asset Conditions, the Interest Payoff Conditions, the Automatic Early Redemption Conditions, the Redemption Method Conditions and the Preference Share Linked Conditions, as applicable.

"**Couponholder(s)**" has the meaning set out in the introductory section of the Conditions.

"**Coupon(s)**" has the meaning set out in the introductory section of the Conditions.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with General Condition 4 (*Interes*t):

(a) if "**1/1**" is specified in the applicable Final Terms, 1;

(b) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(i) in the case of Notes where the number of days in the Interest Accrual Period is equal to or shorter than the Determination Period during which the Interest Accrual Period ends, the number of days in such Interest Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one (1) calendar year; or

(ii) in the case of Notes where the Interest Accrual Period is longer than the Determination Period during which the Interest Accrual Period ends, the sum of:

(1) the number of days in such Interest Accrual Period falling in the Determination Period in which the Interest Accrual Period begins divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one (1) calendar year; and

(2) the number of days in such Interest Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one (1) calendar year;

(c) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Accrual Period divided by 365 (or, if any portion of that Interest Accrual Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Accrual Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Accrual Period falling in a non-leap year divided by 365);

(d) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Accrual Period divided by 365;

(e) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Accrual Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(f) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Accrual Period divided by 360;

(g) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Accrual Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Accrual Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Interest Accrual Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

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

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

(h) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Accrual Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Accrual Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Interest Accrual Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

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

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Accrual Period, unless such number would be 31, in which case D2 will be 30; or

(i) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Accrual Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Accrual Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Interest Accrual Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"**D1**" is the first calendar day, expressed as a number of the Interest Accrual Period, unless such number is 31, in which case D1 will be 30;

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Accrual Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D2 will be 30.

(j) If the Day Count Fraction is specified in the applicable Final Terms as "Not Applicable", it will be deemed to be equal to 1.

"**Dealer**" means any dealer appointed under the Dealership Agreement from time to time by the Issuer.

"**Deed of Covenant**" has the meaning set out in the introductory section of the Conditions.

"**Definitive Amount**" has the meaning set out in General Condition 1 (*Form, Denomination, Title, Transfer*).

"**Definitive Note(s)**" means a definitive Note in bearer form.

"**Delivery Agent**" means the entity specified as such in the applicable Final Terms or, if no such entity is specified, Canadian Imperial Bank of Commerce.

"**Designated Account**" has the meaning set out in General Condition 6.4 (*Payments in respect of Registered Notes)*.

"**Designated Bank**" has the meaning set out in General Condition 6.4 (*Payments in respect of Registered Notes*).

"**Designated Maturity**" has the meaning set out in General Condition 4.2 *(Interest on Floating Rate Notes*).

"**Determination Date**" means each date specified as such in the applicable Final Terms.

"**Determination Period"** means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"**Early Redemption Amount**" has the meaning set out in Annex 3 (*Automatic Early Redemption Conditions*) or, in respect of Preference Share Linked Notes, the meaning set out in Annex 5 (*Preference Share Linked Conditions*).

"**ERB**", "**Early Redemption Barrier**" each means the number, the percentage or a percentage as specified in the applicable Final Terms.

"**Early Redemption Date**" has the meaning set out in the Automatic Early Redemption Condition.

"**Electronic Consent**" has the meaning set out in General Condition 16.1 (*General*).

"**Equity**" has the meaning set out in Chapter 2 (*Equity Linked Asset Conditions*) of Chapter 1 (*Asset Conditions*).

"**Equity Linked Interest Note**" means a Note specified as such in the applicable Final Terms, in respect of which interest is calculated by reference to the price of one or more Equities.

"**Equity Linked Note**" means an Equity Linked Interest Note or Equity Linked Redemption Note, as applicable.

"**Equity Linked Redemption Note**" means a Note specified as such in the applicable Final Terms, in respect of which the Early Redemption Amount or the Final Redemption Amount, as the case may be, is calculated by reference to the price of one or more Equities.

"**Established Rate**" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to article 140 of the Treaty.

"**Euro**" means the lawful currency of the member states of the European Union that adopt the single currency in accordance with article 3, paragraph 4 of the EU Treaty.

"**Euroclear**" has the meaning set out in General Condition 1.4 (*Holders*).

"**EURIBOR**" means Euro-zone inter-bank offered rate.

"**EUWA**" means the European Union (Withdrawal) Act 2018.

"**EU Treaty**" means the Treaty on European Union, as amended.

"**Event of Default**" means the events set out in General Condition 10 (*Events of Default*).

"**Exchangeable Bearer Note**" has the meaning set out in General Condition 1 (*Form, Denomination, Title, Transfer*).

"**Exchange Agent**" has the meaning set out in the introductory section of the Conditions.

"**Exchange Notice**" has the meaning set out in General Condition 11 (*Redenomination*).

"**Excluded Holder**" has the meaning set out in General Condition 18.2 (*Branch of Account*).

"**Exempt Offer**" means an offer (i) made other than pursuant to Article 3(1) of the UK Prospectus Regulation outside the United Kingdom or of a type listed in Articles 1(4) and/or 3(2) of the UK Prospectus Regulation and (ii) for which the Notes are not admitted to trading on a regulated market pursuant to Article 3(3) of the UK Prospectus Regulation or of a type listed in Article 1(5).

"**Exempt Notes**" means Notes offered through an Exempt Offer.

"**Extraordinary Resolution**" has the meaning set out in Schedule 3 to the Agency Agreement.

"**Fair Market Value Redemption Amount**" shall mean the amount calculated in accordance with General Condition 5.4(a) (*Redemption Amounts*).

"**Final Price**" in respect of:

(i) an Equity, means the official closing price of such Equity on the Exchange as of the Valuation Time on the Valuation Date for such Equity, or if there is no official closing price, the mid-market price for such Equity on the Exchange at the Valuation Time on the Valuation Date, as determined by the Calculation Agent, subject to adjustment and correction in accordance with the Equity Linked Asset Conditions,

(ii) an Index, means the official closing level of such Index as of the Valuation Time on or in respect of the Valuation Date as calculated and published by the relevant Index Sponsor or as otherwise determined by the Calculation Agent, subject to adjustment and correction in accordance with the Index Linked Asset Conditions;

(iii) a Fund Share, unless otherwise specified in the applicable Final Terms, means the Fund Share Closing Price of such Fund Share on the Valuation Date, subject to adjustment and correction in accordance with the Fund Linked Asset Conditions; and

(iv) a Fund Interest, means the Fund Interest Closing Price of such Fund Interest on the Valuation Date, subject to adjustment and correction in accordance with the Fund Linked Asset Conditions.

"**Final Redemption Amount**" has the meaning set out in Annex 4 (*Redemption Method Conditions*).

"**Final Terms**" means the final terms applicable to the relevant Notes substantially in the form set out in the Base Prospectus.

"**Fiscal Agent**" has the meaning set out in the introductory section of the Conditions.

"**Fitch**" means Fitch Ratings, Inc.

"**Fixed Coupon Amount**" means each amount specified as such in the applicable Final Terms.

"**Fixed Rate Note**" means a Note specified as such in the applicable Final Terms.

"**Floating Rate**" has the meaning set out in General Condition 4.2 (*Interest on Floating Rate Notes*).

"**Floating Rate Note**" means a Note specified as such in the applicable Final Terms.

"**Floating Rate Option**" has the meaning set out in General Condition 4.2 (*Interest on Floating Rate Notes*).

"**Floor**" means the percentage or number specified as such in the applicable Final Terms. If Floor is specified as "Not Applicable", the Floor shall be minus infinity.

"**Force Majeure Event**" means the events set out in General Condition 20.1 (*Notice of Termination*).

"**Fund Linked Interest Note**" means a Note specified as such in the applicable Final Terms, in respect of which interest is calculated by reference to the price of one or more Fund Interests or Fund Shares.

"**Fund Linked Note**" means a Fund Linked Interest Note or Fund Linked Redemption Note, as applicable.

"**Fund Linked Redemption Note**" means a Note specified as such in the applicable Final Terms, in respect of which the Early Redemption Amount or the Final Redemption Amount, as the case may be, is calculated by reference to the price of one or more Fund Interests or Fund Shares.

"**Gearing**" means the number or percentage specified as such in the applicable Final Terms.

"**General Conditions**" has the meaning set out in the introductory section to the Conditions.

"**Global Note(s)**" has the meaning set out in the introductory section to the Conditions.

"**Government Authority**" means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"**Group**" has the meaning set out in General Condition 18 (*Representations and Acknowledgements*).

"**Index**" has the meaning set out in Chapter 1 (*Index Linked Asset Conditions*) of Annex 1 (*Asset Conditions*).

"**Index Level**" has the meaning set out in Chapter 1 (*Index Linked Asset Conditions*) of Annex 1 (*Asset Conditions*).

"**Index Linked Interest Note**" means a Note specified as such in the applicable Final Terms, in respect of which interest is calculated by reference to the level of one or more Indices.

"**Index Linked Redemption Note**" means a Note specified as such in the applicable Final Terms, in respect of which the Early Redemption Amount or the Final Redemption Amount, as the case may be, is calculated by reference to the level of one or more Indices.

"**Index Linked Note**" means an Index Linked Interest Note or Index Linked Redemption Note, as applicable.

"**Initial Price**" means the Initial Price or Initial Level specified in the applicable Final Terms.

"**Integral Amount**" has the meaning set out in General Condition 1 (*Form, Denomination, Title, Transfer*).

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" has the meaning set out in General Condition 4.1 (*Interest on Fixed Rate Notes*) (with respect to Fixed Rate Notes), 4.2(e) (*Determination of Rate of Interest and Calculation of Interest Amount*) (with respect to Floating Rate Notes) and 4.3(c) (*Determination of Linked Interest Rate and calculation of Interest Amounts*) (with respect to Linked Interest Notes).

"**Interest Commencement Date**" means the date specified as such in the applicable Final Terms or, if no date is specified in the applicable Final Terms, the Issue Date.

"**Interest Determination Date**" means each date specified as such in the applicable Final Terms, which may be each date falling such number of Business Days immediately preceding the last day of an Interest Accrual Period or such other date(s), each as specified in the applicable Final Terms. If Interest Determination Date is not specified in the applicable Final Terms, the Interest Determination Date shall be the date that is the latest Observation Date of the relevant Interest Accrual Period.

"**Interest Payoff**" means the Linked Interest Rate determined in accordance with Annex 2 (*Interest Payoff Conditions*).

"**Interest Payment Date**" means each date specified as such in the applicable Final Terms.

"**Interest Period Date**" means each date specified as such in the applicable Final Terms or, if "Not Applicable" is specified in the applicable Final Terms, each Interest Payment Date.

"**ISDA Definitions**" has the meaning set out in General Condition 4.2 (*Interest on Floating Rate Notes*).

"**ISDA Determination**" means the manner of determining the Rate of Interest per Floating Rate Notes set out in General Condition 4.2(b)(i) (*ISDA Determination for Floating Rate Notes*).

"**ISDA Rate**" has the meaning set out in General Condition 4.2 (*Interest on Floating Rate Notes*).

"**Issue Date**" means the issue date specified in the applicable Final Terms.

"**Issue Price**" means the issue price specified in the applicable Final Terms.

"**Issuer**" or "**CIBC**" means Canadian Imperial Bank of Commerce.

"**Linked Interest Rate**" has the meaning set out in General Condition 4.3(b) (*Linked Interest Rate*).

"**Linked Note**" means an Index Linked Note, an Equity Linked Note, a Fund Linked Note or a Preference Share Linked Note.

"**London Business Day**" has the meaning set out in General Condition 4.2(f) (*Notification of Applicable Rate of Interest and Interest Amounts*).

"**Manager(s)**" means the entity specified as such in the applicable Final Terms.

"**Margin**" means the percentage or number specified as such in the applicable Final Terms. For the avoidance of doubt, this may have a positive or negative value or, in the case of a number, be zero (0).

"**Maturity Date**" means the date specified as such in the applicable Final Terms, and if no such date is specified, the latest relevant Observation Date or, in respect of Preference Share Linked Notes, as defined in Annex 5 (*Preference Share Linked Conditions*).

"**Max**" means the greater of the two amounts or values that follow, or the greatest of several amounts (as applicable) or values that follow, the amounts or values being separated by a comma. For example Max (X, Y) means whichever is the greater of component X and component Y.

"**Maximum Rate of Interest**" means the rate specified as such in the applicable Final Terms. If the applicable Final Terms specify that Maximum Rate of Interest is Not Applicable, the Maximum Rate of Interest shall be equal to infinity.

"Memory Interest Value" means an amount specified as such in the applicable Final Terms.

"**Min**" means the lesser of the two amounts or values that follow, or the lesser of several amounts (as applicable) or values that follow, the amounts or values being separated by a comma. For example Min(X, Y) means whichever is the lesser of component X and component Y.

"**Minimum Rate of Interest**" means the rate specified as such in the applicable Final Terms. If the applicable Final Terms specify that Minimum Rate of Interest is Not Applicable, the Minimum Rate of Interest shall be equal to 0.

"**Minimum Trading Size**" has the meaning set out in General Condition 2.1(h) (*Minimum Trading Size*).

"**Moody's**" means Moody's Investors Service, Inc.

"**Notes**" means any notes issued by the Issuer under the Programme.

"**Noteholder**" has the meaning set out in General Condition 1.2 (*Title*).

"**Offer Price**" means the price specified as such in the applicable Final Terms.

"**One-off Coupon**" has the meaning given to it in General Condition 4.1.

"**Paying Agent**" has the meaning set out in the introductory section of the Conditions.

"**Payment Business Day**" has the meaning set out in General Condition 6.6 (*Payment Business Day*).

"**Permanent Global Note**" means a permanent global Note in bearer form.

"**Preference Share Linked Notes**" has the meaning set out in Annex 5 (*Preference Share Linked Conditions*).

"**Proceedings**" has the meaning set out in General Condition 26.1 (*Governing Law and Submission to Jurisdiction*).

"**Programme**" means the Structured Note Issuance Programme under which the Issuer may from time-to-time issue Notes.

"**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended.

"**Rate of Interest**" means, as the case may be, the rate of interest on any Fixed Rate Note or Floating Rate Note in each case subject to General Condition 4.4 (*Margin, Minimum Rate of Interest and Maximum Rate of Interest*), as specified in the applicable Final Terms.

"**Record Date**" has the meaning set out in General Condition 6.4 (*Payments in respect of Registered Notes*).

"**Redemption Determination Date**" has the meaning set out in Annex 4 (*Redemption Method Conditions*).

"**Redemption Method Conditions**" means the terms and conditions in Annex 4 (*Redemption Method Conditions*).

"**Redemption Observation Date**" means the date specified as such in the applicable Final Terms, and such date is deemed to be an "**Observation Date**" for the purposes of the relevant Asset Conditions.

"**Redemption Observation Period**" means:

(a) with respect to Notes, other than for the purposes of calculating an Early Redemption Amount, the period specified as the Redemption Observation Period in the applicable Final Terms; or

(b) for the purposes of calculating an Early Redemption Amount, the period from and including the Commencement Date to and including the date falling such number of Business Days as specified in the applicable Final Terms prior to the Early Redemption Date.

"**Redemption Payoff**" means the amount determined in accordance with the relevant Redemption Method Condition.

"**Redenomination Date**" means (in the case of interest bearing Notes) any date for payment of interest under the Notes specified by the Issuer in the notice given to the Noteholders pursuant to General Condition 11.1 and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union.

"**Reference Banks**" means the principal office of four (4) major banks in the Relevant Inter-Bank Market, in each case selected by the Calculation Agent or as specified in the applicable Final Terms.

"**Reference Rate**" means EURIBOR or such other rate specified as such in the applicable Final Terms.

"**Reference Price**" has the meaning set out in the Redemption Conditions.

"**Registered Global Note(s)**" means a Registered Note in global form.

"**Registered Note(s)**" has the meaning set out in General Condition 1 (*Form, Denomination, Title, Transfer*).

"**Registrar**" has the meaning set out in the introductory section of the Conditions.

"**Register**" has the meaning set out in General Condition 1.3 (*Registered Notes*).

"**Regulation S**" means Regulation S under the Notes Act.

"**Relevant Benchmark**" means the Relevant Benchmark specified in the applicable Final Terms.

"**Relevant Clearing System**" means a central depositary or a Notes clearing and delivery and payments systems operator designated as the relevant clearing system in the applicable Final Terms.

"**Relevant Inter-Bank Market**" means the Euro-zone inter-bank market in the case of EURIBOR or such other inter-bank market specified as such in the applicable Final Terms.

"**Relevant Jurisdiction**" has the meaning set out in General Condition 18.2 (*Branch of Account*).

"**Relevant Market Data**" means, in relation to any determination, any relevant information including, without limitation, one or more of the following types of information:

(a) information consisting of relevant market data in the relevant market supplied by one or more third parties including, without limitation, alternative benchmarks, relevant rates, prices, yields, yield curves, volatilities, spreads, correlations or other relevant market data in the relevant market; or

(b) information of the type described in sub-paragraph (a) above from internal sources (including any of the Calculation Agent's Affiliates) if that information is of the same type used by the Calculation Agent for adjustments to, or valuations of, similar transactions.

Relevant Market Data will include information pursuant to sub-paragraph (a) above unless that information is not readily available or, if used to make a determination, would produce a result

that is not commercially reasonable. Third parties supplying market data pursuant to sub-paragraph (a) above may include, without limitation, central counterparties, exchanges, dealers in the relevant markets, end-users of the relevant product, information vendors, brokers and other recognised sources of market information.

"**Relevant Screen Page**" means the screen page specified as such in the applicable Final Terms.

"**Relevant Screen Page Time**" means 11:00 a.m. (Brussels time in the case of EURIBOR) or such other time as specified as such in the applicable Final Terms.

"**Reuters Screen**" means the display page so designated on the Reuters service.

"**Reset Date**" has the meaning set out in General Condition 4.2 (*Interest on Floating Rate Notes*).

"**S&P**" means Standard & Poor's Financial Services LLC.

"**Screen Rate Determination**" means the manner of determining the Rate of Interest for Floating Rate Notes set out in General Condition 4.2(b)(iv) Screen Rate Determination for Floating Rate Notes).

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Series**" has the meaning set out in the introductory section to the Conditions.

"**Specified Currency**" means the currency specified as such in the applicable Final Terms.

"**Specified Denomination**" means the specified denomination set out in the applicable Final Terms.

"**Specified Public Source**" means each source specified as such in the applicable Final Terms (or, if no such source is specified, each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and successor publications, the main source(s) of business news in the country in which the administrator or sponsor of the Relevant Benchmark is incorporated or organised and any other internationally recognised published or electronically displayed news sources).

"**Stabilising Manager(s)**" means entity specified as such in the applicable Final Terms.

"**Standard Redemption**" has the meaning set out in Annex 4 (*Redemption Method Conditions*).

"**Substitute**" has the meaning set out in General Condition 18.1 (*Conditions Precedent to Substitution*).

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one (1) cent.

"**Superintendent**" means the Superintendent of Financial Institutions (Canada).

"**t**" means an integer number corresponding to the relevant Observation Date, Observation Period, Interest Payment Date, Interest Accrual Period or Early Redemption Date, specified as such in the applicable Final Terms.

"**Talon(s)**" has the meaning set out in the introductory section to the Conditions.

"**TARGET Settlement Day**" has the meaning as set out in the definition of "Business Day".

"**TARGET System**" means the real time gross settlement system operated by the Eurosystem, or any successor system.

"**Temporary Global Note**" means the form of temporary global Note in which each Tranche of Bearer Notes will initially be issued.

"**TLAC**" means total loss absorbing capacity.

"**Tranche**" has the meaning set out in the introductory section to the Conditions.

"**Transfer Agent**" means Deutsche Bank AG, London Branch and/or any additional or successor transfer agents appointed under the Agency Agreement from time to time.

"**Transfer Certificate**" has the meaning set out in General Condition 2.1(g) (*Transfers of interests in Registered Global Notes*).

"**Treaty**" means the Treaty establishing the European Community, as amended.

"**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as it forms part of domestic law by virtue of the EUWA.

"**Underlying Asset**" or "**Underlying**" means, in relation to a Series, as appropriate, each Equity, Fund Interest, Fund Share or Index as specified in the Final Terms.

"**U.S. Government Securities Business Day**" means any day except for a Sunday, Saturday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income department of its members be closed for the entire day for purpose of trading in U.S. government Notes.

"**U.S. person**" has the meaning given to it by Regulation S under the Notes Act.

"**U.S. Notes**" means any Notes indicated as such in the applicable Final Terms.

"**Valuation Date**" means each date as specified in the Final Terms;

"**Weighting**" means the percentage or number specified as such in the applicable Final Terms and corresponding to the relevant Underlying; for the avoidance of doubt, such Weighting may have a positive or negative value or, in the case of a number, be higher than or equal to one (1).

"**Written Resolution**" has the meaning set out in General Condition 16.1 (*General*).

"**X**" means the number specified as such in the applicable Final Terms.

"**Weighted Asset Performance**" means, in relation to an Underlying Asset and any Scheduled Trading Day:

$$\text{Weighting} \times \left(\frac{Valuation\ Price}{Initial\ Price}\right)$$

ANNEX 1 - ASSET CONDITIONS

The chapters of this annex each set out additional terms and conditions for Notes linked to one or more particular asset classes as specified in the Final Terms and form part of the Additional Conditions.

The terms and conditions applicable to Linked Interest Notes or Linked Redemption Notes shall comprise the General Conditions, the Definitions Condition and the Additional Conditions, in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the General Conditions, the Definitions Condition and the Additional Conditions, the Additional Conditions shall prevail.

*The following chapters comprise the terms and conditions (the "**Asset Conditions**") that shall apply to Notes if the applicable Final Terms indicate that one or more chapters of the Asset Conditions is applicable. These Asset Conditions are subject to completion in accordance with the applicable Final Terms.*

The Asset Conditions are set out as follows:

Index Linked Asset Conditions	Chapter 1
Equity Linked Asset Conditions	Chapter 2
Fund Linked Asset Conditions	Chapter 3
Physical Delivery	Chapter 4

Chapter 1: Asset Conditions: Index Linked Asset Conditions

This chapter sets out additional terms and conditions for Notes that are Index Linked Notes.

*The following terms and conditions (the "**Index Linked Asset Conditions**") shall apply to the Notes if the applicable Final Terms indicate that Index Linked Interest Notes or Index Linked Redemption Notes is applicable. These Index Linked Asset Conditions are subject to completion in accordance with the applicable Final Terms.*

All capitalised terms that are not defined in these Index Linked Asset Conditions or elsewhere in the Conditions will have the meanings given to them in the applicable Final Terms.

References in these Index Linked Asset Conditions to an Index Linked Asset Condition are to a section or clause of these Index Linked Asset Conditions.

1. INDEX LINKED NOTES

Unless the Notes are redeemed early in accordance with these Index Linked Asset Conditions, if the determination of (A) the Interest Amount (in the case of Index Linked Interest Notes) or (B) (I) the Final Redemption Amount or (II) the Early Redemption Amount, as the case may be, is postponed as a result of the occurrence of a Disrupted Day, then:

(a) payment of any such amount (the "**Affected Amount**") will be made on the scheduled date for payment of such amount or, if later, on the date falling two (2) Payment Extension Days (or such other number of Payment Extension Days as specified in the applicable Final Terms) following the earlier to occur of (i) the Index Determination Date; and (ii) the Disruption Longstop Date; and

(b) such Affected Amount shall be paid without any interest or other sum payable in respect of the postponement of the payment of the Affected Amount.

2. GENERAL DEFINITIONS RELATING TO INDEX LINKED NOTES

"**Administrator/Benchmark Event**" means (a) the determination by the Calculation Agent, acting in a commercially reasonable manner, and based on information published by (i) the administrator or sponsor of the Index or (ii) any national, regional or other supervisory or regulatory authority which is responsible for supervising the administrator or sponsor of the Index or regulating the Index, that is publicly available that any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Index or the administrator or sponsor of the Index 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 the Issuer, the Calculation Agent, or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Index to perform its or their respective obligations under or in respect of the Notes, and (b) the notification of such determination to the Issuer.

"**Affiliate**" has the meaning set out in the Definitions Condition.

"**Averaging Date**" means any Observation Date specified as such in the applicable Final Terms or, if no such dates are specified, each deemed Observation Date.

"**Averaging Disruption Longstop Date**" means, in respect of the occurrence of a Disrupted Day, the last Scheduled Trading Day in the sequence of consecutive Scheduled Trading Days equal to the Maximum Days of Disruption immediately following the original date that, but for

the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Observation Date.

"**Basket**" means a basket containing the Indices specified in the applicable Final Terms in the relative proportions as specified in the Final Terms.

"**Clearance System**" means the clearance system specified as such for each Component Security of the Index in the Final Terms or any successor to such clearance system as determined by the Calculation Agent. If the Final Terms does not specify a Clearance System, the Clearance System will be the principal domestic clearance system customarily used for settling trades in the relevant Component Security. If the Clearance System ceases to settle trades in such Component Security, the Calculation Agent will determine what is deemed to be the relevant Clearing System.

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

"**Component Security**" means, in respect of an Index, each component security of the Index.

"**Disrupted Day**" means:

(a) if Multiple Exchange is specified as being not applicable in the relevant Final Terms, any Scheduled Trading Day related to such Index on which: (A) a relevant Exchange or Related Exchange fails to open for trading during its regular trading session; or (B) a Market Disruption Event has occurred; or

(b) if Multiple Exchange is specified as being applicable in the relevant Final Terms, any Scheduled Trading Day related to such Index on which: (A) the Index Sponsor fails to publish the level of the Index; (B) the Related Exchange fails to open for trading during its regular trading session; or (C) a Market Disruption Event has occurred.

"**Disruption Longstop Date**" means, in respect of the occurrence of a Disrupted Day, the last Scheduled Trading Day in the sequence of consecutive Scheduled Trading Days equal to the Maximum Days of Disruption immediately following the Scheduled Observation Date.

"**Exchange**" means, in respect of an Index:

(a) if Multiple Exchange is specified as being not applicable in the relevant Final Terms, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); and

(b) if Multiple Exchange is specified as being applicable in the relevant Final Terms, in respect of each Component Security of the Index, the exchange or quotation system on which such Component Security is mainly traded, as determined by the Calculation Agent.

"**Exchange Business Day**" means either (a) in the case of a single Index, Exchange Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) the Exchange Business

Day (All Indices Basis) or (ii) the Exchange Business Day (Per Index Basis) as specified in the applicable Final Terms. If no Exchange Business Day is specified as applying in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall be deemed to apply for a Basket of Indices and Exchange Business Day (Single Index Basis) shall apply otherwise.

"**Exchange Business Day (All Indices Basis)**" means in respect of all Indices comprised in a Basket

(a) if Multiple Exchange is specified as being not applicable in the relevant Final Terms for an Index, each Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions in respect of such Indices, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or

(b) if Multiple Exchange is specified as being applicable in the relevant Final Terms for an Index, each Scheduled Trading Day on which:

(i) each Exchange and each Related Exchange are open for trading during their respective regular trading sessions in respect of the Index to which Multiple Exchange is specified as being not applicable in the relevant Final Terms, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; and

(ii) in respect of an Index to which Multiple Exchange is specified as being applicable in the relevant Final Terms (A) the Index Sponsor publishes the level of such Index; and (B) each Related Exchange is open for trading during its regular trading session in respect of such Index, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

"**Exchange Business Day (Per Index Basis)**" means in respect of any Index comprised in a Basket:

(a) if Multiple Exchange is specified as being not applicable in the relevant Final Terms for such Index, any Scheduled Trading Day on which the relevant Exchange and Related Exchange in respect of such Index are open for trading during their respective regular trading sessions, notwithstanding such Exchange or Related Exchange closing prior to their Scheduled Closing Time; or

(b) if Multiple Exchange is specified as being applicable in the relevant Final Terms for such Index, any Scheduled Trading Day on which: (i) the Index Sponsor publishes the level of such Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time.

"**Exchange Business Day (Single Index Basis)**" means in respect of an Index.

(a) if Multiple Exchange is specified as being not applicable in the relevant Final Terms, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time; or

(b) if Multiple Exchange is specified as being applicable in the relevant Final Terms, any Scheduled Trading Day on which: (i) the relevant Index Sponsor publishes the level

of such Index; and (ii) the relevant Related Exchange is open for trading during its regular trading session in respect of such Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time.

"**Fair Market Value Redemption Amount**" has the meaning set out in the Definitions Condition.

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

"**Index Determination Date**" has the meaning set out in Index Linked Asset Condition 3.1(b) (*Consequences of the occurrence of Disrupted Days*).

"**Index Level**" means, in respect of an Index and a given Scheduled Trading Day, the level of such Index published by the Index Sponsor at the Valuation Time on that Scheduled Trading Day, as adjusted (if applicable) pursuant to the provisions of Index Linked Asset Condition 3 (*Events relating to Index Linked Notes*) below unless the Calculation Agent determines that in accordance with market conventions, such method of determining the Index Level is not appropriate in which case the Index Level shall be determined in the manner elected by the Calculation Agent, having regard to such market conventions.

"**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 the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date of the Notes is the index sponsor specified for such Index in the applicable Final Terms.

"**Issue Date**" has the meaning set out in the Definitions Condition.

"**Maximum Days of Disruption**" means eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms.

"**Observation Date**" means each date specified as such in the applicable Final Terms or otherwise deemed to be an Observation Date in accordance with the Conditions, or if any such date is not a Scheduled Trading Day and unless otherwise specified in the applicable Final Terms, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions of Index Linked Asset Condition 3.1(b) (*Consequences of the occurrence of Disrupted Days*) below shall apply.

"**Observation Period**" means each relevant period specified as such in the applicable Final Terms.

"**Payment Extension Day**" means a day, which is a Payment Business Day.

"**Related Exchange**" means, in respect of an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "**All Exchanges**" is

specified as the Related Exchange in the applicable Final Terms, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.

"**Relevant Index Benchmark**" means, in respect of the Notes:

(a) an Index; or

(b) any other index, benchmark or price source specified as a "Relevant Index Benchmark" in the applicable Final Terms.

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

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

"**Scheduled Trading Day**" means either (i) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (ii) in the case of a Basket of Indices, (a) Scheduled Trading Day (All Indices Basis) or (b) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Indices Basis) shall apply for a Basket of Indices and Scheduled Trading Day (Single Index Basis) shall apply otherwise.

"**Scheduled Trading Day (All Indices Basis)**" means in respect of a Basket of Indices, any day on which the conditions below, are met in respect of all Indices included in the Basket;

(a) if Multiple Exchange is specified as being not applicable in the relevant Final Terms, any day on which each Exchange and each Related Exchange in respect of each such Index are scheduled to be open for trading for their respective regular trading sessions; and

(b) if Multiple Exchange is specified as being applicable in the relevant Final Terms, any day on which: (A) the Index Sponsor is scheduled to publish the level of the Index; and (B) each Related Exchange scheduled to be open for trading for its regular trading session.

"**Scheduled Trading Day (Per Index Basis)**" means

(a) if Multiple Exchange is specified as being not applicable in the relevant Final Terms, any day on which the relevant Exchange and Related Exchange in respect of such Index are scheduled to be open for trading for their respective regular trading sessions; or

(b) if Multiple Exchange is specified as being applicable in the relevant Final Terms, any day on which: (A) the Index Sponsor is scheduled to publish the level of such Index; and (B) the Related Exchange is scheduled to be open for trading for its regular trading session.

"**Scheduled Trading Day (Single Index Basis)**" means:

(a) if Multiple Exchange is specified as being not applicable in the relevant Final Terms, any day on which the relevant Exchange and Related Exchange in respect of such Index are scheduled to be open for trading for their respective regular trading sessions; or

(b) if Multiple Exchange is specified as being applicable in the relevant Final Terms, any day on which: (A) the Index Sponsor is scheduled to publish the level of such Index; and (B) the Related Exchange is scheduled to be open for trading for its regular trading session.

"**Settlement Disruption Event**" means, in respect of a Component Security, an event beyond the control of the Issuer as a result of which the relevant Clearance System cannot clear the transfer of such Component Security.

"**Trade Date**" means the date specified as such in the applicable Final Terms.

"**Valuation Time**" means the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified:

(a) if Multiple Exchange is specified as being not applicable in the relevant Final Terms:

(i) if "Closing" is specified in the applicable Final Terms to be applicable, the Scheduled Closing Time on the relevant Exchange on the relevant date, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or

(ii) if "Intraday" is specified in the applicable Final Terms to be applicable, any time from the opening time for the regular trading session for the relevant Exchange or related Exchange to the Scheduled Closing Time for that Exchange or Related Exchange on the relevant date; or

(b) if Multiple Exchange is specified as being applicable in the relevant Final Terms:

(i) for the purposes of determining whether a Market Disruption Event has occurred: (A) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (B) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and

(ii) in all other circumstances:

(A) if "Closing" is specified in the applicable Final Terms to be applicable, the time at which the official closing level of the Index is calculated and published by the Index Sponsor on the relevant date; or

(B) if "Intraday" is specified in the applicable Final Terms to be applicable, any time at which the level of the Index is calculated and published by the Index Sponsor from the opening time for the regular trading session for the relevant Exchange or related Exchange to the Scheduled Closing Time for that Exchange or Related Exchange on the relevant date; and

If, for the purposes of (i) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

3. EVENTS RELATING TO INDEX LINKED NOTES

3.1 Market Disruption Events, Disrupted Days and Consequences

(a) **Definitions**

"**Early Closure**" means:

(i) if Multiple Exchange is specified as being not applicable in the relevant Final Terms, the closure on any Exchange Business Day with respect to such Index of any relevant Exchange(s) relating to Component Securities that comprise 20 per cent. or more of the level of such 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 Valuation Time on such Exchange Business Day; or

(ii) if Multiple Exchange is specified as being applicable in the relevant Final Terms, the closure on any Exchange Business Day of the Exchange in respect of any Component Security 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 the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

"**Exchange Disruption**" means, in respect of an Index:

(i) if Multiple Exchange is specified as being not applicable in the relevant Final Terms, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for on any relevant Exchange(s) in Component 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 relevant Index on any relevant Related Exchange; or

(ii) if Multiple Exchange is specified as being applicable in the relevant Final Terms, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on the Related Exchange.

"**Market Disruption Event**" means:

(i) if Multiple Exchange is specified as being not applicable in the relevant Final Terms, the occurrence or existence of (A) a Trading Disruption which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time, (B) an Exchange Disruption which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time or (C) an Early Closure; for the purposes of determining whether a Market Disruption Event exists at any time, if a Market Disruption Event occurs in respect of a Component Security included in such Index at any time, then the relevant percentage contribution of that Component Security to the level of such Index shall be based on a comparison of (I) the portion of the level of such Index attributable to that Component Security and (II) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event; or

(ii) if Multiple Exchange is specified as being applicable in the relevant Final Terms, either:

(A) (I) the occurrence or existence in respect of any Component Security of (1) a Trading Disruption which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded, (2) an Exchange Disruption which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded, or (3) an Early Closure and (II) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or

(B) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (I) a Trading Disruption which the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; (II) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (III) an Early Closure,

and for the purposes of determining whether a Market Disruption Event exists at any time, if a Market Disruption Event occurs in respect of a Component Security included in such Index at any time, then the relevant percentage contribution of that Component Security to the level of such Index shall be based on a comparison of (I) the portion of the level of such attributable to that Component Security and (II) 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".

"**Reference Price**" means in respect of an Observation Date:

(i) where the Notes are specified in the applicable Final Terms to relate to a single Index, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the official closing level of the Index as determined by the Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent at such Valuation Time) on that

Observation Date, without regard to any subsequently published correction; and

(ii) where the Notes are specified in the applicable Final Terms to relate to a Basket of Indices, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the sum of the values calculated for each Index as the official closing level of each Index as determined by the Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent at such Valuation Time) on that Valuation Date, without regard to any subsequently published correction, multiplied by the relevant Multiplier specified in the applicable Final Terms.

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to (i) if Multiple Exchange is specified as being not applicable in the relevant Final Terms, Component Securities that comprise 20 per cent. or more of the level of such Index on any relevant Exchange(s) or (ii) if Multiple Exchange is specified as being applicable in the relevant Final Terms, any Component Security on the Exchange in respect of such Component Security or (b) in futures or options contracts relating to such Index on any relevant Related Exchange.

(b) **Consequences of the occurrence of Disrupted Days**

(i) If an Observation Date is a Disrupted Day, then:

(1) in the case of Index Linked Notes relating to a single Index, the Calculation Agent will postpone the Observation Date, in which case the Observation Date shall be the first immediately succeeding Scheduled Trading Day that is not a Disrupted Day (the "**Index Determination Date**"), unless each consecutive Scheduled Trading Day up to and including the Disruption Longstop Date is a Disrupted Day, in which case (I) the Disruption Longstop Date shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day and (II) the Calculation Agent shall determine the level of the Index as of the Valuation Time on the Disruption Longstop Date in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disruption Day using the Exchange traded or quoted price as of the Valuation Time on the Disruption Longstop Date of each Component Security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant Component Security on the Disruption Longstop Date, its good faith estimate of the value of the relevant Component Security as of the Valuation Time on that Disruption Longstop Date); and

(2) in the case of Index Linked Notes relating to a Basket of Indices:

(A) for each Index not affected by the occurrence of a Disrupted Day, the Observation Date shall be the Scheduled Observation Date; and

(B) for each Index affected by the occurrence of a Disrupted Day (each an "**Affected Index**"), the Calculation Agent will postpone the

Observation Date, in which case the Observation Date shall be the Index Determination Date relating to such Affected Index, unless each consecutive Scheduled Trading Day up to and including the Disruption Longstop Date is a Disrupted Day relating to such Affected Index, in which case (1) the Disruption Longstop Date shall be deemed to be the Observation Date for the relevant Affected Index, notwithstanding the fact that such day is a Disrupted Day and (2) the Calculation Agent shall determine the level of the relevant Affected Index as of the Valuation Time on the Disruption Longstop Date, in the case of an Index, in accordance with the formula for and method of calculating the Affected Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Disruption Longstop Date of each Component Security comprised in the Affected Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant Component Security on the Disruption Longstop Date, its good faith estimate of the value of the relevant Component Security as of the Valuation Time on that Disruption Longstop Date); in case of multiple Affected Indices, the latest Index Determination Date will be the Index Determination Date for the purpose of Index Linked Asset Condition 1(a) above.

(ii) If the Calculation Agent is not able to or does not determine the level of the Index in accordance with Index Linked Asset Condition 3.1(b)(i)(1) or Index Linked Asset Condition 3.1(b)(i)(2) above, as the case may be, or if such determination would not, in the opinion of the Calculation Agent, account for the occurrence of the Disrupted Day:

(1) the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any such Disrupted Day and determine the date(s) on which any such adjustments will be effective. In making any such adjustments, the Calculation Agent may take into account the equivalent adjustment(s) which would be made to an index derivative transaction in the market following the relevant event occurring and where the Calculation Agent deems appropriate (in its sole and absolute discretion), adjust the Conditions to give effect to such adjustment(s); or

(2) if the Calculation Agent is not able to or does not determine any adjustments for the purposes of sub-paragraph (1) above, the Issuer may, in its sole and absolute discretion, upon giving notice to the Noteholders in accordance with General Condition 15 (*Notices*), redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the Fair Market Value Redemption Amount. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 15 (*Notices*).

(iii) The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with General Condition 15 (*Notices*) of the occurrence of a Disrupted Day on an Observation Date. Such notice shall give the details of such Disrupted Day and the action proposed to be taken by the Calculation Agent in relation thereto.

(c) **Averaging Date Disruption**

If any Averaging Date is a Disrupted Day, then, where the consequence specified for "Averaging Date Disruption" in the applicable Final Terms is:

(i) "Omission", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Index Level, and if through the operation of this provision no Averaging Date would occur with respect to the relevant Observation Date, Index Linked Asset Condition 3.1(b) will apply for purposes of determining the relevant price or amount on the final Averaging Date in respect of that Observation Date as if such final Averaging Date were an Observation Date that was a Disrupted Day;

(ii) "Postponement", then Index Linked Asset Condition 3.1(b) will apply for purposes of determining the relevant price or amount on that Averaging Date as if such Averaging Date were an Observation Date that was a Disrupted Day, irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the relevant Index; or

(iii) "Modified Postponement", then:

(1) in the case of a Basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the date specified in the applicable Final Terms as an Averaging Date in respect of the relevant Observation Date and the Averaging Date for any Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day in relation to such Index that is not a Disrupted Day in relation to such Index and on which another Averaging Date in respect of the relevant Observation Date does not or is not deemed to occur, and if the first succeeding Scheduled Trading Day has not occurred prior to the Averaging Disruption Longstop Date, then (I) the Averaging Disruption Longstop Date shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant price or amount for that Averaging Date in accordance with Index Linked Asset Condition 3.1(b); and

(2) otherwise, the Averaging Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Observation Date does not or is not deemed to occur, and if the first succeeding Scheduled Trading Day has not occurred prior to the Averaging Disruption Longstop Date, then (I) the Averaging Disruption Longstop Date shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant price or amount for that Averaging Date in accordance with Index Linked Asset Condition 3.1(b).

3.2 **Index Adjustments**

(a) **Successor Index / Sponsor**

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

(b) **Modification and Cessation of Calculation of an Index and Administrator/ Benchmark Event**

(i) If:

(1) on or prior to an Observation Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent Notes and capitalisation and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**");

(2) on any Observation Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**"); or

(3) on or prior to any Observation Date, an Administrator/Benchmark Event occurs (together with an Index Modification, an Index Cancellation and an Index Disruption, each an "**Index Adjustment Event**"),

(ii) then the Issuer may require the Calculation Agent to:

(1) determine to substitute the Index with a Substitution Index, where a "**Substitution Index**" means in relation to the Index affected by an Index Adjustment Event and at the discretion of the Calculation Agent, an index whose principal terms are equivalent to those of the affected Index. Principal terms of an index include its strategy, its currency, the periodicity of its calculation and of the publication of its level, the type of its underlying assets, its geographic and economic zone or its rules; or

(2) determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the Reference Price, using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Observation Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those Component Securities that comprised that Index immediately prior to that Index Adjustment Event; or

(3) calculate, on a date it has determined in a reasonable amount of time after the occurrence of an Index Adjustment Event (the "**Note Amount Determination Date**"), the Fair Market Value Redemption Amount of the Note in its sole and absolute discretion and, the Issuer shall, upon giving notice to Noteholders in accordance with General Condition 15 (*Notices*), redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to lower of (I) the Fair Market Value Redemption Amount as at the Note Amount Determination Date and (II) the principal amount of the Note as at the Note Amount Determination Date. Payments will be made in such manner as shall be notified to the Noteholders, upon request, in accordance with General Condition 15 (*Notices*).

The Calculation Agent shall, as soon as practicable, notify the relevant Agent of any determination made by it pursuant to this paragraph (b) and the action proposed to be taken in relation thereto and such Agent shall make available for inspection by Noteholders, upon request, copies of any such determinations.

3.3 **Correction of the level of the Index**

If Correction of Index Levels is specified as applying in the applicable Final Terms and the official closing level of an Index published on a Valuation Date is subsequently corrected and the correction (the "**Corrected Index Level**") is published by the Index Sponsor or (if applicable) the Successor Index Sponsor prior to the Correction Cut-Off Date specified in the applicable Final Terms, then such Corrected Index Level shall be deemed to be the closing level for such Index for that Valuation Date and the Calculation Agent shall use such Corrected Index Level in determining the relevant Interest Amount and/or Redemption Amount.

3.4 **Additional Disruption Event**

(a) **Definitions**

"**Additional Disruption Event**" means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Dividend Disruption, Increased Cost of Stock Borrow and/or Loss of Stock Borrow, in each case specified as applying in the applicable Final Terms.

"**Change in Law**" means, if Change in Law is specified as applicable in the applicable Final Terms, 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 in its sole and absolute discretion that (i) it has become illegal for the Issuer, and/or any of its Affiliates to hold, acquire or dispose of Component Security or relevant hedge positions relating to an Index, or (ii) the Issuer and/or any of its Affiliates will incur a materially increased cost in performing its obligations under the Notes (or any relevant hedge positions relating to an Index) (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"**Hedging Disruption**" means, if Hedging Disruption is specified as applicable in the applicable Final Terms, that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to

hedge any relevant price risk including but not limited to the currency risk of the Issuer, and/or any of its Affiliates in issuing and performing its obligations with respect to the Notes, or (ii) realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"**Increased Cost of Hedging**" means, if Increased Cost of Hedging is specified as applicable in the applicable Final Terms, that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge any relevant price risk including but not limited to the currency risk of the Issuer and/or any of its Affiliates, in issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

"**Dividend Disruption**" means, if Dividend Disruption is specified as applicable in the applicable Final Terms, any of the following events in respect of a gross cash dividend declared by the issuer of a Component Security in a relevant Index to holders of record for such Component Security (a "**Declared Dividend**"):

(i) the gross amount deemed to be paid by such issuer of the Component Security to the holders of record of the Component Security (notwithstanding that such payment is made to either any relevant taxing authority or holders of record) is not equal to the Declared Dividend (a "**Dividend Mismatch**");

(ii) the issuer of the Component Security fails to make any payment or delivery in respect of that Declared Dividend by the third Scheduled Trading Day following the relevant due date (a "**Dividend Nonpayment**"); or

(ii) the issuer of the Component Security notifies all holders of record of the relevant Component Security that the Declared Dividend will no longer be paid (a "**Dividend Cancellation**").

"**Increased Cost of Stock Borrow**" means, if Increased Cost of Stock Borrow is specified as applicable in the applicable Final Terms, that the Issuer and/or any of its Affiliates would incur a rate to borrow any Component Security comprised in an Index that is greater than the Initial Stock Loan Rate specified in relation to such Component Security in the applicable Final Terms.

"**Loss of Stock Borrow**" means, if Loss of Stock Borrow is specified as applicable in the applicable Final Terms that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Component Securities comprised in an Index in a amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate specified in the applicable Final Terms where "**Hedging Shares**" means the number of securities comprised in an Index that the Calculation Agent deems necessary for the Issuer to hedge the price risk of entering into and performing its obligations with respect to the Notes.

(b) **Consequences of the occurrence of an Additional Disruption Event**

Where "**Additional Disruption Event**" is specified in the applicable Final Terms as being applicable and if an Additional Disruption Event occurs, the Issuer may in its sole and absolute discretion:

(i) require the Calculation Agent to make such adjustments to the Conditions as it considers appropriate in its sole and absolute discretion to account for such Additional Disruption Event and determine the date(s) on which any such adjustments will be effective; or

(ii) upon giving notice to the Noteholders in accordance with General Condition 15 (*Notices*), redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the Fair Market Value Redemption Amount. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 15 (*Notices*).

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with General Condition 15 (*Notices*) stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

3.5 **Other Events**

This Index Linked Condition will apply to the Notes unless specified as being not applicable in the applicable Final Terms. Notwithstanding the foregoing provisions of these Index Linked Asset Conditions, if any other event occurs which the Calculation Agent determines, acting in good faith, has a material effect on the Notes, then:

(a) the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any such event and determine the date(s) on which any such adjustments will be effective; or

(b) the Issuer may, upon giving notice to the Noteholders in accordance with General Condition 15 (Notices), redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the Fair Market Value Redemption Amount. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 15 (*Notices*).

Upon the Calculation Agent making a determination pursuant to this Index Linked Asset Condition 3.5 (*Other Events*), the Issuer shall give notice as soon as practicable to Noteholders in accordance with General Condition 15 (*Notices*) giving details of such determination.

Chapter 2: Asset Conditions: Equity Linked Asset Conditions

This chapter sets out additional terms and conditions for Notes that are Equity Linked Notes.

*The following terms and conditions (the "**Equity Linked Asset Conditions**") shall apply to the Notes if the applicable Final Terms indicate that Equity Linked Interest Notes or Equity Linked Redemption Notes is applicable. These Equity Linked Asset Conditions are subject to completion in accordance with the applicable Final Terms.*

All capitalised terms that are not defined in these Equity Linked Asset Conditions or elsewhere in the Conditions will have the meanings given to them in the applicable Final Terms.

References in these Equity Linked Asset Conditions to an Equity Linked Asset Condition are to a section or clause of these Equity Linked Asset Conditions.

1. DEFINITIONS

For the purposes of this Chapter 2 of Annex 1:

"**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"**Equity Issuer**" means the entity that is the issuer of the relevant Equity.

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

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

"**Market Disruption Event**" means, in respect of an Underlying Equity:

(a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:

(i) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:

I. relating to the Underlying Equity on the Exchange; or

II. in futures or options contracts relating to the Underlying Equity on any relevant Related Exchange; or

(ii) any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Underlying Equity on the Exchange, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the Underlying Equity on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

(b) the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"**Observation Date"** means each date specified as such in the applicable Final Terms or otherwise deemed to be an Observation Date in accordance with the Conditions, or if any such date is not a Scheduled Trading Day and unless otherwise specified in the applicable Final Terms, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day.

"**Observation Period**" means each relevant period specified in the relevant Final Terms.

"**Reference Price**" means, in relation to a Valuation Date:

(a) where the Notes are specified in the applicable Final Terms to relate to a single Underlying Equity, an amount equal to the official closing price on that Valuation Date (or, if so specified in the applicable Final Terms the price at the Valuation Time on that Valuation Date) of the Underlying Equity quoted on the Exchange without regard to any subsequently published correction as determined by the Calculation Agent (or if, in the opinion of the Calculation Agent, no such price (or, as the case may be, no such official closing price) can be determined at such time and, if either Disrupted Day is specified as applying in the applicable Final Terms and that Valuation Date is not a Disrupted Day or if Disrupted Day is specified as not applying in the applicable Final Terms, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the fair market buying price at the Valuation Time on that Valuation Date and the fair market selling price at the Valuation Time on that Valuation Date for the Underlying Equity based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Equity or on such other factors as the Calculation Agent shall decide). The amount determined pursuant to the foregoing shall be converted, if necessary, by the Calculation Agent into the Specified Currency at an appropriate mid-market spot rate of exchange as determined by the Calculation Agent and such converted amount shall be the Reference Price; and

(b) where the Notes are specified in the applicable Final Terms to relate to a Basket of Underlying Equities, an amount equal to the sum of the values calculated for each Underlying Equity as the official closing price on that Valuation Date (or, if so specified in the applicable Final Terms, the price at the Valuation Time on that Valuation Date) of the Underlying Equity quoted on the relevant Exchange without regard to any

subsequently published correction as determined by the Calculation Agent (or if, in the opinion of the Calculation Agent, no such price (or, as the case may be, any such official closing price) can be determined at such time and, if Disrupted Day is specified as applying in the applicable Final Terms, and that Valuation Date is not a Disrupted Day or if Disrupted Day is specified as not applying in the applicable Final Terms, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the fair market buying price at the Valuation Time (or, as the case may be, of the closing fair market buying price) on that Valuation Date and the fair market selling price at the Valuation Time (or, as the case may be, of the closing fair market selling price) on that Valuation Date for the Underlying Equity based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Equity or on such other factors as the Calculation Agent shall decide), multiplied by the Multiplier specified in the applicable Final Terms. Each value determined pursuant to the foregoing shall be converted, if necessary, by the Calculation Agent into the Specified Currency at an appropriate mid-market spot rate of exchange as determined by the Calculation Agent and such converted amount shall be the Reference Price.

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

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

"**Scheduled Trading Day**" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

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

"**Strike Price**" means the amount specified as such in the applicable Final Terms.

"**Underlying Equities**" and "**Underlying Equity**" mean, subject to adjustment in accordance with Equity Linked Asset Condition 3, the equity securities or equity security specified as such in the applicable Final Terms and related expressions shall be construed accordingly.

"**Underlying Equity Issuer**" means the issuer of the Underlying Equity or Underlying Equities.

"**Valuation Date**" means each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

(a) where the Notes are specified in the applicable Final Terms to relate to a single Underlying Equity, that Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (i) the eighth Scheduled Trading Day shall be deemed to be that Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price as of the Valuation Time on that eighth Scheduled Trading Day; or

(b) where the Notes are specified in the applicable Final Terms to relate to a Basket of Underlying Equities, that Valuation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and that Valuation Date for each Underlying Equity affected (each an "**Affected Equity**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case (i) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, where practicable, determine the Reference Price using, in relation to the Affected Equity, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, using its good faith estimate of the value for the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions.

"**Valuation Time**" means the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified:

(a) if "**Closing**" is specified in the applicable Final Terms to be applicable, the Scheduled Closing Time on the relevant Exchange on the relevant date, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or

(b) if "**Intraday**" is specified in the applicable Final Terms to be applicable, any time from the opening time for the regular trading session for the relevant Exchange or related Exchange to the Scheduled Closing Time for that Exchange or Related Exchange on the relevant date.

If, for the purposes of (a) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

2. REDEMPTION OF EQUITY LINKED NOTES

Unless previously redeemed or purchased and cancelled as specified below, each nominal amount (the "**Specified Amount**") of Equity Linked Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer (A) if Cash Settlement is specified as applying in the applicable Final Terms, by payment of the Redemption Amount on the Maturity Date or (B) if Physical Delivery is specified as applying in the applicable Final Terms, by delivery of the Asset Amount on the Maturity Date or (C) if Cash Settlement and/or Physical Delivery is specified as applying in the applicable Final Terms, by payment of the Redemption Amount and/or by delivery of the Asset

Amount on the terms set out in the applicable Final Terms, in each case on the Maturity Date, in each case subject as provided below.

3. ADJUSTMENT EVENTS

3.1 Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalization and Insolvency, Correction of Share Prices and Adjustments for Equity Linked Notes in respect of Underlying Equities quoted in European Currencies

(a) If Potential Adjustment Events are specified as applying in the applicable Final Terms, then following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Underlying Equities and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the relevant Interest Amount and/or the Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting, concentrative or other effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Underlying Equity) and (ii) determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Underlying Equities traded on that options exchange.

Upon making any such adjustment, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with General Condition 15 (*Notices*), stating the adjustment to the relevant Interest Amount and/or Redemption Amount and/or the Asset Amount, the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

For the purposes of this Condition 3.1(a):

"**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Underlying Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Underlying Equities to existing holders by way of bonus, capitalization or similar issue;

(ii) a distribution, issue or dividend to existing holders of the relevant Underlying Equities of (1) such Underlying Equities or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Underlying Equities or (3) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(iii) an extraordinary dividend as determined by the Calculation Agent;

(iv) a call by an Equity Issuer in respect of relevant Underlying Equities that are not fully paid;

(v) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of an Equity Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(vii) any other event that has or may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Underlying Equities.

(b) If (x) De-listing, Merger Event, Nationalization and/or Insolvency is specified as applying in the applicable Final Terms and/or (y) if Tender Offer is specified as applying in the applicable Final Terms and (in the case of (x)), a De-listing, Merger Event, Nationalization or Insolvency occurs or (in the case of (y)) a Tender Offer occurs, in each case, in relation to an Underlying Equity, the Issuer in its sole and absolute discretion may:

(i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the relevant Interest Amount and/or the Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalization or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may in the case of adjustments following a Merger Event or Tender Offer include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Underlying Equities; or

(ii) give notice to the Noteholders in accordance with General Condition 15 (*Notices*) and redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.

If the provisions of Equity Linked Asset Condition 3.1(b)(i) apply the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-Listing, Merger Event, Tender Offer, Nationalization or Insolvency, as the case may be, made by an options exchange to options on the Underlying Equities traded on that options exchange.

Upon the occurrence (if applicable) of a De-listing, Merger Event, Tender Offer, Nationalization or Insolvency, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with General Condition 15 (*Notices*) stating the occurrence of the De-listing, Merger Event, Tender Offer, Nationalization or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

For the purposes of this Equity Linked Asset Condition 3.1(b):

"**De-Listing**" means, in respect of any relevant Underlying Equities, the Exchange announces that pursuant to the rules of such Exchange, such Underlying Equities cease (or will cease) to

be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union);

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

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

"**Merger Event**" means, in respect of any relevant Underlying Equities, any (a) reclassification or change of such Underlying Equities that results in a transfer of, or an irrevocable commitment to transfer, all such Underlying Equities outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in any such reclassification or change of all such Underlying Equities outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Underlying Equities (other than such Underlying Equities owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Underlying Equities outstanding but results in the outstanding Underlying Equities (other than Underlying Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Equities immediately following such event, in each case if the Merger Date is on or before the relevant Valuation Date or, if the Notes are to be redeemed by delivery of Underlying Equities, the Maturity Date;

"**Nationalization**" means that all the Underlying Equities or all or substantially all the assets of an Equity Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof; and

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

(c) If Correction of Equity Prices is specified as applying in the applicable Final Terms and the price of an Underlying Equity published on a Valuation Date is subsequently corrected and the correction (the "**Corrected Share Price**") is published on the relevant Exchange prior to the Correction Cut-Off Date specified in the applicable Final Terms, then such Corrected Share Price shall be deemed to be the closing price for such Underlying Equity for that Valuation Date and the Calculation Agent shall use such Corrected Share Price in determining the relevant Interest Amount and/or Redemption Amount.

(d) In respect of Equity Linked Notes relating to Underlying Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty establishing the European Community, as amended, if such Underlying Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, then the Calculation Agent will adjust any one or more of the relevant Interest Amount and/or the Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Equity Linked Asset Condition 3.1(d) will affect the currency denomination of any payments in respect of the Notes.

3.2 **Additional Disruption Event**

(a) **Definitions**

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

"**Change in Law**" means, if Change in Law is specified as applicable in the applicable Final Terms, 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 in its sole and absolute discretion that (i) it has become illegal for the Issuer, and/or any of its Affiliates to hold, acquire or dispose of any relevant Underlying Equity or relevant hedge positions relating to an Underlying Equity, or (ii) the Issuer and/or any of its Affiliates will incur a materially increased cost in performing its obligations under the Notes (or any relevant hedge positions relating to an Underlying Equity) (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"**Hedging Disruption**" means, if Hedging Disruption is specified as applicable in the applicable Final Terms, that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge any relevant price risk including but not limited to the currency risk of the Issuer, and/or any of its Affiliates in issuing and performing its obligations with respect to the Notes, or (ii) realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"**Increased Cost of Hedging**" means, if Increased Cost of Hedging is specified as applicable in the applicable Final Terms, that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge any relevant price risk including but not limited to the currency risk of the Issuer and/or any of its Affiliates, in issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit

the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

"**Increased Cost of Stock Borrow**" means, if Increased Cost of Stock Borrow is specified as applicable in the applicable Final Terms, that the Issuer and/or any of its Affiliates would incur a rate to borrow any Component Security comprised in an Index that is greater than the Initial Stock Loan Rate specified in relation to such Component Security in the applicable Final Terms.

"**Insolvency Filing**" means that an Equity Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer shall not be deemed an Insolvency Filing.

"**Loss of Stock Borrow**" means, if Loss of Stock Borrow is specified as applicable in the applicable Final Terms that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Underlying Equity in a amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate specified in the applicable Final Terms where "**Hedging Shares**" means the number of Underlying Equities that the Calculation Agent deems necessary for the Issuer to hedge the price risk of entering into and performing its obligations with respect to the Notes.

(b) **Consequences of the occurrence of an Additional Disruption Event**

Where "**Additional Disruption Event**" is specified in the applicable Final Terms as being applicable and if an Additional Disruption Event occurs, the Issuer may in its sole and absolute discretion:

(i) require the Calculation Agent to make such adjustments to the Conditions as it considers appropriate in its sole and absolute discretion to account for such Additional Disruption Event and determine the date(s) on which any such adjustments will be effective; or

(ii) upon giving notice to the Noteholders in accordance with General Condition 15 (*Notices*), redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the Fair Market Value Redemption Amount. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 15 (*Notices*).

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with General Condition 15 (*Notices*) stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

3.3 **Other Events**

This Equity Linked Condition will apply to the Notes unless specified as being not applicable in the applicable Final Terms. Notwithstanding the foregoing provisions of these Equity Linked Asset Conditions, if any other event occurs which the Calculation Agent determines, acting in good faith, has a material effect on the Notes, then:

(a) the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any such event and determine the date(s) on which any such adjustments will be effective; or

(b) the Issuer may, upon giving notice to the Noteholders in accordance with General Condition 15 (Notices), redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the Fair Market Value Redemption Amount. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 15 (*Notices*).

Upon the Calculation Agent making a determination pursuant to this Equity Linked Asset Condition 3.3 (*Other Events*), the Issuer shall give notice as soon as practicable to Noteholders in accordance with General Condition 15 (*Notices*) giving details of such determination.

Chapter 3: Asset Conditions: Fund Linked Asset Conditions

This chapter sets out additional terms and conditions for Notes that are Fund Linked Notes.

The following terms and conditions (the "Fund Linked Asset Conditions") shall apply to the Notes if the applicable Final Terms indicate that Fund Linked Interest Notes Fund Linked Redemption Notes is applicable. These Fund Linked Asset Conditions are subject to completion in accordance with the applicable Final Terms.

All capitalised terms that are not defined in these Fund Linked Asset Conditions or elsewhere in the Conditions will have the meanings given to them in the applicable Final Terms.

Unless otherwise specified, references in these Fund Linked Asset Conditions to a Fund Linked Asset Condition are to a section or clause of these Fund Linked Asset Conditions.

1. PROVISIONS RELATING TO FUNDS OTHER THAN EXCHANGE TRADED FUNDS

1.1 Definitions

"**Averaging Date**" means, in respect of an Actual Exercise Date, each date specified as an Averaging Date in the applicable Final Terms.

"**Basket of Funds**" means a basket composed of Funds in the relative proportions or number of Funds, as specified in the applicable Final Terms.

"**Fund**" means, subject to adjustment in accordance with these Conditions, each fund specified in the applicable Final Terms and related expressions shall be construed accordingly.

"Fund Administrator" means the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for a Fund according to the relevant Fund Documents.

"**Fund Adviser**" means 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).

"**Fund Documents**" means the constitutive and governing documents, subscription agreements and other agreements of a Fund specifying the terms and conditions relating to the related Fund Interest, as amended from time to time.

"**Fund Interest**" means, subject to adjustment in accordance with these Conditions, each fund interest specified in the applicable Final Terms and related expressions shall be construed accordingly.

"**Fund Interest Closing Price**" means, in respect of a Fund Interest and any relevant date, the net asset value (or, if applicable, the estimated or provisional net asset value) for such Fund Interest in respect of such day (or, if such day is not a Scheduled Trading Day, the most recent Scheduled Trading Day) calculated and published or announced by such Fund (or on its behalf) in respect of such day, as determined by the Calculation Agent.

"**Fund Redemption Valuation Date**" means, in respect of a Fund Interest, the date as of which a Fund (or its Fund Service Provider that generally determines such value) would determine 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 and timely notice for redemption of Fund Interests based on the value determined as of such date.

"**Fund Service Provider**" means any person who is appointed to provide services, directly or indirectly, to a Fund, whether or not specified in the relevant Fund Documents, including without limitation any Fund Administrator, Fund Adviser, operator, management company, depositary, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent.

"**Fund Valuation Date**" means a date as of which a Fund (or its Fund Service Provider that generally determines such value) determines the value of the related Fund Interest.

"**Hypothetical Investor**" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Fund Interests which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding Fund Interests at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organized in any jurisdiction, and to be, without limitation, the Issuer, the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation).

"**Removal Date**" means, in respect of an Affected Fund Interest, the date on which the Calculation Agent determines that a Hypothetical Investor would receive the Removal Value in respect of a redemption or realization of such Affected Fund Interest effected as soon as reasonably practicable following the occurrence of the relevant Fund Event.

"**Removal Value**" means, in respect of an Affected Fund Interest, the amount that the Calculation Agent determines a Hypothetical Investor would receive in cash on the redemption or realization of such Affected Fund Interest at the relevant time, provided that if any such redemption proceeds would comprise non-monetary assets the Removal Value may, at the sole and absolute discretion of the Calculation Agent, include only such amount (if any) that the Calculation Agent determines would be received by the Hypothetical Investor in respect of a realization (in whatsoever manner the Calculation Agent determines appropriate) of such non-monetary assets as soon as reasonably practicable after their receipt.

"**Scheduled Fund Redemption Valuation Date**" means the date as of which a Fund (or its Fund Service Provider that generally determine such value) is scheduled, according to the relevant 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 the related Fund Interest for 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.

"**Scheduled Fund Valuation Date**" means, in respect of a Fund Interest, a date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to the relevant 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 value of the related Fund Interest or, if the Fund only reports its aggregate net asset value, the date as of which such Fund is scheduled to determine its aggregate net asset value.

"**Valuation Date**" means each Valuation Date specified in the applicable Final Terms.

1.2 Fund Events

(a) Definitions

"**Additional Disruption Event**" means with respect to any Series of Notes any of (i) Change in Law, (ii) Hedging Disruption and/or (iii) Increased Cost of Hedging, in each case if specified as applicable in the applicable Final Terms.

"**Change in Law**" means, if Change in Law is specified as applicable in the applicable Final Terms, 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 in its sole and absolute discretion that (i) it has become illegal for the Issuer, and/or any of its Affiliates to hold, acquire or dispose of any relevant Fund Share or Fund Interest or relevant hedge positions relating to a Fund, or (ii) the Issuer and/or any of its Affiliates will incur a materially increased cost in performing its obligations under the Notes (or any relevant hedge positions relating to a Fund Share or Fund Interest) (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"**Fund Event**" means the occurrence of each of an Additional Disruption Event, a Fund Disruption Event and/or a Fund Extraordinary Event as determined by the Calculation Agent.

"**Fund Disruption Event**" means at any time the occurrence or continuance of any of the following events, as determined by the Calculation Agent in its sole and absolute discretion, if the Calculation Agent determines any such event is material:

(i) "**Fund Valuation Disruption**" means (A) any continued postponement of any Scheduled Fund Valuation Date due to such Scheduled Fund Valuation Date not being a Scheduled Fund Redemption Valuation Date, (B) the failure of a Scheduled Fund Redemption Valuation Date in respect of a Fund Interest to be a Fund Redemption Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Redemption Valuation Date, or (C) the failure of a Scheduled Fund Valuation Date in respect of a Fund Interest to be a Fund Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Valuation Date;

(ii) "**Fund Settlement Disruption**" means a failure by a Fund on any day to pay the full amount (whether expressed as a percentage or otherwise) of any fund redemption proceeds with respect to any Fund Interest scheduled to have been paid on or by such day according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests).

"**Fund Extraordinary Event**" means each of the following events:

(a) "**Nationalization**" means that all the Fund Interests or all or substantially all the assets of a Fund are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

(b) "**Insolvency**" means that 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 or redeeming them;

(c) "**Fund Insolvency Event**" means a Fund or relevant Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up or official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C) (I) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or 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 (II) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (I) above and either (aa) 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 (bb) is not dismissed, discharged, stayed or restrained in each case within fifteen calendar 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 of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen calendar days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (E) and (F) above;

(d) "**NAV Trigger Event**" means that (A) the aggregate net asset value of a Fund (the "**NAV**") has decreased by an amount equal to or greater than 30 per cent. since the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or (B) a Fund has violated any leverage restriction that is applicable to, or affecting, it 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 relevant Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;

(e) "**Adviser Resignation Event**" means the resignation, termination of appointment, or replacement of a Fund's Fund Adviser;

(f) "**Fund Modification**" means any change or modification of the relevant Fund Documents that could reasonably be expected to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or the imposition of any fees or charges in relation to redemptions, subscriptions or transfers of Fund Interests;

(g) "**Strategy Breach**" means any breach or violation of any strategy or investment guidelines stated in the relevant Fund Documents that is reasonably likely to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent); or any change of the nature of a Fund, including but not limited to the type of investments, the duration, the credit risk and diversification of the investments to which that Fund is exposed, which, in the opinion of the Calculation Agent, results in a material deterioration of the risk profile of that Fund;

(h) "**Regulatory Action**" means (A) the cancellation, suspension or revocation of the registration or approval of a Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund, (B) any change in the legal, tax, accounting, or regulatory treatments of a Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of the related Fund Interest

or on any investor therein (as determined by the Calculation Agent), or (C) a Fund or any of its Fund Administrator or Fund Adviser becoming subject to investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund, Fund Administrator or Fund Adviser;

(i) "**Reporting Disruption**" means (A) the occurrence of any event affecting a Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest in respect of a Scheduled Fund Valuation Date or a Scheduled Fund Redemption Valuation Date, and such event continues for at least two consecutive Scheduled Fund Valuation Dates or Scheduled Fund Redemption Valuation Dates, as the case may be; (B) any failure of a Fund to deliver, or cause to be delivered, (I) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, including, but not limited to, information to determine the occurrence of a Fund Event and the annual audited financial report and semi-annual financial report, if any, in relation to the related Fund Interests, or (II) information that has been previously delivered to the Calculation Agent, in accordance with such Fund's, or its authorized representative's, normal practice and that the Calculation Agent deems necessary to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the related Fund Interests;

(j) "**Fund Service Provider Cessation**" means that one or more Fund Service Provider(s) in respect of a Fund ceases to provide the service as outlined in the relevant Fund Documents prevailing on the Trade Date or, where the related Fund Interest is a Replacement Fund Interest, the relevant replacement date, and any such Fund Service Provider is not immediately replaced by another service provider acceptable to the Calculation Agent;

(k) "**Fund Administrator Disruption**" means any event or circumstances compromising the independence of a Fund Administrator performing services for a Fund from the relevant Fund Adviser; or

(l) "**Related Agreement Termination**" means a Fund or any of its Fund Administrator or Fund Adviser is in breach of or has terminated any existing agreement with the Calculation Agent in respect of, but not limited to, retrocession, dealing fees, liquidity and licensing.

"**Hedging Disruption**" means that the Issuer or any of its Affiliates or agents is unable, or it is impractical for the Issuer or any of its Affiliates or agents, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Fund Linked Notes, or (ii) realize, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by a Fund on an investor's ability to redeem the related Fund Interest, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Interest, or (B) any mandatory redemption, in whole or in part, of a Fund Interest imposed by the related Fund (in each case other than any restriction in existence on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date).

"**Increased Cost of Hedging**" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain,

unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest of the Issuer or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realize, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

(b) **Consequences of a Fund Event**

Following the occurrence of a Fund Event, the Issuer may take the action described in (i) or (ii) below that the Calculation Agent, in its sole and absolute discretion, determines to be practicable, which may be determined by the Calculation Agent after all necessary information has been obtained and/or released by the Fund:

(i) require the Calculation Agent to make such determinations and/or adjustments to the Conditions and/or the applicable Final Terms as it determines appropriate to account for the Fund Event, which may include, without limitation,

(A) delaying any determination date (including any Valuation Date or Averaging Date) and/ or any date on which payment might otherwise have to be made under the terms of the applicable Final Terms until it determines that no Fund Event exists;

(B) determining that, in the sole and absolute discretion of the Calculation Agent, one or more Fund Events may continue until or after any scheduled determination dates and/or payment dates as set out in the applicable Final Terms, and thereafter determining to fix any determination date (including any Valuation Date or Averaging Date) and/or date on which payment should be made, and making payment on such date of such amount as is appropriate, as determined in the sole and absolute discretion of the Calculation Agent, taking into account the Fund Event, and which may be based solely on any amounts of cash that a Hypothetical Investor in the Fund actually received from the Fund during the relevant period or periods (and which may be less than any relevant net asset value published for the Fund, and may be as low as zero);

(C) calculating the value of a Fund Interest and/or replacing a Fund Interest (the "**Affected Fund Interest**") with a replacement fund interest (the "**Replacement Fund Interest**") with a value as determined by the Calculation Agent equal to the Removal Value for the Affected Fund Interest and in a fund which in the determination of the Calculation Agent has similar characteristics, investment objectives and policies to those applicable to the Fund in respect of the Affected Fund Interest immediately prior to the occurrence of the Fund Event; or

(ii) on giving notice to the Holders in accordance with General Condition 15 (*Notices*), redeem all (but not less than all) of the Notes, each Note being redeemed at the Early Redemption Amount.

If the Calculation Agent replaces an Affected Fund Interest with a Replacement Fund Interest, such replacement shall take effect on the first reasonably practicable date following the Removal Date for

such Affected Fund Interest on which the Calculation Agent determines that a Hypothetical Investor could acquire the Replacement Fund Interest.

Upon the occurrence of a Fund Event, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with General Condition 15 (*Notices*), giving details of the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action.

(c) **Fund Potential Adjustment Events**

"**Fund Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Fund Interests or a free distribution or dividend of any such Fund Interests to existing holders by way of bonus, capitalization or similar issue;

(ii) a distribution, issue or dividend to existing holders of relevant Fund Interests of (I) such Fund Interests or (II) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the related Fund equally or proportionately with such payments to holders of such Fund Interests or (III) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the related Fund as a result of a spin-off or other similar transaction or (IV) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(iii) an extraordinary dividend as determined by the Calculation Agent;

(iv) a repurchase by a Fund of relevant Fund Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise other than where such repurchase is a redemption of Fund Interests initiated by an investor in such Fund Interests and consistent with the relevant Fund Documents; or

(v) any other event that may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of relevant Fund Interests.

Following the declaration by a Fund of the terms of any Fund Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Fund Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the relevant Fund Interest and, if so, will make the corresponding adjustment, if any, to any one or more of any of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion, determines appropriate to account for that diluting, concentrative or other effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest) and determine the effective date of that adjustment.

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with General Condition 15 (*Notices*) stating the adjustment to any of the Conditions, and/or the applicable Final Terms and giving brief details of the Fund Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

2. PROVISIONS RELATING TO EXCHANGE TRADED FUNDS

2.1 Definitions

"**Averaging Cut-Off Date**" means the eighth Scheduled Trading Day (or, where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, or on account of such date not being a Scheduled Trading Day (or, where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, a Common Scheduled Trading Day), would have been the final Averaging Date, or, if earlier, the Scheduled Trading Day (or, where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on the relevant Averaging Dates, provided that the Averaging Cut-Off Date shall not fall prior to the original date on which the final Averaging Date was scheduled to fall.

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day, (or, where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Averaging Cut-Off Date. If any such day is a Disrupted Day:

(a) if "**Omission**" is specified as applicable in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant price; provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant price on the final Averaging Date, as if such final Averaging Date were a Valuation Date that was a Disrupted Day; or

(b) if "**Postponement**" is specified as applicable in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(c) if "**Modified Postponement**" is specified as applicable in the applicable Final Terms then:

(i) where the Fund Linked Notes relate to a single Fund, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Fund, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below;

(ii) where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" is not applicable, the Averaging Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Scheduled Trading Day, if applicable) (the "**Scheduled Averaging Date**") and the Averaging Date for a Fund Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Fund Share. If the first succeeding Valid Date in relation to such Fund Share has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, then:

(A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Fund Share, and

(B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with subparagraph (b)(ii) of the definition of "Valuation Date" below;

(iii) where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" are applicable, the Averaging Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Common Scheduled Trading Day, if applicable) (the "**Scheduled Averaging Date**") and the Averaging Date for a Fund Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Fund Share. If the first succeeding Valid Date in relation to such Fund Share has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Fund Share, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (c)(ii) of the definition of "Valuation Date" below; or

(iv) where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Averaging Date for each Fund Share shall be the first succeeding Common Valid Date in relation to such Fund Share.

If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, then:

(i) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and

(ii) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (d)(ii) of the definition of "Valuation Date" below,

and, for the purposes of these Fund Linked Asset Conditions "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is deemed not to occur, and "**Common Valid Date**" means a Common Scheduled Trading Day that is not a Disrupted Day for any Fund Share and on which another Averaging Date does not or is deemed not to occur.

"**Barrier Event Determination Day**" means, in respect of each Fund Share:

(a) if the applicable Final Terms provides that the Barrier Event (intraday) provisions are applicable, unless otherwise specified in the applicable Final Terms, each day on which the price of such Fund Share is quoted on the relevant Exchange during the relevant Observation Period, regardless of whether or not such day is a Scheduled Trading Day for such Fund Share (and, for the avoidance of doubt, if the Calculation Agent in its sole and absolute discretion determines that a Market Disruption Event is occurring at any time on any Barrier Event Determination Day, it shall disregard the period during which it determines in its sole and absolute discretion that such Market Disruption Event has occurred and is continuing for the purposes of determining whether or not a Barrier Event (intraday) has occurred); or

(b) if the applicable Final Terms provides that the Barrier Event (closing) provisions are applicable, each day specified as such in the applicable Final Terms.

"**Barrier Event (closing)**" means (and a Barrier Event (closing) shall be deemed to occur if), in respect of a Fund Share, the Calculation Agent determines that the Fund Share Closing Price of any Fund Share as of the Barrier Event Valuation Time (closing) on any Barrier Event Determination Day is less than or equal to the corresponding Barrier Level for such Fund Share and such Barrier Event Determination Day.

"**Barrier Event Valuation Time (closing)**" means, in respect of each Fund Share to be valued, the Scheduled Closing Time on the relevant Exchange on the relevant Barrier Event Determination Day. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Barrier Event Valuation Time (closing) is after the actual closing time for its regular trading session, then the Barrier Event Valuation Time (closing) shall be such actual closing time.

"**Barrier Event (intraday)**" means (and a Barrier Event (intraday) shall be deemed to occur if), in respect of a Fund Share, the Calculation Agent determines that the Fund Share Price of such Fund Share as of the Barrier Event Valuation Time (intraday) on any Barrier Event Determination Day is less than or equal to the corresponding Barrier Level for such Fund Share and such Barrier Event Determination Day. For the purpose of determining whether a Barrier Event (intraday) has occurred on any day, the definition of Market Disruption Event shall be amended such that (i) all references to "during the one-hour period that ends at the relevant Valuation Time" shall be deleted, and (ii) in sub-paragraph (b) each reference to "Valuation Time" and "Scheduled Closing Time" shall be construed as a reference to "Barrier Event Valuation Time (intraday)".

"**Barrier Event Valuation Time (intraday)**" means any time during the regular trading session (without regard to any after hours or any other trading outside of the regular session) on the Exchange.

"**Barrier Level**" means, in respect of a Fund Share, such price for such Fund Share as is specified in the applicable Final Terms.

"**Basket of Funds**" means a basket composed of Fund Shares in their relative proportions or number of Fund Shares, as specified under "Weighting" in the applicable Final Terms.

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

"**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"**ETF**" means any fund which is an exchange traded fund as specified in the applicable Final Terms, or if not so specified, any fund which the Calculation Agent determines to be an Exchange Traded Fund.

"**Exchange**" means, in relation to a Fund Share, the exchange or principal trading market for such ETF specified in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such ETF has temporarily relocated.

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

"**Fund Performance**" means unless otherwise specified in the applicable Final Terms, in respect of a Fund Share and any relevant date, an amount (expressed as a percentage) determined by the Calculation Agent equal to (a) the Fund Share Closing Price of such Fund Share on such day, divided by (b) the Initial Price of such Fund Share.

"**Fund Share**" means a share of each ETF, and references to "**holder of Fund Shares**" and "**Fund Shareholder**" shall be construed accordingly.

"**Fund Share Closing Price**" means, in respect of a Fund Share and any relevant date, subject to these Conditions, an amount equal to the official closing price of such Fund Share quoted on the relevant Exchange as determined by the Calculation Agent on such date.

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

"**Initial Price**" means, in respect of a Fund Share, unless otherwise specified in the applicable Final Terms, the Fund Share Closing Price of such Fund Share on the Strike Date or Pricing Date (as applicable), subject to adjustment in accordance with these Conditions.

"**Observation Cut-Off Date**" means the eighth Scheduled Trading Day (or, where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Observation Date or, if earlier, the Scheduled Trading Day (or, where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on

such Observation Date, provided that the Observation Cut-Off Date shall not fall prior to the original date on which such Observation Date was scheduled to fall.

"**Observation Date**" means each date specified as such in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day (or, where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Observation Cut-Off Date. If any such day is a Disrupted Day, then:

(a) where the Fund Linked Notes relate to a single Fund, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Observation Cut-Off Date;

(b) where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Observation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or, if earlier, the Observation Cut-Off Date) and the Observation Date for each Fund Share affected (each an "**Affected Fund Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day relating to the Affected Fund Share. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for such Fund Share (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Fund Share, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using its good faith estimate of the price for such Fund Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions;

(c) where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Observation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or if the Scheduled Observation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Observation Cut-Off Date) and the Observation Date for each Fund Share affected (each an "**Affected Fund Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date (or if the Scheduled Observation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled

Trading Day) up to, and including, the Observation Cut-Off Date is a Disrupted Day relating to the Affected Fund Share. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for such Fund Share (notwithstanding the fact that such day may be a Disrupted Day for a Fund Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Fund Share, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using its good faith estimate of the price for such Fund Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions; or

(d) where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Observation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Fund Share, unless each of the Common Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day for one or more Fund Shares. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date (notwithstanding the fact that such day may be a Disrupted Day for a Fund Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to each Fund Share for which the Observation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using its good faith estimate of the price for such Fund Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions.

"**Observation Date (Closing Valuation)**" means, if specified to be applicable in the relevant Final Terms, in respect of a Fund and an Observation Period, and unless otherwise provided in the relevant Final Terms, each Scheduled Trading Day which is not a Disrupted Day for the Fund Shares of such Fund falling in the Observation Period.

"**Observation Period**" means, in respect of a Fund Share:

(a) if "**Extension**" is specified in the applicable Final Terms to be applicable, each period commencing on, the Observation Period Start Date, following adjustment of such date pursuant to these Conditions or as specified in the applicable Final Terms, if applicable (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, following adjustment of such date pursuant to these Conditions or as specified in the applicable Final Terms, if applicable (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms); or

(b) if "**No Extension**" is specified in the applicable Final Terms to be applicable, each period commencing on the Observation Period Start Date, prior to any adjustment of such date pursuant to these Conditions or as specified in the applicable Final Terms, if applicable (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, prior to any adjustment of such date pursuant to these Conditions or as specified in the applicable Final Terms, if applicable (and including or

excluding such Observation Period End Date, as specified in the applicable Final Terms).

"**Observation Period End Date**" means, in respect of a Fund Share, each date specified as such in the applicable Final Terms, subject to adjustment in accordance with the provisions of "Observation Date", "Valuation Date" or otherwise as specified in the applicable Final Terms, if applicable.

"**Observation Period Start Date**" means, in respect of a Fund Share, each date specified as such in the applicable Final Terms, subject to adjustment in accordance with the provisions of "Observation Date", "Valuation Date" or otherwise as specified in the applicable Final Terms, if applicable.

"**Pricing Date**" means the date specified as such in the Final Terms.

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

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

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

"**Scheduled Trading Day**" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

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

"**Strike Date**" means the date specified as such in the applicable Final Terms.

"**Underlying Index**" means the underlying index specified in the applicable Final Terms.

"**Valuation Cut-Off Date**" means the eighth Scheduled Trading Day (or, where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Valuation Date, or, if earlier, the Scheduled Trading Day (or, where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" is applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Valuation Date, provided that the Valuation Cut-Off Date shall not fall prior to the original date on which such Valuation Date was scheduled to fall.

"**Valuation Date**" means each Valuation Date specified in the applicable Final Terms, or if that is not a Scheduled Trading Day the immediately following Scheduled Trading Day (or, where the Fund

Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" is applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Valuation Cut-Off Date. If such day is a Disrupted Day, then:

(a) where the Fund Linked Notes relate to a single Fund, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days up to, and including, the Valuation Cut-Off Date is a Disrupted Day. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date;

(b) where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" is not applicable, the Valuation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Fund Share affected (each an "**Affected Fund Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Fund Share. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Fund Share (notwithstanding the fact that such day may be a Disrupted Day and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Fund Share, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using its good faith estimate of the price for the Affected Fund Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions;

(c) where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Valuation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Fund Share affected (each an "**Affected Fund Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day) up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Fund Share. In that case, or if such Valuation Date falls on the Valuation Cut- Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Fund Share (notwithstanding the fact that such day may be a Disrupted Day for a Fund Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Fund Share, a price

determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using its good faith estimate of the price for such Fund Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions; or

(d) where the Fund Linked Notes relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Valuation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Fund Share, unless each of the Common Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day for one or more Fund Shares. In that case, or if the Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day for a Fund Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to each Fund Share for which the Valuation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using its good faith estimate of the price for such Fund Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions.

"**Valuation Time**" means the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date in relation to each Fund Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

2.2 **Market Disruption**

"**Market Disruption Event**" means, in respect of a Fund Share:

(a) the occurrence or existence at any time during the one-hour period that ends at the relevant Valuation Time:

(i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:

(A) relating to the relevant Fund Share on such Exchange; or

(B) relating to securities that comprise 20 per cent. or more of the level of the relevant Underlying Index or any relevant successor index; or

(C) in futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange, or

(ii) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to (A) effect transactions in, or obtain market values for, the Fund Shares on the Exchange, (B) effect transactions in, or obtain market values for securities that comprise 20 per cent. or more of the level of the

relevant Underlying Index, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange; or

(b) the closure on any Exchange Business Day of any relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange on such Exchange Business Day or, if earlier, (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material.

For the purpose of determining whether a Market Disruption Event exists in respect of a Fund Share at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the relevant Underlying Index at that time, then the relevant percentage contribution of that security, to the level of the relevant Underlying Index shall be based on a comparison of (a) the portion of the level of the relevant Underlying Index attributable to that security, and (b) the overall level of the relevant Underlying Index immediately before the occurrence of such Market Disruption Event. The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 15 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Disrupted Day.

2.3 **Potential Adjustment Event**

"**Potential Adjustment Event**" means any of the following:

(a) a subdivision, consolidation or reclassification of relevant Fund Shares (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Fund Shares to existing holders by way of bonus, capitalization or similar issue;

(b) a distribution, issue or dividend to existing holders of the relevant Fund Shares of (i) such Fund Shares or (ii) other share capital or securities granting the right to payment of dividends and/ or the proceeds of liquidation of the ETF equally or proportionately with such payments to holders of such Fund Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the ETF as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(c) an extraordinary dividend as determined by the Calculation Agent;

(d) a call by the ETF in respect of relevant Fund Shares that are not fully paid;

(e) a repurchase by the ETF or any of its subsidiaries of relevant Fund Shares, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(f) in respect of an ETF, an event that results in any shareholder rights being distributed or becoming separated from Fund Shares of common stock or other shares of the capital stock of the ETF pursuant to a shareholder rights plan or arrangement directed

against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(g) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Shares.

Following a Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect and (b) determine the effective date(s) of that adjustment(s). The Calculation Agent may, but need not, determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Fund Shares traded on such options exchange.

Upon the making of any such adjustment, the Calculation Agent shall as soon as is reasonably practicable under the circumstances give notice to the Holders in accordance with General Condition 15 (*Notices*) stating the adjustment made and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

2.4 De-Listing, Insolvency, Material Underlying Event, Merger Date, Merger Event, Nationalization, Tender Offer

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

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

"**Material Underlying Event**" means any of the following:

(a) the investment objectives and/or policies in respect of the ETF are materially changed;

(b) an illegality occurs or a relevant authorization or licence is revoked in respect of the ETF and/ or the ETF is required by a competent authority (other than any holder of the Fund Shares) to redeem any Fund Shares;

(c) there is a change in any relevant jurisdiction in respect of any payments made by the ETF in respect of any Fund Share as a result of which the amounts paid or to be paid by the Issuer in connection with hedging arrangements relating to the Notes are materially reduced or otherwise adversely affected; and/or

(d) any other event occurs in relation to the ETF and/or the Fund Shares which is materially prejudicial to the Issuer in connection with the issue of the Notes or any hedging arrangements relating to the Notes,

as determined by the Calculation Agent.

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

"**Merger Event**" means, in respect of any relevant Fund Shares, any (a) reclassification or change of such Fund Shares that results in a transfer of or an irrevocable commitment to transfer all of such Fund Shares outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of the ETF with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such ETF is the continuing entity and which does not result in any such reclassification or change of all such Fund Shares outstanding) or (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Fund Shares of the relevant ETF that results in a transfer of or an irrevocable commitment to transfer all such Fund Shares (other than such Fund Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the ETF or its subsidiaries with or into another entity in which the ETF is the continuing entity and which does not result in a reclassification or change of all such Fund Shares outstanding but results in the outstanding Fund Shares (other than Fund Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Fund Shares immediately following such event (a "**Reverse Merger**"), in each case if the Merger Date is on or before the Valuation Date (or such other date as is specified in the applicable Final Terms).

"**Nationalization**" means that all the Fund Shares or all or substantially all the assets of an ETF are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

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

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

If a De-Listing, Merger Event, Tender Offer, Nationalization, Insolvency or Material Underlying Event occurs in relation to any Fund Share, the Issuer in its sole and absolute discretion may take the action described in (a), (b) or (c) below:

(a) require the Calculation Agent, in its sole and absolute discretion, to determine the appropriate adjustment(s), if any, to be made to any one or more of the terms of the Conditions and/ or the applicable Final Terms to account for the De-Listing, Merger Event, Tender Offer, Nationalization, Insolvency or Material Underlying Event, as the case may be, and determine the effective date(s) of that adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of the De-Listing, Merger Event, Tender

Offer, Nationalization, Insolvency or Material Underlying Event made by any options exchange to options on the relevant Fund Share traded on that options exchange;

(b) give notice to the Noteholders in accordance with General Condition 15 (*Notices*) , and redeem all, but not less than all, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount, taking into account the Merger Event, Tender Offer, De-listing, Nationalization, Insolvency or Material Underlying Event, as the case may be, less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion; or

(c) following such adjustment to the settlement terms of options on the Fund Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of the terms of the Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Fund Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, Nationalization, Insolvency or Material Underlying Event, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

Upon the occurrence of a Merger Event, Tender Offer, De-listing, Nationalization, Insolvency or Material Underlying Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 15 *(Notices)* stating the occurrence of the Merger Event, Tender Offer, Nationalization, De-listing, Insolvency or Material Underlying Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Merger Event, Tender Offer, De-listing, Nationalization, Insolvency or Material Underlying Event, as the case may be.

3. OTHER EVENTS

This Fund Linked Asset Condition 3 will apply to the Notes unless specified as being not applicable in the applicable Final Terms. Notwithstanding the foregoing provisions of these Fund Linked Asset Conditions, if any other event occurs which the Calculation Agent determines, acting in good faith, has a material effect on the Notes, then:

(a) the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any such event and determine the date(s) on which any such adjustments will be effective; or

(b) the Issuer may, upon giving notice to the Noteholders in accordance with General Condition 15 (Notices), redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the Fair Market Value Redemption Amount. Payments will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 15 (*Notices*).

Upon the Calculation Agent making a determination pursuant to this Fund Linked Asset Condition 3 (*Other Events*), the Issuer shall give notice as soon as practicable to Noteholders in accordance with General Condition 15 (*Notices*) giving details of such determination.

Chapter 4: Asset Conditions: Physical Delivery Conditions

This chapter sets out additional terms and conditions that apply to Notes where Physical Delivery is specified in the applicable Final Terms.

The following terms and conditions shall apply to the Notes if the applicable Final Terms indicate that Physical Delivery is applicable. These Physical Delivery Conditions are subject to completion in accordance with the applicable Final Terms.

All capitalised terms that are not defined in these Physical Delivery Conditions or elsewhere in the Conditions will have the meanings given to them in the applicable Final Terms.

Unless otherwise specified, references in these Physical Delivery Conditions to a Physical Delivery Condition are to a section or clause of these Physical Delivery Conditions.

1. PHYSICAL DELIVERY

The following provisions apply to Notes where Physical Delivery is specified in the applicable Final Terms.

1.1 Physical Settlement Procedures

(a) Delivery of Entitlement and Asset Transfer Notices

In order to obtain delivery of the Asset Amount(s) in respect of any Note:

(i) if such Note is represented by a Global Note, the relevant Noteholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Fiscal Agent or, in the case of Registered Notes, the Registrar and the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice substantially in the form set out in the Agency Agreement (the "**Asset Transfer Notice**"); and

(ii) if such Note is in definitive form, the relevant Noteholder must deliver to any Paying Agent, with a copy to the Fiscal Agent or, in the case of Registered Notes, the Registrar and the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice.

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, or (ii) if such Note is in definitive form, in writing.

If this Note is in definitive form, this Note must be delivered together with the duly completed Asset Transfer Notice.

The delivery of the Asset Amount shall be made at the risk of the relevant Noteholder in the manner and in the place (if any) specified in the applicable Final Terms or in such other commercially reasonable manner as the Issuer shall, in its sole discretion, determine to be appropriate for such delivery and shall notify to the Noteholders in accordance with General Condition 15 (*Notices*).

All expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities, transfer and/or other taxes or duties (together, "**Delivery Expenses**") arising from the redemption of the Notes and the delivery and/or transfer of any Asset Amount shall be for the account of the relevant Noteholder and no delivery and/or transfer of any Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

An Asset Transfer Notice must:

(i) specify the name, address and contact telephone number of the relevant Noteholder, any account details required for delivery as set out in the applicable Final Terms and the person from whom the Issuer may obtain details for the delivery of the Asset Amount if such delivery is to be made otherwise than in the manner specified in the applicable Final Terms;

(ii) in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject of such notice and the number of the Noteholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Notes and irrevocably instruct and authorize Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Noteholder's account with such Notes on or before the Maturity Date;

(iii) include an undertaking to pay all Delivery Expenses and, in the case of Notes represented by a Global Note, an authority to debit a specified account of the Noteholder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Delivery Expenses;

(iv) include such details as are required by the applicable Final Terms for delivery of the Asset Amount, which may include account details and/or the name and address of any person(s) into whose name evidence of the Asset Amount is to be registered and/or any bank, broker or agent to whom documents evidencing the Asset Amount are to be delivered and specify the name and number of the Holder's account to be credited with any cash payable by the Issuer, in respect of any cash amount constituting the Asset Amount or any dividends relating to the Asset Amount, as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price;

(v) certify that the beneficial owner of each Note is not a United States Person (as defined in the Asset Transfer Notice), the Note is not being redeemed within the United States or on behalf of a United States Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with any redemption thereof; and

(vi) authorize the production of such notice in any applicable administrative or legal proceedings.

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

In the case of Notes represented by a Global Note, upon receipt of such notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person specified therein as the Noteholder is the holder of the specified nominal amount of Notes according to its books.

Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Fiscal Agent or, in the case of Registered Notes, the Registrar, the series number and number of Notes the subject of such notice, the relevant account details (if applicable) and the details for the delivery of the Asset Amount in respect of each such Note. Upon receipt of such confirmation, the Fiscal Agent or, in the case of Registered Notes, the Registrar will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Delivery Date (defined below) debit the securities account of the relevant Holder with the Notes the subject of the relevant Asset Transfer Notice.

Failure to complete properly and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Physical Delivery Conditions shall be made, in the case of Notes represented by a Global Note, by Euroclear or Clearstream, Luxembourg, as the case may be, after consultation with the Fiscal Agent or, in the case of Registered Notes, the Registrar and the Issuer and shall be conclusive and binding on the Issuer and the relevant Noteholder and, in the case of Notes in definitive form, by the relevant Paying Agent after consultation with the Fiscal Agent or, in the case of Registered Notes, the Registrar and the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of Euroclear or Clearstream, Luxembourg, as the case may be, or the relevant Paying Agent, in each case in consultation with the Fiscal Agent or, in the case of Registered Notes, the Registrar and the Issuer, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

Euroclear, Clearstream, Luxembourg, the relevant Paying Agent or, in the case of Registered Notes, the Registrar, as applicable, shall use its best efforts promptly to notify the Noteholder submitting an Asset Transfer Notice if, in consultation with the Fiscal Agent or, in the case of Registered Notes, the Registrar and the Issuer, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Paying Agents, Euroclear, Clearstream, Luxembourg, the Fiscal Agent or the Registrar shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Noteholder.

Subject as provided in these Physical Delivery Conditions, the Asset Amount will be delivered at the risk of the relevant Noteholder, in the manner provided above on the Maturity Date (such date, subject to adjustment in accordance with these Physical Delivery Conditions, the "**Delivery Date**"), provided that the Asset Transfer Notice is duly delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Fiscal Agent or, in the case of Registered Notes, the Registrar and the Issuer, as provided above, not later than the close of business in each place of receipt on the Cut-Off Date.

If an Asset Transfer Notice is delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Fiscal Agent or, in the case of Registered Notes, the Registrar and the Issuer, later than the close of business in each place of receipt on the Cut-Off Date, then the Asset Amount will be delivered as soon as practicable after the Maturity Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Noteholder in the manner provided above. If in respect of a Note an Asset Transfer Notice is not delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Fiscal Agent or, in the case of Registered Notes, the Registrar and the Issuer, later than the close of business in each place of receipt on the 90th calendar day following the Cut-off Date the Issuer's obligations in respect of such Note shall be discharged and no further liability in respect thereof shall attach to the Issuer. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment,

whether of interest or otherwise, as a result of such Delivery Date falling after the originally designated Delivery Date and no liability in respect thereof shall attach to the Issuer.

Delivery of the Asset Amount in respect of the Notes is subject to all applicable laws, regulations and practices in force on the Delivery Date, and none of the Issuer or any of its Affiliates or agents, the Paying Agents or the Registrar shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer or any of its Affiliates or agents, the Paying Agents or the Registrar shall under any circumstances be liable for any acts or defaults of Euroclear or Clearstream, Luxembourg in relation to the performance of their duties in relation to the Notes.

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

Where the Asset Amount comprises equity securities, any dividend or other distribution in respect of such Asset Amount will be payable to the party that would receive such dividend or other distribution according to market practice for a sale of the Underlying Equity executed on the Delivery Date and to be delivered in the same manner as the Asset Amount. Any such dividend or other distribution to be paid to a Noteholder shall be paid to the account specified in the relevant Asset Transfer Notice.

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

(b) Settlement Disruption Event

If, prior to the delivery of the Asset Amount in accordance with these Physical Delivery Conditions, a Settlement Disruption Event is subsisting, then the Delivery Date in respect of such Note shall be postponed until the next Settlement Business Day on which no Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Noteholder, in accordance with General Condition 15 (*Notices*). Such Noteholder shall not be entitled to any payment, whether of interest or otherwise, on such Note as a result of any delay in the delivery of the Asset Amount pursuant to this Chapter 4. Where delivery of the Asset Amount has been postponed as provided in this paragraph the Issuer shall not be in breach of these Physical Delivery Conditions and no liability in respect thereof shall attach to the Issuer.

For so long as delivery of the Asset Amount in respect of any Note is not practicable by reason of a Settlement Disruption Event, then in lieu of Physical Delivery and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election (the "**Election Notice**") is given to the Noteholders in accordance with General Condition 15 (*Notices*). Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 15 (*Notices*).

For the purposes of this Chapter 4:

"**Disruption Cash Settlement Price**" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount equal to the fair market value of the relevant Note (but not taking into account any interest accrued on such Note as such interest shall be paid pursuant to Physical Delivery Conditions 4 and 15) on such day as shall be selected by the Issuer in its sole and absolute discretion provided that such day is not more than 15 days before the date that the Election Notice is given as provided above less the costs to the Issuer and/or any Affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realizing any Relevant Asset or other instruments of any type whatsoever which the Issuer and/or any of its Affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion;

"**Settlement Disruption Event**" means an event beyond the control of the Issuer, as a result of which, in the opinion of the Calculation Agent, delivery of the Asset Amount by or on behalf of the Issuer in accordance with these Physical Delivery Conditions and/or the applicable Final Terms is not practicable.

(c) Failure to Deliver due to Illiquidity

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

(i) subject as provided elsewhere in these Physical Delivery Conditions and/or the applicable Final Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Delivery Date in accordance with this Chapter 4; and

(ii) in respect of any Affected Relevant Assets, notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to pay to the relevant Noteholder the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date the Failure to Deliver Notice (as defined below) is given to the Noteholders in accordance with General Condition 15 (*Notices*). Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with General Condition 15 (*Notices*). The Issuer shall give notice (such notice a "**Failure to Deliver Notice**") as soon as reasonably practicable to the Noteholders in accordance with General Condition 15 (*Notices*) that the provisions of this Chapter 4 apply.

(d) Option to Vary Settlement

If the applicable Final Terms indicates that the Issuer has an option to vary settlement in respect of the Notes, the Issuer may at its sole and unfettered discretion in respect of each such Note, elect not

to pay the relevant Noteholders the Final Redemption Amount or to deliver or procure delivery of the Asset Amount to the relevant Noteholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Asset Amount or make payment of the Final Redemption Amount on the Maturity Date to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with General Condition 15 (*Notices*).

In these Physical Delivery Conditions:

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

"**Failure to Deliver Settlement Price**" means, in respect of each nominal amount of the Notes equal to the Calculation Amount, the fair market value of the Affected Relevant Assets on the fifth Business Day prior to the date on which the Failure to Deliver Notice is given as provided above, less the proportionate cost to the Issuer and/or its Affiliates of unwinding or adjusting any underlying or related hedging arrangements in respect of the Notes, all as calculated by the Calculation Agent in its sole and absolute discretion.

ANNEX 2 – INTEREST PAYOFF CONDITIONS

This annex sets out additional terms and conditions that may apply to the interest in respect of the Notes.

The terms and conditions applicable to the Linked Interest Rate on Linked Interest Notes shall comprise the General Conditions and the Additional Conditions, in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Additional Conditions, the Additional Conditions shall prevail.

If the applicable Final Terms specify that an Interest Payoff is specified in the applicable Final Terms as applicable, such Interest Payoff shall only apply for the purposes of determining the relevant Linked Interest Rate in accordance with such Interest Payoff.

*The following conditions comprise the terms and conditions (the "**Interest Payoff Conditions**") that shall apply to the Notes if the applicable Final Terms indicate that one or more of the Interest Payoff Conditions is applicable. Only those conditions containing a payoff specified in the applicable Final Terms to be applicable will apply to a particular Series of Notes. The Interest Payoff Conditions are subject to completion in accordance with the applicable Final Terms.*

The interest payable (if any) on the Notes may (i) be calculated using the Linked Interest Rate determined in accordance with one of the conditions which follow (as may be specified in the applicable Final Terms), or (ii) be affected by an Interest Payoff which is dependent on the Linked Interest Rate determined in accordance with one of the annexes which follow (as may be specified in the applicable Final Terms and as described in greater detail in (Interest Payoff Conditions)).

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Interest Payoff Conditions

All capitalised terms that are not defined in these Interest Payoff Conditions or elsewhere in the Conditions (including, without limitation, in the Definitions Condition) will have the meanings given to them in the applicable Final Terms.

"**Coupon Barrier Event**" means, in respect of an interest valuation date, the official closing price or level of the Underlying on such interest valuation date is [greater than] [greater than or equal to] [less than] [less than or equal to] (as specified in the applicable Final Terms) the Coupon Barrier Level in respect of such Underlying, as determined by the Calculation Agent.

1. FIXED INTEREST

If the Final Terms specifies the applicable Interest Payoff Condition for an Interest Accrual Period to be Fixed Amount, the Interest Amount applicable to such Interest Accrual Period shall be calculated in accordance with General Condition 4.1 (*Interest on Fixed Rate Notes*).

2. FIXED INTEREST, WITH CONDITIONAL BONUS COUPON

2.1 If the Final Terms specifies the applicable Interest Payoff Condition for an Interest Accrual Period to be Fixed Amount plus Conditional Bonus Amount the Interest Amount applicable in respect of such Interest Accrual Period shall be the amount calculated in accordance with General Condition 4.1 (*Interest on Fixed Rate Notes*) plus a Conditional Interest Amount calculated in accordance with Interest Payoff Condition 2.2.

2.2 On each Interest Payment Date and the Interest Valuation Date falling immediately prior to such Interest Payment Date:

(A) if a Coupon Barrier Event has not occurred in respect of the relevant such Interest Valuation Date, as determined by the Calculation Agent, the Conditional Interest Amount in respect of each Note payable on such Interest Payment Date shall be calculated by multiplying the specified Interest Rate by the Calculation Amount; or

(B) if a Coupon Barrier Event has occurred in respect of such Interest Valuation Date, as determined by the Calculation Agent, the Conditional Interest Amount in respect of each Note payable on such Interest Payment Date shall be **zero**.

3. CONDITIONAL COUPON

If the Final Terms specifies the applicable Interest Payoff Condition for an Interest Accrual Period to be Conditional Amount:

(A) if a Coupon Barrier Event has not occurred in respect of the relevant Interest Valuation Date, as determined by the Calculation Agent, the Interest Amount in respect of each Note payable on the corresponding Interest Payment Date shall be calculated by multiplying the specified Interest Rate by the Calculation Amount; or

(B) if a Coupon Barrier Event has occurred in respect of such Interest Valuation Date, as determined by the Calculation Agent, the Interest Amount in respect of each Note payable on the corresponding Interest Payment Date shall be **zero**.

4. FLOATING RATE INTEREST

If the Final Terms specifies the applicable Interest Payoff Condition for an Interest Accrual Period to be Floating Rate, the Interest Rate applicable to such Interest Accrual Period shall be calculated in accordance with General Condition 4.2 (*Interest on Floating Rate Notes*).

5. PHOENIX WITHOUT MEMORY INTEREST

If the Final Terms specifies the applicable Interest Payoff Condition for an Interest Accrual Period to be Phoenix Without Memory Interest:

(A) if a Coupon Barrier Event has not occurred in respect of the relevant Interest Valuation Date, as determined by the Calculation Agent, the Interest Amount payable on the corresponding Interest Payment Date shall be calculated by multiplying the specified Interest Rate by the Calculation Amount; or

(B) if a Coupon Barrier Event has occurred in respect of such Interest Valuation Date, as determined by the Calculation Agent, the Interest Amount payable on the corresponding Interest Payment Date shall be **zero**.

6. PHOENIX WITH MEMORY INTEREST

If the Final Terms specifies the applicable Interest Payoff Condition for an Interest Accrual Period to be Phoenix With Memory Interest:

(i) if a Coupon Barrier Event has not occurred in respect of the relevant Interest Valuation Date, as determined by the Calculation Agent, the Interest Amount payable on the corresponding Interest Payment Date shall be calculated in accordance with the following formula:

$$(CA\ x\ Memory\ Interest\ Value\ x\ t) - APCA$$

(ii) if a Coupon Barrier Event has occurred in respect of such Interest Valuation Date, as determined by the Calculation Agent, the Interest Amount payable on the corresponding Interest Payment Date shall be **zero**.

"APCA" or "Aggregate Preceding Coupon Amounts", means the sum of each Interest Amount paid in respect of one Note on all Interest Payment Date(s) (if any) preceding the relevant Interest Payment Date.

ANNEX 3 – AUTOMATIC EARLY REDEMPTION CONDITIONS

*The following comprise the terms and conditions (the "**Automatic Early Redemption Conditions**") that shall apply to Notes if the applicable Final Terms indicate that Automatic (Autocall) Early Redemption is applicable. Only those conditions specified in the applicable Final Terms to be applicable will apply to a particular Series of Notes. The Automatic Early Redemption Conditions are subject to completion in accordance with the applicable Final Terms.*

The terms and conditions shall comprise the General Conditions and the Automatic Early Redemption Conditions, in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Automatic Early Redemption Conditions, the Automatic Early Redemption Conditions shall prevail.

These Automatic Early Redemption Conditions apply if "**Automatic (Autocall) Early Redemption**" is specified to be applicable in the relevant Final Terms. If the Calculation Agent determines that an Early Redemption Event in respect of any Early Redemption Valuation Date has occurred, the Issuer shall redeem each Note on the Early Redemption Date scheduled to fall immediately after the date on which such Early Redemption Valuation Date is scheduled to fall by payment of the Early Redemption Amount.

1. AUTOMATIC EARLY REDEMPTION

These Automatic Early Redemption Conditions do not apply to Notes that are Bail-inable Notes. This Automatic Early Redemption Condition applies to all Notes, other than Bail-inable Notes, where the applicable Final Terms specifies 'Automatic (Autocall) Early Redemption' to be Applicable

If either on the Early Redemption Observation Date(s) or during the Early Redemption Observation Period, an Automatic Early Redemption Event occurs, the Issuer will redeem all, but not some only, of the Notes then outstanding on the Early Redemption Date at the Early Redemption Amount together with interest, if any, accrued up to (but excluding) the Early Redemption Date.

2. RELEVANT DEFINED TERMS

For the purposes of these Automatic Early Redemption Conditions, the following terms will have the following meanings:

"**Automatic Early Redemption Event**" means that the Performance_ER is [greater than] [greater than or equal to] [less than] [less than or equal to] (as specified in the applicable Final Terms) the Early Redemption Barrier at the Relevant Timing.

"**Early Redemption Amount**" means, in respect of an early redemption of the Notes pursuant to these Automatic Early Redemption Conditions, the amount specified as the Early Redemption Amount in the applicable Final Terms or, if none is specified, the amount determined in accordance with the relevant Redemption Conditions.

"**Early Redemption Date**" means, in respect of an early redemption of the Notes pursuant to these Automatic Early Redemption Conditions, (a) each Interest Payment Date other than the Maturity Date or (b) the date specified as such in the applicable Final Terms.

"**Early Redemption Observation Date**" means each date specified as such in the applicable Final Terms, and each such date is deemed to be an "Observation Date" for the purposes of the relevant Asset Conditions.

"**Early Redemption Observation Period**" means the period specified as such in the applicable Final Terms.

"**ERB**" or "**Early Redemption Barrier**" means (a) the amount or (b) the percentage of the Initial Price, in each case, as specified in the applicable Final Terms.

"**Initial Price**" means, in respect of an early redemption of the Notes pursuant to these Automatic Early Redemption Conditions, in respect of an Underlying Asset, the price or level for such Underlying Asset as specified in the applicable Final Terms.

"**Performance_ER**" means:

(a) if the Final Terms specifies the 'Underlying Performance Type' to be 'Single Asset', then, in relation to a Scheduled Trading Day, the Valuation Price divided by the Initial Price, each in relation to the sole Underlying Asset;

(b) if the Final Terms specifies the 'Underlying Performance Type' to be "All Assets" then, in relation to a Scheduled Trading Day, the Valuation Price of all Underlying Assets on such Scheduled Trading Day;

(c) if the Final Terms specifies the 'Underlying Performance Type' to be 'Worst-of' then, in relation to a Scheduled Trading Day, the Valuation Price of the Worst Performing Underlying Asset divided by the Initial Price of the Worst Performing Underlying Asset, all as calculated on such Scheduled Trading Day;

(d) if the Final Terms specifies the 'Underlying Performance Type' to be 'Basket' then, in relation to a Scheduled Trading Day, the sum of the Weighted Asset Performance in respect of each Underlying Asset in the Basket.

"**Relevant Timing**" has the meaning set out in the applicable Final Terms.

"**Valuation Date**" means each date as specified in the Final Terms.

"**Valuation Price**" means, in relation to an Underlying Asset and a Valuation Date, as determined by the Calculation Agent:

(a) if the Final Terms specifies 'Averaging-out' to be 'Applicable', the arithmetic average of the price, or in respect of an index, the level, of the Underlying Asset on each of the Averaging Dates corresponding to the Valuation Date;

(b) if the Final Terms specifies 'Min Lookback' to be 'Applicable', the lowest price, or in respect of an index, the level, of the Underlying Asset observed on each of the Lookback Dates corresponding to the Valuation Date;

(c) if the Final Terms specifies 'Max Lookback' to be 'Applicable', the maximum price, or in respect of an index, the maximum level, of the Underlying Asset observed on each of the Lookback Dates corresponding to the Valuation Date; or

(d) the amount specified as such in the applicable Final Terms; or

(e) if none of items (a) to (d) applies, the official closing price, or in respect of an index, the level, of the Underlying Asset on the Valuation Date.

"**Weighted Asset Performance**" has the meaning set out in the Definitions Condition.

"**Worst Performing Underlying Asset**" means, in relation to a Scheduled Trading Day, the Underlying Asset with the lowest Performance_ER on such day, provided that, in each case, where more than one Underlying Asset has the same lowest Performance_ER price, or in respect of an Index, the level, of the Underlying Asset, the Calculation Agent shall select which of the Underlying Assets with the same lowest Performance_ER shall be the Worst Performing Underlying Asset.

ANNEX 4 – REDEMPTION METHOD CONDITIONS

*This annex sets out additional terms and conditions (the "**Redemption Method Conditions**") relating to the redemption payments or deliveries in respect of a Series of Notes other than a redemption pursuant to General Condition 5.4 (Redemption Amounts) or Annex 5 (Preference Share Linked Notes).*

The terms and conditions applicable to a Redemption Method (as defined below) of Index Linked Notes, Equity Linked Notes or Fund Linked Notes shall comprise the General Conditions and the Additional Conditions, in each case subject to completion in the applicable Final Terms.

If the applicable Final Terms specify that a Redemption Method Condition is applicable for the purposes of a Redemption Determination Date in respect of the Final Redemption Amount, or an Early Redemption Amount, as the case may be, such Redemption Method Condition shall only apply for the purposes of determining the Final Redemption Amount or Early Redemption Amount in accordance with the applicable Redemption Method Condition.

The following terms and conditions (the "**Redemption Method Conditions**") shall apply to the Notes. Only those Redemption Method Conditions containing an applicable Redemption Method specified in the applicable Final Terms for the purposes of a Redemption Determination Date in respect of the Final Redemption Amount or an Early Redemption Amount will apply to a particular Series of Notes for determining such amount. These Redemption Method Conditions are subject to completion in accordance with the applicable Final Terms.

1. DEFINITIONS AND INTERPRETATION

For the purposes of these Redemption Method Conditions, the following terms shall have the following meanings:

"**Affiliate**" has the meaning set out in the Definitions Condition.

"**Calculation Amount Factor**" has the meaning set out in the Definitions Condition.

"**Early Redemption Amount**" is the amount determined in accordance with the Redemption Method specified as applicable for Early Redemption Amount or otherwise as specified in the applicable Final Terms.

"**Early Redemption Date**" has the meaning set out in the Definitions Condition.

"**Early Redemption Level**" means the percentage specified as such in the applicable Final Terms.

"**Final Price**" has the meaning set out in the Definitions Condition.

"**Final Redemption Amount**" is the amount determined in accordance with the Redemption Method specified as applicable for the Final Redemption Amount in the applicable Final Terms, provided that if the Final Redemption Amount is lower than PL multiplied by the Nominal Amount, the Final Redemption Amount will be deemed to be equal to PL multiplied by the Nominal Amount.

"**Final Redemption Percentage**" means the percentage specified as such in the applicable Final Terms.

"**Final Underlying Price**" means, in respect of any relevant day, the Final Price of the Underlying Asset.

"Final Underlying Price (Worst)" means, in respect of any relevant day, the Final Price of the Worst Performing Underlying Asset.

"**Initial Price**" has the meaning set out in the Definitions Condition.

"**Initial Underlying Price**" means the Initial Price of the Underlying Asset.

"Initial Underlying Price (Worst)" means the Initial Price of Worst Performing Underlying Asset.

"**Kick-in Event**" means the official closing price of an Underlying is [greater than] [greater than or equal to] [less than] [less than or equal to] (as specified in the applicable Final Terms) the Kick-in Level on the Valuation Date.

"**Kick-in Level**" means the price or level specified in the applicable Final Terms.

"**Nominal Amount**" means:

(a) for the purposes of determining the Final Redemption Amount:

(i) in the case of Notes that are represented by a Global Note, either (i) the aggregate outstanding nominal amount of the Notes represented by such Global Note or (ii) the nominal amount represented by the Specified Denomination (or, if more than one, the lowest Specified Denomination), all as provided in the applicable Final Terms; or

(ii) in the case of Notes in definitive form, the product of the Calculation Amount and the Calculation Amount Factors,

provided that in the case of any Note where the Final Redemption Amount is determined by reference to the relevant Asset Conditions, the Nominal Amount attributable to each Note shall be the Specified Denomination of such Note; or

(b) for the purposes of determining the Early Redemption Amount:

(i) in the case of Notes that are represented by a Global Note, either (i) the aggregate outstanding nominal amount of the Notes represented by such Global Note or (ii) the nominal amount represented by the Specified Denomination (or, if more than one, the lowest Specified Denomination), all as provided in the applicable Final Terms; or

(ii) in the case of Notes in definitive form, the product of the Calculation Amount and the Calculation Amount Factor,

provided that in the case of any Note where the Early Redemption Amount is determined by reference to the relevant Asset Conditions, the Nominal Amount attributable to each Note shall be the Specified Denomination of such Note.

"**PL**" ("**Protection Level**") means the percentage or number specified as such in the applicable Final Terms.

"**Redemption Determination Date**" means (a) for the purposes of determining the Final Redemption Amount, the date specified as the Redemption Determination Date in the applicable Final Terms, or (b) for the purposes of determining an Early Redemption Amount, the date falling such number of Business Days as specified in the applicable Final Terms prior to the Early Redemption Date, and each such date shall be deemed to be an "Observation Date" for the purposes of the relevant Asset Conditions. If Redemption Determination Date is not specified in the applicable Final Terms, the Redemption Determination Date shall be, as the case may be, the date that is the Redemption Observation Date or the latest Redemption Observation Date (if more than one) or the latest Observation Date of the relevant Redemption Observation Period.

"**Redemption Method**" means the relevant redemption payoff determined in accordance with the relevant Redemption Method Condition as specified in the applicable Final Terms for the purposes of a Redemption Determination Date in respect of the Final Redemption Amount or an Early Redemption Amount.

"**Redemption Unwind Costs**" means, in respect of each Note, if Redemption Unwind Costs is specified as applicable in the applicable Final Terms, (i) in the case of an Early Redemption Amount, an amount, equal to such Note's pro rata portion of the value (determined in the currency in which the Notes are denominated) of any losses, expenses and costs to the Issuer and/or any of its Affiliates who may have hedged the price risk of the Notes and any loss of tax relief or other tax consequences of unwinding or adjusting any underlying or related swap agreement or other hedging arrangements, as calculated by the Calculation Agent in its sole discretion or (ii) in the case of a Final Redemption Amount, zero (0).

"**Reference Price Percentage**" means:

(a) the percentage of the Nominal Amount of the Notes as specified in the applicable Final Terms; or

(b) if multiple percentages are specified in the applicable Final Terms, the percentage of the Nominal Amount of the Notes corresponding to the relevant point of determination of the Final Redemption Amount or an Early Redemption Amount, as the case may be; or

(c) 100 per cent. plus an amount equal to $C \times \frac{n}{N}$, where C, n and N are specified in the applicable Final Terms; or

(d) the Early Redemption Level as specified in the applicable Final Terms.

"**Strike Price**" means, in respect of an Underlying Asset, the percentage or amount specified as such in the applicable Final Terms.

"**Strike Price (Worst)**" means the Strike Price of the Worst Performing Underlying Asset.

"**Worst Performing Underlying Asset**" means, in relation to an Underlying Asset and a Valuation Date, the Underlying Asset that has an official closing price or level that is less than the Strike Price, as determined by the Calculation Agent, provided that where more than one Underlying Asset has an official closing price or level that is less than the Strike Price, the Calculation Agent shall select which of the Underlying Assets shall be the Worst Performing Underlying Asset.

2. STANDARD REDEMPTION

If "Standard Redemption" is specified in the applicable Final Terms to be applicable for the purposes of a Redemption Determination Date in respect of the Final Redemption Amount, or an Early Redemption Amount, any such amount, as the case may be, will be equal to:

Reference Price Percentage x Nominal Amount - Redemption Unwind Costs

as determined by the Calculation Agent on the Redemption Determination Date.

3. REVERSE CONVERTIBLE

If "Reverse Convertible" is specified in the applicable Final Terms and the Notes have not been redeemed prior to the Valuation Date, for the purposes of a Redemption Determination Date in respect of the Final Redemption Amount or an Early Redemption Amount, any such Final Redemption Amount or Early Redemption Amount, as the case may be, will be equal to:

(a) if the Calculation Agent determines there has not been a Kick-in Event:

Calculation Amount x Final Redemption Percentage

(b) if the Calculation Agent determines there has been a Kick-in Event an amount calculated by the Calculation Agent in accordance with the formula below:

Calculation Amount x $\left(\frac{\text{Final Underlying Price}}{\text{Strike Price}}\right)$

4. REVERSE CONVERTIBLE (WORST OF)

If "Reverse Convertible (Worst of)" is specified in the applicable Final Terms and the Notes have not been redeemed prior to the Valuation Date, for the purposes of a Redemption Determination Date in respect of the Final Redemption Amount or an Early Redemption Amount, any such Final Redemption Amount or Early Redemption Amount, as the case may be, will be equal to:

(a) if the Calculation Agent determines there has not been a Kick-in Event:

Calculation Amount x Final Redemption Percentage

(b) if the Calculation Agent determines there has been a Kick-in Event an amount calculated by the Calculation Agent in accordance with the formula below:

Calculation Amount x $\left(\frac{\text{Final Underlying Price (Worst)}}{\text{Strike Price (Worst)}}\right)$

5. BARRIER REVERSE CONVERTIBLE

If "Barrier Reverse Convertible" is specified in the applicable Final Terms and the Notes have not been redeemed prior to the Valuation Date, for the purposes of a Redemption Determination Date in respect of the Final Redemption Amount, or an Early Redemption Amount, any such Final Redemption Amount or Early Redemption Amount, as the case may be, will be equal to:

(a) if the Calculation Agent determines that a Kick-in Event has not occurred:

Calculation Amount x Final Redemption Percentage

(b) if the Calculation Agent determines that a Kick-in Event has occurred an amount calculated by the Calculation Agent in accordance with the formula below:

Calculation Amount x $\left(\frac{\text{Final Underlying Price}}{\text{Initial Underlying Price}}\right)$

6. BARRIER REVERSE CONVERTIBLE (WORST OF)

If Barrier Reverse Convertible (Worst of) is specified in the applicable Final Terms and the Notes have not been redeemed prior to the Valuation Date, for the purposes of a Redemption Determination Date in respect of the Final Redemption Amount or an Early Redemption Amount, any such Final Redemption Amount or Early Redemption Amount, as the case may be, will be equal to:

(a) if the Calculation Agent determines there has not been a Kick-in Event:

Calculation Amount x Final Redemption Percentage

(b) if the Calculation Agent determines that a Kick-in Event has occurred, an amount calculated by the Calculation Agent in accordance with the formula below:

Calculation Amount x $\left(\frac{\text{Final Underlying Price (Worst)}}{\text{Initial Underlying Price (Worst)}}\right)$

ANNEX 5 – PREFERENCE SHARE LINKED CONDITIONS

This annex sets out additional terms and conditions for Notes that are Preference Share Linked Notes. It is only applicable to Notes that are specified to be Preference Share Linked Notes in the applicable Final Terms.

The terms and conditions applicable to Preference Linked Notes shall comprise the General Conditions and the Additional Conditions, in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Additional Conditions, the Additional Conditions shall prevail.

The following terms and conditions (the "**Preference Share Linked Conditions**") shall apply to the Notes if the applicable Final Terms indicate that the Preference Share Linked Conditions are applicable. These Preference Share Linked Conditions are subject to completion in accordance with the applicable Final Terms.

1. DESCRIPTION OF THE PREFERENCE SHARE LINKED NOTES

1.1 General Definitions Relating to Preference Share Linked Notes

For the purposes of these Preference Share Linked Note Conditions, the following terms shall have the meanings set out below:

"**Additional Disruption Event**" means each of a Change in Law, an Insolvency Filing, a Hedging Disruption or an Increased Cost of Hedging, in each case to the extent specified as being applicable in the Final Terms.

"**Change in Law**" means that, on or after the Issue Date (a) due to the adoption of or announcement of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any applicable regulatory authority, tax authority and/or exchange (an "**Applicable Regulation**"), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole discretion that (i) unless Hedging Arrangements are specified as not applicable in the applicable Final Terms, it has or will become illegal or contrary to any Applicable Regulation for the Issuer, any of its affiliates or any entities that are relevant to the Hedging Arrangements to hold, acquire or dispose of Hedge Positions relating to such Preference Share Linked Notes, or (ii) the Issuer, any of its Affiliates or any entities which are relevant to the Hedging Arrangements will incur a materially increased cost in performing its obligations with respect to such Preference Share Linked Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or any requirements in relation to reserves, special deposits, insurance assessments or other requirements.

"**Early Preference Share Redemption Amount**" means, in respect of each Preference Share-Linked Note, an amount in the Specified Currency calculated by the Calculation Agent equal to:

$$\text{Calculation Amount} \times \frac{\text{Preference Share Value}_{\text{Early}}}{\text{Preference Share Value}_{\text{Initial}}}$$

"**Early Preference Share Redemption Date**" means a date upon which the Preference Shares are redeemed prior to their planned maturity, as specified in the relevant Early Preference Share Redemption Notice.

"**Early Preference Share Redemption Event**" means that the Issuer or any of its affiliates has received an Early Preference Share Redemption Notice.

"**Early Preference Share Redemption Notice**" means a notice from the Preference Share Issuer that the Preference Shares are to be redeemed early.

"**Early Preference Share Redemption Valuation Date**" means the second Business Day immediately preceding the date for early redemption of the Preference Share-Linked Notes.

"**Early Redemption Amount**" means, in respect of a Preference Share Linked Note, an amount in the Specified Currency calculated by the Calculation Agent on the same basis as the Final Redemption Amount, as set out in the applicable Final Terms, except that the definition of Preference Share ValueF_{inal} shall be the Preference Share Value on the Early Redemption Valuation Date.

"**Early Redemption Event**" the redemption of the Preference Share Linked Notes pursuant to General Condition 5.3 (*Redemption for tax reasons*), General Condition 5.5 (*Redemption at the Option of the Issuer*", General Condition 10 (*Events of Default*) or General Condition 20 *(Illegality or Force Majeure*).

"**Early Redemption Date**" means the date falling the Early Redemption Notice Period Number of Business Days following the Early Redemption Valuation Date.

"**Early Redemption Valuation Date**" means, in the case of early redemption or termination, as the case may be, of the Preference Share Linked Notes pursuant to the General Conditions or these Preference Share Linked Conditions, the day on which the Issuer determines that the Early Redemption Event, Additional Disruption Event, Extraordinary Event or other event, as the case may be, has occurred.

"**Early Redemption Notice Period Number**" means, in respect of a Series, ten unless a lower number is specified in the Final Terms.

"**Extraordinary Event**" means any of a Merger Event, a Tender Offer, an Insolvency and/or Nationalisation, in each case to the extent specified as being applicable in the Final Terms.

"**Final Valuation Date**" means the date specified as such in the Final Terms, provided that if the Calculation Agent determines that any date for valuation of or any determination in respect of the Preference Share or of the underlying asset or reference basis (or any part thereof) for the Preference Shares otherwise falling on or about such day is delayed in accordance with the Preference Share Terms and Conditions of the Preference Shares for any reason, the Final Valuation Date shall be deemed to be the final such delayed valuation date or determination date(s), all as determined by the Calculation Agent.

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange, (b) stock loan transactions or (c) other instruments or arrangements (howsoever described) by the Issuer or the Calculation Agent in order to hedge, individually or on a portfolio basis, the risk of entering into and performing its obligations with respect to the Preference Share Linked Notes.

"**Hedging Arrangements**" means any hedging arrangements entered into by the Issuer or the Calculation Agent (and/or their respective affiliates) at any time with respect to the Preference Share Linked Notes, including (without limitation) the purchase and/or sale of any securities, any options or futures on such securities or any indices, funds or exchange traded funds in respect of such securities or indices and any associated foreign exchange or financing transactions.

"**Hedging Disruption**" means that the Issuer (and/or any of its affiliates) is unable, after using commercially reasonable efforts, to (a) acquire, establish, re- establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of the Issuer with respect to the Preference Share Linked Notes, or (b) realise, recover, receive, repatriate, transfer or remit the proceeds of any such transaction(s) or asset(s).

"**Increased Cost of Hedging**" means that the Issuer (and/or any of its affiliates) would incur a materially increased (as compared with circumstances existing on the Issue Date of the relevant Preference Share Linked Notes) 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 the Issuer (and/or any of its Affiliates) in issuing or performing its obligations under the Preference Share Linked Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or its affiliates shall not be deemed an Increased Cost of Hedging.

"**Initial Valuation Date**" means the Issue Date or, if the date for valuation of or any determination of the Preference Share or of the underlying asset or reference basis (or any part thereof) for the Preference Shares otherwise falling on or about such day is to be delayed in accordance with the Preference Share Terms and Conditions of the Preference Shares for any reason, the Initial Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent.

"**Insolvency**" means, by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, winding-up, dissolution or analogous proceedings affecting the Preference Share Issuer, (a) all the outstanding Preference Shares issued by such Preference Share Issuer are required to be transferred to any trustee, liquidator or other similar official or (b) holders of the Preference Shares of such Preference Share Issuer become legally prohibited from transferring them.

"**Insolvency Filing**" means, in respect of a Preference Share, that the Issuer or the Calculation Agent determines that the Preference Share Issuer institutes, or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Preference Share Issuer shall not be an Insolvency Filing.

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

"**Merger Event**" means, in respect of any Preference Shares, any (a) reclassification or change of the Preference Shares that results in a transfer of or an irrevocable commitment to transfer all of such Preference Shares outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of the Preference Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Preference Shares outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Preference Shares in the Preference Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Preference Shares (other than such Preference Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the Preference Share Issuer or its subsidiaries with or into another entity in which the Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Preference Shares outstanding but results in the outstanding Preference Shares (other than Preference Shares owned or controlled by such entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Preference Shares immediately following such event, in each case if the Merger Date is on or before the Final Valuation Date or the date on which the Preference Share Value is determined for the purposes of calculating the Early Redemption Amount.

"**Nationalisation**" means that all the shares in the Preference Share Issuer or all the assets or substantially all the assets of the Preference Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality.

"**Preference Shares**" means, in respect of the relevant Notes, the redeemable preference share or preference shares specified as such in the applicable Final Terms.

"**Preference Share Underlying**" means, in respect of the relevant Preference Share Linked Notes and the related Preference Share, the asset or assets specified as such in the Preference Share Terms and Conditions.

"**Preference Share Terms and Conditions**" means the terms and conditions in relation to the Preference Share, which sets out (i) the specific terms and conditions that complete, supplement or amend the general terms and conditions of the Preference Share and (ii) the Preference Share Underlying(s).

"**Preference Share Value**" means, in respect of a Preference Share and any day, the value of such Preference Share on such day, at a time prior to any redemption of such Preference Share, as determined by the Calculation Agent (acting in good faith and in a commercially reasonable manner) and taking into account such factor(s) as the Calculation Agent determines appropriate, including, but not limited to (a) the time remaining to maturity of the Preference Share, (b) if the Preference Share is linked to one or more underlying assets, the value, expected future performance and/or volatility of such underlying asset(s) and (c) any other information which the Calculation Agent determines relevant.

"**Preference Share Value$_{Early}$**" means the Preference Share Value of the Preference Share on the Early Preference Share Redemption Valuation Date.

"**Preference Share Value$_{Final}$**" means the Preference Share Value of the Preference Share on the Final Valuation Date.

"**Preference Share Value$_{Initial}$**" means the Preference Share Value of the Preference Share on the Initial Valuation Date.

"**Tender Offer**" means, in respect of any Preference Shares, 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, more than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Preference Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"**Underlying Reference Asset**" means each Preference Share together with the relevant Preference Share Underlying.

"**Valuation Time**" means the time specified as such in the Final Terms or, if not specified in the Final Terms, means, in respect of any date, the time immediately following the time at which the final preference share redemption(s) in respect of the Preference Share(s) is determined by the Calculation Agent.

1.2 **Final Redemption Amount**

Notwithstanding the redemption provisions set out in Annex 4 (*Redemption Method Conditions*), unless previously redeemed or purchased and surrendered for cancellation, each Preference Share Linked Note will be redeemed by the Issuer on the Maturity Date by payment of the Final Redemption Amount.

The Final Redemption Amount in respect of each Preference Share Linked Note of the Specified Denomination shall be an amount in the Specified Currency determined by the Calculation Agent on the Final Valuation Date in accordance with the following formula:

$$Calculation\ Amount \times \frac{Preference\ Share\ Value_{Final}}{Preference\ Share\ Value_{Initial}}$$

1.3 **Early Redemption**

On occurrence of an Early Redemption Event, each Preference Share Linked Note shall be redeemed on its Early Redemption Date at the Early Redemption Amount.

1.4 **Early redemption on an Early Preference Share Redemption Event**

If an Early Preference Share Redemption Event has occurred, the Issuer shall give notice thereof to the Noteholders in accordance with General Condition 15 (*Notices*) and redeem all of the Preference Share Linked Notes of the relevant Series on the Early Preference Share Redemption Date and shall pay to each Noteholder an amount equal to the Early Preference Share Redemption Amount in respect of the Calculation Amount for each Note held by it. Failure to give valid notice will not invalidate the determination of the Early Preference Share Redemption Event.

1.5 **Extraordinary Events and Additional Disruption Events**

If the Issuer or the Calculation Agent determines that an Extraordinary Event (where specified as applicable in the relevant Final Terms) or an Additional Disruption Event (where specified as applicable in the relevant Final Terms) has occurred, the Issuer in its sole and absolute discretion may (but is not obliged to) give notice to the holders of the Preference Share Linked

Notes in accordance with General Condition 15 (*Notices*) that the Issuer will redeem all, but not some only, of the Preference Share Linked Notes at the Early Redemption Amount on the tenth Business Day immediately following the date on which such determination is made by the Calculation Agent.

1.6 **Additional Provisions**

The following changes shall be made to the General Conditions in respect of each Series of Preference Share Linked Notes:

(a) General Condition 11 (*Redenomination*) will not apply to the Preference Share Linked Notes.

(b) Notwithstanding General Condition 5.4, where the Preference Share Linked Notes are to be redeemed at the Fair Market Value Redemption Amount in accordance with General Condition 5 (*Redemption Amounts*), General Condition 10 (*Events of Default*) or General Condition 20 *(Illegality or Force Majeure*), such Fair Market Value Redemption Amount will be equal to the Early Redemption Amount, as determined by the Calculation Agent in accordance with these Preference Share Linked Conditions.

(c) If Call Option is specified in the applicable Final Terms as being applicable the provisions of General Condition 5.5 shall apply to the Preference Share Linked Notes as if the words “or, if so provided, some only” were deleted.

DESCRIPTION OF THE PREFERENCE SHARES

In respect of each Series of Notes, redeemable preference shares (the "**Preference Shares**") will be issued by Tower Securities Limited (the "**Preference Share Issuer**"), a private company limited by shares incorporated in England on 7 May 2015 (with registered number 9578613), which is independent of the Issuer.

The Preference Share Issuer is governed by the laws of England and Wales and has its registered office at 1 Bartholomew Lane, London, EC2N 2AX, United Kingdom.

A copy of the Preference Share Issuer's constitutional documents and its audited, non-consolidated annual financial statements, when published are available (free of charge) from the registered office of the Preference Share Issuer and from Companies House.

The sole business activity of the Preference Share Issuer is to issue redeemable Preference Shares. Accordingly, the Preference Share Issuer does not have any trading assets and does not generate any significant net income.

The Preference Share Terms and Conditions, and any non-contractual obligations arising out of or in connection with the Preference Share Terms and Conditions, shall be governed by and construed in accordance with English law.

The Notes are not secured by the Preference Shares and, accordingly, only a nominal amount of the Preference Shares are expected to be issued regardless of the principal amount of the applicable issuance of Notes by the Issuer.

Each issuance of Preference Shares will be designated as a specified series (a "**Series of Preference Shares**"). The Final Redemption Amount of each Series of Preference Share Linked Notes will be linked to the percentage change in value of the relevant Series of Preference Shares. The redemption price of the Preference Shares will in turn be linked to the level or performance of a specified index or basket of indices, equity or basket of equities, fund/exchange trade fund or basket of funds/exchange traded funds (the "**Preference Share Underlying**") and on such terms as may be determined by the Preference Share Issuer and specified in the Preference Share Terms and Conditions.

The provisions governing each Series of Preference Shares will be made up of two components:

(i) the general provisions set out in the Articles of Association of the Preference Share Issuer; and

(ii) the particular Preference Share Terms and Conditions that relate to that Series of Preference Shares.

A separate set of Preference Share Terms and Conditions will apply to each Series of Preference Shares and will have features that depend on the type of Note to which they are to be linked. Three sets of pro forma Preference Share Terms and Conditions for the Preference Shares to be issued in connection with the various types of Notes are set out in Annex 6 of this Base Prospectus entitled "*Terms and Conditions of the Preference Shares*".

The completed Preference Share Terms and Conditions for the Preference Shares relating to each Series of Notes will be annexed to the Final Terms relating to the relevant Series of Notes. The Final Terms of each Series of Notes will also provide details of, among other things, the underlying index or a basket of indices, underlying equity or a basket of equities or underlying fund or a basket of funds, to which the related Series of Preference Shares are linked.

The Preference Shares Terms and Conditions provide that the applicable Preference Shares will be redeemable on their final redemption date at a defined amount as determined in accordance with Preference Shares Terms and Conditions. Preference Shares do not carry voting rights except to consider any proposal to vary or amend the rights attached to the relevant Preference Shares or in relation to the winding up of the Preference Share Issuer.

The Preference Shares Terms and Conditions may also provide that the Preference Share Issuer may redeem the Preference Shares early. (a "**Preference Share Early Redemption Event**") if:

(a) the calculation agent for the Preference Shares (the "**Preference Share Calculation Agent**") determines that, for reasons beyond the Preference Share Issuer's control, the performance of the Preference Share Issuer's obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or

(b) the Preference Share Calculation Agent determines that any event occurs in respect of which the Adjustment Provisions provide the Preference Shares may be cancelled or redeemed, as specified in the Preference Shares Terms and Conditions; or

(c) the Preference Share Calculation Agent determines there is a change in applicable law or regulation that in the determination of the Preference Share Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Preference Share Issuer being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by the Preference Share Calculation Agent or the Preference Share Issuer to be onerous to the Preference Share Issuer; or

(d) the Preference Share Calculation Agent or the Preference Share Issuer is notified by any issuer or obligor of a Related Financial Product that such Related Financial Product has become subject to early redemption.

If the Issuer receives a notice from the Preference Share Issuer of the early redemption of the Preference Shares, the Issuer will notify holders of the Preference Share Linked Notes in accordance with General Condition 15 (*Notices*) and each Preference Share Linked Note will be redeemed at its Early Redemption Amount. The performance of the Preference Shares depends on the performance of the Preference Share Underlying to which the Preference Shares are linked. In determining the value of the Preference Shares, the Preference Share Calculation Agent shall employ the calculation procedure and methodology set out in the applicable Preference Share Terms and Conditions.

ANNEX 6 – TERMS AND CONDITIONS OF THE PREFERENCE SHARES

*The pro forma terms and conditions of the Preference Shares (the "**Preference Share Terms and Conditions**") that shall be applicable to each Class of Preference Shares are set out below and will be completed for each Class of Preference Shares when issued.*

In particular, the Preference Share Terms and Conditions for the relevant Class of Preference Shares will indicate:

*• whether the Preference Shares are linked to one or more Indices, Equities, Funds and/or Exchange Traded Funds ("**ETFs**");*

• the redemption amount payable in relation to the Shareholder(s), of the Preference Shares;

• whether the Preference Shares may be redeemed early due to an "Auto-Call Trigger Event"; and

• whether or not the Preference Shares may be redeemed early at the option of the Preference Share Issuer and/or the Shareholder(s), in each case in accordance with the relevant provisions of Preference Share Terms and Conditions.

PRO FORMA INDEX LINKED PREFERENCE SHARE CONDITIONS

PRO FORMA PREFERENCE SHARE TERMS AND CONDITIONS FOR [SINGLE INDEX DIGITAL] [MULTI INDEX DIGITAL] [SINGLE INDEX AUTOCALLABLE] [WORST OF AUTOCALLABLE] [SINGLE INDEX WITH GEARED PUT] [MULTI INDEX WITH GEARED PUT] [SINGLE INDEX AUTOCALLABLE WITH GEARED PUT] [MULTI INDEX AUTOCALLABLE WITH GEARED PUT] [GEARED CALL SPREAD WITH DOWN AND IN PUT] [GEARED ASIAN CALL SPREAD WITH DOWN AND IN PUT] [GEARED CALL SPREAD WITH GEARED PUT DOWNSIDE] [GEARED CALL WITH DOWN AND IN PUT]

The following are the terms and conditions (the "**Conditions**") of the Series [*specify series number*] Index linked redeemable preference shares (the "**Preference Shares**") issued by Tower Securities Limited (the "**Company**") on [*specify preference share issue date*]. Terms not otherwise defined have the meanings given in Condition 1 (*Definitions*) below. References to a numbered Condition shall be to such numbered section of the Conditions.

In the event of any inconsistency between the Articles and these Conditions, these Conditions shall prevail.

1. DEFINITIONS

"**Adjustment Provisions**" means all relevant provisions of these Conditions which provide for any adjustment, delay, modification, cancellation or determination in relation to an Index, the valuation procedure for such Index or the Preference Shares. This shall include the provisions of Condition 11 (*Calculation Agent Modifications*) and all subsequent Conditions.

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

"**Articles**" means the Articles of Association of the Company, as may be amended, supplemented or otherwise modified from time to time.

"**Associated Costs**" means, in respect of each Preference Share, an amount (subject to a minimum of zero) equal to its *pro rata* share (calculated on the basis of the proportion of the aggregate number of Preference Shares outstanding as at the Preference Share Early Valuation Date) as determined by the Calculation Agent of:

(a) the total amount of any and all costs associated with or incurred by or to be incurred by the Company or the Calculation Agent in connection with or arising as a result of the redemption of the Preference Shares occurring on the Preference Share Early Redemption Date rather than the Preference Share Final Redemption Date, all as determined by the Calculation Agent;

(b) without duplication, an amount which the Calculation Agent determines is appropriate in the context of any Related Financial Product to take into account the total amount of any and all actual and anticipated costs associated with or expected to be incurred by the issuer or obligor and/or Hedging Counterparty in relation to any Related Financial Product, in each case in connection with or arising as a result of the redemption of the Preference Shares occurring on the Preference Share Early Redemption Date rather than the Preference Share Final Redemption Date, including, without limitation, any funding related costs and any costs associated with

unwinding the Related Financial Product and/or any hedge positions relating to such Related Financial Product, all as determined by the Calculation Agent by reference to such source(s) as it determines appropriate; and

(c) without duplication, any other fees and expenses payable by the Company which are attributable to the Preference Shares, all as determined by the Calculation Agent.

["**Auto-Call Barrier**" means the product of (a) the Initial Index Level of such Index and (b) the Auto-Call Trigger Level in respect of the relevant Auto-Call Valuation Date.][3]

["**Auto-Call Trigger Event**" means an event which occurs if, in the determination of the Calculation Agent, the Index Level of [the Index][each of the Indices] on an Auto-Call Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] the Auto-Call Barrier.][4]

["**Auto-Call Trigger Level**" means, in respect of an Auto-Call Valuation Date, the percentage specified as such set out beside such Auto-Call Valuation Date in the second column of the table below:][5]

Auto-Call Valuation Date	**Auto-Call Trigger Level**	**Auto-Call Trigger Rate**
[*specify auto-call valuation date*]	[*specify relevant auto-call level*]%	[*specify relevant valuation percentage*]%
[*specify auto-call valuation date*]	[*specify relevant auto-call level*]%	[*specify relevant valuation percentage*]%
[*specify auto-call valuation date*]	[*specify relevant auto-call level*]%	[*specify relevant valuation percentage*]%
[*specify auto-call valuation date*]	[*specify relevant auto-call level*]%	[*specify relevant valuation percentage*]%
[*specify auto-call valuation date*]	[*specify relevant auto-call level*]%	[*specify relevant valuation percentage*]%
[*specify final auto-call valuation date*] (the **"Valuation Date**" as further defined in this Condition 1)	[*specify relevant auto-call level*]%	[*specify relevant valuation percentage*]%

[3] Include for Autocallable.
[4] Include for Autocallable.
[5] Include for Autocallable.

["**Auto-Call Trigger Rate**" means, in respect of an Auto-Call Valuation Date, the percentage specified as such set out beside such Auto-Call Valuation Date in the third column of table in the definition of Auto-Call Trigger Level above.][6]

["**Auto-Call Valuation Date**" means, subject to the Adjustment Provisions, each day specified as such in the first column of table in the definition of Auto-Call Trigger Level above (other than, for the avoidance of doubt, [*specify final valuation date of underlying*]), or if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day thereafter unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then the provisions of Condition 12 (*Consequences of Disrupted Days*) shall apply.][7]

["**Average Index Level**" means the arithmetic average of the Index Level as observed on the each of the Monthly Averaging Dates.][8]

"**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in [London] [New York]] [[and] which is a TARGET Business Day].

"**Calculation Agent**" means Canadian Imperial Bank of Commerce ("**CIBC**").

"**Call and Put Period**" means the period commencing on and including the Issue Date to and including the day after [*preference share issue date plus 2 business days*] or, if such date is not a Business Day, the next following Business Day.

"**Call and Put Redemption Amount**" means [GBP] [EUR] [USD] 1.00 per Preference Share.

["**Cap**" means [*specify percentage*] per cent.][9]

"**Designated Multi-Exchange Index**" means an Index identified or specified as such in the definition of "Index" below.

"**Disrupted Day**" means: (a) where the Index is a Designated Multi-Exchange Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; or (b) where the Index is a Designated Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred.

"**Early Closure**" means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (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 the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

[6] Include for Autocallable.
[7] Include for Autocallable.
[8] Include for Geared Asian Call Spread with Down and In Put.
[9] Include for Geared Call Spread with Geared Put Downside or Call Spread with Gearing and Down and In Put.

"**Exchange**" means: (a) where an Index is a Designated Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the definition of "Index" below, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); or (b) where an Index is a Designated Multi-Exchange Index, in relation to each component security of that Index (each a "**Component Security**"), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

"**Exchange Business Day**" means: (a) where an Index is not a Designated Multi-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or (b) where the Index is a Designated Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index and (ii) each Related Exchange is open for trading during its regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

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

["**Final Index Level**" means, in relation to an Index and subject to the Adjustment Provisions, the Index Level of such Index on [each of] the Valuation Date(s) for such Index, [or for the purposes of determining whether an Auto-Call Trigger Event has occurred on any Auto-Call Valuation Date for such Index, the Index Level of such Index on the relevant Auto-Call Valuation Date for such Index][10]

["**Final Redemption Percentage**" means [*specify number*]%.]

["**Gearing**" means [*specify number*] per cent.][11]

"**Hedging Counterparty**" means CIBC or any Affiliate of CIBC or any other party (i) providing the Company directly or indirectly with hedging arrangements in relation to the Preference Shares and/or (ii) providing or entering into hedging arrangements in relation to any Related Financial Product (and which may, without limitation, be the principal obligor of a Related Financial Product).

"**Index**" means:

[10] Include for Autocallable.
[11] Include for Geared Call Spread with Geared Put Downside or Call Spread with Gearing and Down and In Put.

Index	**Exchange**	**Bloomberg Code**	**Currency**	**Index Sponsor**
[*Specify relevant Index*]	[*Specify relevant Exchange(s)*]	[*Specify Bloomberg code*]	[GBP][EUR] [USD]	[*Specify relevant Index Sponsor*]
[*Specify relevant Index*]	[*Specify relevant Exchange(s)*]	[*Specify Bloomberg code*]	[GBP][EUR] [USD]	[*Specify relevant Index Sponsor*]
[*Specify relevant Index*]	[*Specify relevant Exchange(s)*]	[*Specify Bloomberg code*]	[GBP][EUR] [USD]	[*Specify relevant Index Sponsor*]

[and together, the "**Indices**".] [Each of [*specify relevant indices of the basket*]] is a Designated Multi-Exchange Index.]

"**Index Currency**" means:

(a) [in respect of [*specify relevant Index*], British pounds sterling ("**GBP**");]

(b) [in respect of [*specify relevant Index*], Euro ("**EUR**"); [and]

(c) [in respect of [*specify relevant Index*], United States Dollars ("**USD**").]

"**Index Level**" means, in respect of any day and subject to the Adjustment Provisions, the official closing level (which shall be deemed to be an amount in the Index Currency) of the Index on such day, all as determined by the Calculation Agent.

"**Index Performance**" means a percentage calculated by the Calculation Agent in respect of such date in accordance with the following formula:

[[Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Initial Index Level}}\right)$]

or

[Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Strike Price}}\right)$]]

"**Index Sponsor**" means, in relation to an Index, the corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (ii) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day or any Successor Index Sponsor, as defined in Condition 13 (*Adjustments*).

"**Initial Index Level**" means, in relation to an Index, subject to the Adjustment Provisions, the Index Level of such Index on the Strike Date, being the following:

Index	**Initial Index Level**
[*Specify relevant Index*]	[GBP][EUR][USD] [*specify relevant index level*]
[*Specify relevant Index*]	[GBP][EUR][USD] [*specify relevant index level*]
[*Specify relevant Index*]	[GBP][EUR][USD] [*specify relevant index level*]

"**Issue Date**" means [specify preference share issue date].

["**Knock-in Barrier**" means the product of (a) [specify number] per cent. and (b) the Initial Index Level of the relevant Index.]

["**Knock-in Event**" means, subject to the Adjustment Provisions, an event that occurs if, in the determination of the Calculation Agent, the Index Level of [the Index] [any one of the Indices] on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Knock-In Barrier.]

["**Market Disruption Event**" means, in respect of an Index, the occurrence or existence of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of such Index shall be based on a comparison of (i) the portion of the level of such Index attributable to that security and (ii) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.]

["**Market Disruption Event**" means:

(a) in respect of an Index other than a Designated Multi-Exchange Index:

(i) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:

(A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:

I. on any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index; or

II. in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or

(B) any event (other than an event described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions in, or obtain market values for, on any relevant Exchange(s) securities/commodities that comprise 20 per cent. or more of the level of the relevant Index contracts, or (y) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

(ii) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or

(b) in respect of a Designated Multi-Exchange Index either:

(i) the occurrence or existence, in respect of any Component Security, of:

I. a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour /period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security;

II. an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security; or

III. an Early Closure in respect of such Component Security, which the Calculation Agent determines is material; and

IV. the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, comprises 20 per cent. or more of the level of the Index; or

(ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange, (B) an Exchange Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange or (C) an Early Closure, in each case in respect of such futures or options contracts and which the Calculation Agent determines is material.

["**Monthly Averaging Dates**" means each of the following calendar dates: [*specify date*] and [*specify date*] or if any such date is a day on which there is no determination or publication of the official closing level of the Index, then the relevant Monthly Averaging Date shall be the next following day thereafter on which the determination or publication of the official closing level of the Index is made and/or announced.][12]

"**Notional Amount**" means [GBP] [EUR] [USD] 1.00 per Preference Share.

"**Preference Share Early Redemption Amount**" means, subject to the provisions of the Articles and the Conditions, in respect of each Preference Share, an amount expressed in the

[12] Include for Geared Asian Call Spread with Down and In Put.

Settlement Currency calculated by the Calculation Agent as the fair market value (calculated without taking into account the creditworthiness of the Company) of a Preference Share as of the Preference Share Early Valuation Date taking into account such factor(s) as the Calculation Agent determines appropriate, including, but not limited to, the relevant Preference Share Early Redemption Event after deducting any Associated Costs (to the extent not already reflected in such fair market value).

"**Preference Share Early Redemption Date**" means the day falling [ten] Business Days after the Preference Share Early Valuation Date.

"**Preference Share Early Redemption Event**" means the event that occurs if:

(a) the Calculation Agent determines that for reasons beyond the Company's control, the performance of the Company's obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or

(b) any event occurs in respect of which the Adjustment Provisions provide the Preference Shares may be cancelled or redeemed; or

(c) a change in applicable law or regulation occurs that in the determination of the Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Company being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by the Company to be onerous to it; or

(d) the Company is notified by any issuer or obligor of a Related Financial Product that such Related Financial Product has become subject to early redemption.

"**Preference Share Early Redemption Notice**" means a notice of early redemption of some or all of the Preference Shares given by or on behalf of the Company in accordance with Condition 6 (*Notices*).

"**Preference Share Early Valuation Date**" means the date specified as such in the relevant Preference Share Early Redemption Notice which shall fall not less than one day and not more than 180 days following the day such Preference Share Early Redemption Notice is given. The Preference Share Early Redemption Notice may provide that such date is subject to adjustment in accordance with certain disruption or adjustment events, as determined by the Calculation Agent.

"**Preference Share Final Redemption Amount**" means, subject to the provisions of the Articles and the Conditions, in respect of each Preference Share, an amount expressed in the Settlement Currency determined by the Calculation Agent equal to: [*delete provisions that are not applicable*]

[SINGLE INDEX DIGITAL]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and there has not been a Knock-in Event:

Notional Amount x Final Redemption Percentage

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and there has been a Knock-in Event:

Notional Amount x Index Performance

[Where:

Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Initial Index Level}}\right)$]

[MULTI INDEX DIGITAL]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and there has not been a Knock-in Event:

Notional Amount x Final Redemption Percentage

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and there has been a Knock-in Event;

Notional Amount x Worst Performing Index Performance

[Where:

Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Initial Index Level}}\right)$]

[SINGLE INDEX AUTOCALLABLE]

(a) if the Preference Shares have not been redeemed prior to either:

(i) the relevant Auto-Call Valuation Date occurring; or, as the case may be

(ii) the Valuation Date,

and in each case an Auto-Call Trigger Event has occurred on such relevant Auto-Call Valuation Date, including the Valuation Date;

Notional Amount x Auto-Call Trigger Rate in respect of the relevant Auto-Call Valuation Date, including, for the avoidance of doubt, the Valuation Date; or

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date and there has been a Knock-in Event:

Notional Amount x Index Performance

[Where:

Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Initial Index Level}}\right)$]

(c) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date, and there has not been a Knock-in Event:

Notional Amount x 100%

[WORST OF AUTOCALLABLE]

(a) if the Preference Shares have not been redeemed prior to either:

(i) the relevant Auto-Call Valuation Date occurring; or, as the case may be

(ii) the Valuation Date,

and in each case an Auto-Call Trigger Event has occurred on such relevant Auto-Call Valuation Date, including the Valuation Date;

Notional Amount x Auto-Call Trigger Rate in respect of the relevant Auto-Call Valuation Date, including, for the avoidance of doubt, the Valuation Date; or

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date and there has been a Knock-in Event:

Notional Amount x Worst Performing Index Performance

[Where:

Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Initial Index Level}}\right)$]

(c) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date, and there has not been a Knock-in Event:

Notional Amount x 100%

[SINGLE INDEX WITH GEARED PUT]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and if the Final Index Level of the Index on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] the Strike Price of such Index:

Notional Amount x Final Redemption Percentage

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and if the Final Index Level of the Index on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such Index:

Notional Amount x Index Performance

[Where:

Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Strike Price}}\right)$]

[MULTI INDEX WITH GEARED PUT]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and if the Final Index Level of each of the Indices on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of each such relevant Index:

Notional Amount x Final Redemption Percentage

(b) if the Preference Shares have not been redeemed prior to the Valuation and if the Final Index Level of any one of the Indices on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such relevant Index:

Notional Amount x Worst Performing Index Performance

[Where:

Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Strike Price}}\right)$]

[SINGLE INDEX AUTOCALLABLE WITH GEARED PUT]

(a) if the Preference Shares have not been redeemed prior to either:

(i) the relevant Auto-Call Valuation Date occurring; or, as the case may be

(ii) the Valuation Date,

and in each case an Auto-Call Trigger Event has occurred on such relevant Auto-Call Valuation Date, including the Valuation Date;

Notional Amount x Auto-Call Trigger Rate in respect of the relevant Auto-Call Valuation Date, including, for the avoidance of doubt, the Valuation Date; or

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date and if the Final Index Level of the Index on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such Index:

Notional Amount x Index Performance

[Where:

Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Strike Price}}\right)$]

(c) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date, and if the Final Index Level of the Index on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such Index:

Notional Amount x 100%

[WORST OF AUTOCALLABLE WITH GEARED PUT]

(a) if the Preference Shares have not been redeemed prior to either:

(i) the relevant Auto-Call Valuation Date occurring; or, as the case may be

(ii) the Valuation Date,

and in each case an Auto-Call Trigger Event has occurred on such relevant Auto-Call Valuation Date, including the Valuation Date;

Notional Amount x Auto-Call Trigger Rate in respect of the relevant Auto-Call Valuation Date, including, for the avoidance of doubt, the Valuation Date; or

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date and if the Final Index Level of any one of the Indices on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such relevant Index:

Notional Amount x Worst Performing Index Performance

[Where

Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Strike Price}}\right)$]

(c) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date, and if the Final Index Level of each of the Indices on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of each such relevant Index:

Notional Amount x 100%

[GEARED CALL SPREAD WITH DOWN AND IN PUT]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has occurred:

Notional Amount x Index Performance

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has not occurred:

Notional Amount x [1 + Max(0%, Gearing x Min(Cap, Index Performance -1))]

[Where:

Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Initial Index Level}}\right)$]

[GEARED ASIAN CALL SPREAD WITH DOWN AND IN PUT]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has not occurred:

Notional Amount x [1 + Max (0%, Gearing x Min (Cap, $\left(\frac{\text{Average Index Level}}{\text{Initial Index Level}} - 1\right)$))]

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has occurred:

Notional Amount x [Index Performance + Max (0%, Gearing x Min (Cap, $\left(\frac{\text{Average Index Level}}{\text{Initial Index Level}} - 1\right)$))]

[Where:

Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Initial Index Level}}\right)$]

[GEARED CALL SPREAD WITH GEARED PUT DOWNSIDE]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and if the Final Index Level of the Index on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such Index:

Notional Amount x [1 + Max(0%, Gearing x Min(Cap, Index Performance -1))]

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and if the Final Index Level of the Index on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such Index:

Notional Amount x $\left(\frac{\text{Final Index Level}}{\text{Strike Price}}\right)$

[Where:

Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Initial Index Level}}\right)$]

[GEARED CALL WITH DOWN AND IN PUT]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has not occurred:

Notional Amount x [1 + Gearing x (Max (0%, Index Performance -1)]

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has occurred:

Notional Amount x Index Performance

[Where:

Index Performance = $\left(\frac{\text{Final Index Level}}{\text{Initial Index Level}}\right)$]

"**Preference Share Final Redemption Date**" means the day falling [ten] Business Days after the Valuation Date [or, if earlier, the day falling [ten] Business Days after the relevant Auto-Call Valuation Date][13].

"**Related Exchange**" means, in respect of an Index, the exchange or quotation system specified as such in the definition of "Index" or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

"**Related Financial Product**" means any financial product which references directly or indirectly the Preference Shares.

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

"**Scheduled Trading Day**" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the [Strike Date or the Valuation Date] [Strike Date, the Valuation Date or an Auto-Call Valuation Date][14].

"**Settlement Currency**" means [British pounds sterling ("**GBP**")] [Euro ("**EUR**")] [U.S. Dollar ("**USD**")].

"**Shareholder**" means a holder of Preference Shares in accordance with the Articles.

"**Strike Date** means, subject to the Adjustment Conditions, [*specify strike date*] or if such date is not a Scheduled Trading Day the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If such day is a Disrupted Day, then the provisions in Condition 12 (*Consequences of Disrupted Days*) shall apply.

["**Strike Price**" means the product of [*specify number*] per cent. and the Initial Index Level.][15]

["**TARGET Business Day**" means any day on which the TARGET System is open for the settlement of payments in Euro.]

["**TARGET System**" means the real time gross settlement system operated by the Eurosystem, or any successor system.]

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by

[13] Include for Autocallable.
[14] Include for Autocallable.
[15] Include for Geared Call Spread with Geared Put Downside.

reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on any Related Exchange.

"**Valuation Date**" means, in respect of an Index and subject to the Adjustment Provisions, [*specify final valuation date of underlying*] or, if such date is not a Scheduled Trading Day the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If such day is a Disrupted Day, then the provisions of Condition 12 (*Consequences of Disrupted Days*) shall apply [and for the avoidance of doubt, for the determination of an Auto-Call Trigger Event, the Valuation Date shall be an Auto-Call Valuation Date][16].

"**Valuation Time**" means the Scheduled Closing Time on the relevant Exchange on the [Strike Date or the Valuation Date] [Strike Date, the Valuation Date or an Auto-Call Valuation Date][17], as the case may be. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

["**Worst Performing Index**" means the Index having the lowest Index Performance, provided that if any of the Indices has the same Index Performance, the Calculation Agent shall determine which Index shall constitute the Worst Performing Index.][18]

["**Worst Performing Index Performance**" means the Index Performance of the Worst Performing Index.][19]

2. REDEMPTION AND PAYMENT

The Preference Shares shall not be redeemed except as provided for in the Conditions and Article 49.1 (*Redemption of Redeemable Preference Shares*) of the Articles shall not apply.

The method for determining the Preference Share Final Redemption Amount or the Preference Share Early Redemption Amount shall be as set out in the Conditions and Article 49.4 (*Redemption of Redeemable Preference Shares*) of the Articles shall not apply.

The Preference Share Final Redemption Amount or Preference Share Early Redemption Amount, as the case may be, may not be less than [GBP] [EUR] [USD] 0.0001 and will be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards, provided that in the case of Preference Shares redeemed at the same time by the same Shareholder, such rounding shall only occur following calculation of the aggregate amounts due in respect of such Preference Shares.

2.1 FINAL REDEMPTION

If the Preference Shares have not:

[16] Include for Autocallable.
[17] Include for Autocallable.
[18] Include for Worst of Autocallable.
[19] Include for Worst of Autocallable.

(a) been previously redeemed in accordance with Condition 2.3 (*Company Call*), Condition 2.4 (*Shareholder Put*) or Condition 3 (*Early Redemption if there is a Preference Share Early Redemption Event*); or

(b) become redeemable under Condition 3 (*Early Redemption if there is a Preference Share Early Redemption Event*),

each Shareholder shall have the right exercisable from and including the [Valuation Date] [relevant Auto-Call Valuation Date on which an Auto-Call Trigger Event has occurred (or, if no Auto-Call Trigger Event occurs prior to the Valuation Date, the Valuation Date)][20] to and including the Preference Share Final Redemption Date, by giving notice to the Company, to require the Company immediately to pay or cause to be paid, and if that right is not exercised, the Company will pay or cause to be paid on the Preference Share Final Redemption Date, the Preference Share Final Redemption Amount in respect of each Preference Share in the Settlement Currency, subject to applicable laws, the Articles and the Conditions.

2.2 PAYMENT ON A WINDING UP OR RETURN OF CAPITAL

The provisions of Articles 47.1 (*Capital*) and 47.2 (*Capital*) shall apply to the Preference Shares.

2.3 COMPANY CALL

The Company shall have the right exercisable during the Call and Put Period to redeem compulsorily all of the then outstanding Preference Shares at the Call and Put Redemption Amount payable on the date that right is exercised in accordance with the Articles, the Conditions and in the manner determined by the Company.

Upon the Company exercising its right in accordance with Condition 2.3, it shall give a Preference Share Early Redemption Notice as soon as practicable to Shareholders in accordance with Condition 6 (*Notices*) of the early redemption of each of the then outstanding Preference Shares.

2.4 SHAREHOLDER PUT

If the Company has not given notice of its right to redeem compulsorily the Preference Shares in accordance with Condition 2.3 (*Company Call*), each Shareholder shall have the right exercisable during the Call and Put Period, by giving notice to the Company, to have all of its outstanding Preference Shares redeemed at the Call and Put Redemption Amount payable on the date that right is exercised in accordance with the Articles, the Conditions and in the manner determined by the Company.

Upon the occurrence of a Shareholder exercising its right in accordance with Condition 2.4, the Company shall give a Preference Share Early Redemption Notice as soon as practicable to Shareholders in accordance with Condition 6 (*Notices*) of the early redemption of each of the then outstanding Preference Shares.

[20] Include for Worst of Autocallable.

3. EARLY REDEMPTION IF THERE IS A PREFERENCE SHARE EARLY REDEMPTION EVENT

If the Company, or the Calculation Agent on behalf of the Company, determines that there is a Preference Share Early Redemption Event falling within paragraphs (a) to (c) of the definition of Preference Share Early Redemption Event, the Company, or the Calculation Agent on behalf of the Company, may, but shall not be obliged to elect to redeem early the outstanding Preference Shares by giving a Preference Share Early Redemption Notice to Shareholders in accordance with Condition 6 (*Notices*) below, and if the Company, or the Calculation Agent on behalf of the Company, determines that there is a Preference Share Early Redemption Event falling within paragraph (d) of that definition then the Company, or the Calculation Agent on behalf of the Company, must redeem early the Preference Shares by giving a Preference Share Early Redemption Notice to Shareholders in accordance with Condition 6 (*Notices*) below.

For the purposes of this Condition 3 only, following the delivery of a Preference Share Early Redemption Notice, each Shareholder shall have the right exercisable from and including the Preference Share Early Valuation Date to and including the Preference Share Early Redemption Date to require the Company to redeem the Preference Shares immediately (and if that right is not exercised the Company will redeem all of the Preference Shares on the Preference Share Early Redemption Date) at the Preference Share Early Redemption Amount in respect of each Preference Share, subject to applicable laws, the Articles and the Conditions.

4. DIVIDENDS

In accordance with the Articles, no dividends will be paid in respect of the Preference Shares.

5. FURTHER PREFERENCE SHARES

The Company shall be entitled to issue further Preference Shares from time to time to be consolidated and form a single class with the Preference Shares **provided that** the rights conferred upon the Shareholders shall not be varied, amended or abrogated by the creation, allotment or issue of any further Preference Shares of the same class as the Preference Shares or any different class.

6. NOTICES

Notices to Shareholders shall be delivered to Shareholders at the address for each Shareholder set out in the register of members of the Company with a copy to the Calculation Agent. Any such notice will become effective on the first calendar day after such delivery to such address. Where a notice is being delivered in accordance with Condition 3 (*Early Redemption if there is a Preference Share Early Redemption Event*), such notice shall specify the relevant Preference Share Early Valuation Date. A copy of any Preference Share Early Redemption Notice shall also be delivered to any Hedging Counterparty.

Notices to the Company shall be delivered to the Company at the address of the registered office of the Company with a copy to the Calculation Agent. Any such notice will become effective on the first calendar day after such delivery to such address.

7. CALCULATIONS AND DETERMINATIONS

Any calculations, determinations and adjustments to be made in relation to the Conditions shall (a) unless otherwise specified, be made by the Calculation Agent and in such a manner as the Calculation Agent determines is appropriate acting in good faith and in a commercially reasonable manner (having regard in each case to the criteria stipulated in the Conditions and the hedging arrangements entered into with any Hedging Counterparty) and (b) be final and binding upon the Company, the Shareholders and any Related Financial Product investors and the Calculation Agent shall not have any liability to the Company, the Shareholders or any Related Financial Product investors in respect of any calculation, determination or adjustment made or provided by it.

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

Pursuant to the Conditions the Calculation Agent has a number of discretions. These are necessary since certain circumstances or the occurrence of certain events may materially affect the costs to the Company and/or a Hedging Counterparty (including in relation to any Related Financial Product) and/or any issuer or obligor of a Related Financial Product of maintaining the Preference Shares or a Related Financial Product or hedging arrangements for the Preference Shares or a Related Financial Product, in each case before and after the occurrence of such event in a way which has not been reflected in the pricing of the Preference Shares and/or the Related Financial Product. In addition, certain circumstances may arise where it is not reasonably practicable or otherwise not appropriate for certain valuations to be carried out in relation to relevant reference assets and in these circumstances the Calculation Agent also may exercise certain discretions.

8. SEVERABILITY

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

9. GOVERNING LAW AND JURISDICTION

The Conditions and all non-contractual obligations arising from or in connection with the Conditions shall be governed by and construed in accordance with English law. The English courts shall have exclusive jurisdiction to deal with any dispute and all non-contractual obligations arising from or in connection with the Conditions.

10. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any rights to enforce any terms or conditions of the Preference Shares under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

11. CALCULATION AGENT MODIFICATIONS

The Calculation Agent will employ the methodology and comply with the provisions described in the Conditions to determine the amounts payable in respect of the Preference Shares. The Calculation Agent's determination in the application of such methodology and compliance with the provisions shall be final, conclusive and binding on the Company and Shareholders except in the case of manifest error.

The Calculation Agent shall be free to modify such methodology or provisions from time to time, acting in good faith and in a commercially reasonable manner, (1) as it deems appropriate in response to any market, regulatory, juridical, fiscal or other circumstances which may arise which, in the opinion of the Calculation Agent, necessitates or makes desirable (taking into account the interests of the Company and any obligor of a Related Financial Product) a modification or change of such methodology or provisions or (2) for the purposes of (i) preserving the intended economic terms of the Preference Shares or (ii) curing any ambiguity or correcting or supplementing any provision of the Conditions or (iii) accounting for any change in the basis on which any relevant values, levels or information is calculated or provided which would materially change the commercial effect of any provision or provisions of the Conditions or (iv) replacing any information provider or source or (v) making amendments to the provisions of a formal, minor or technical nature or (vi) correcting any manifest or proven errors or (vii) making such amendments to comply with mandatory provisions of any applicable laws, provided that no modification by the Calculation Agent constituting a variation (or deemed variation) of the rights of the Preference Shares (or any other class of shares of the Company) for the purposes of sections 630-640 of the Companies Act 2006 (including any statutory modification or re-enactment of it for the time being in force) and/or the Articles shall have effect unless previously approved in accordance with the Companies Act 2006 and the Articles.

Other than with respect to payments, where the Company fails to exercise any discretion or take any action provided to it in the Conditions when the exercise of such discretion or action would be necessary or desirable (as determined by the Calculation Agent), the Calculation Agent may exercise such discretion on its behalf.

12. CONSEQUENCES OF DISRUPTED DAYS

If any Scheduled Valuation Date is a Disrupted Day, then the [Valuation Date or the Strike Date] [Valuation Date, the Strike Date or any Auto-Call Valuation Date, as the case may be, for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and that Valuation Date for an Index affected by the occurrence of a Disrupted Day (an "**Affected Index**") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to such Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, where applicable, determine the Reference Price using, in relation to the Affected Index[21], the level of that Index determined in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, using the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula

[21] Include for multi index.

for and method of calculating that Index last in effect prior to the occurrence of the Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day).

13. ADJUSTMENTS

(a) Successor Index Sponsor calculates and reports an Index

If an Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (a "**Successor Index Sponsor**") acceptable to the Calculation Agent or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then, in each case, that index (the "**Successor Index**") will be deemed to be the Index.

(b) Modification and Cessation of Calculation of an Index

If (i) on or prior to the [Valuation Date or the Strike Date] [Valuation Date, the Strike Date or any Auto-Call Valuation Date][22], the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalization, contracts or commodities and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**"), or (ii) on the [Valuation Date or the Strike Date] [Valuation Date, the Strike Date or any Auto-Call Valuation Date][23], the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then the Issuer may take the action described in (A) or (B) below:

(A) require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the Reference Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that [Valuation Date or the Strike Date] [Valuation Date, the Strike Date or any Auto-Call Valuation Date][24], as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event; or

(B) give notice to the Shareholders in accordance with Condition 6 (*Notices*) and redeem all, but not some only, of the Preference Shares in accordance with

[22] Include for Autocallable.
[23] Include for Autocallable.
[24] Include for Autocallable.

Condition 3 (*Early Redemption if there is a Preference Share Early Redemption Event*).

14. ADDITIONAL DISRUPTION EVENTS

(a) Following the occurrence of an Additional Disruption Event, the Company, or the Calculation Agent on behalf of the Company, will determine whether or not the Preference Shares shall continue or be redeemed early.

(b) If the Company, or the Calculation Agent on behalf of the Company, determines that the Preference Shares shall continue, the Calculation Agent may make such adjustment as the Calculation Agent considers appropriate, if any, to any one or more of the Conditions to account for the Additional Disruption Event and determine the effective date of that adjustment.

(c) If the Company, or the Calculation Agent on behalf of the Company, determines that the Preference Shares shall be redeemed early, then the Company shall redeem all but not some only of the Preference Shares in accordance with Condition 3 (*Early Redemption if there is a Preference Share Early Redemption Event*).

(d) Upon the occurrence of an Additional Disruption Event, the Company, or the Calculation Agent on behalf of the Company, shall give notice as soon as practicable to the Shareholders stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto Provided That any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

For the purposes of this Condition 14:

"**Additional Disruption Event**" means any of Change of Law, Hedging Disruption, Increased Cost of Hedging and/or Insolvency Filing.

"**Change in Law**" means that on or after the Issue Date, (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (A) it has become illegal to hold, acquire or dispose of any securities/commodities comprising an Index or contracts relating to such Index or (B) the Company or any Hedging Counterparty will incur a materially increased cost in performing its obligations in relation to the Preference Shares or any Related Financial Product (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Company and/or any Hedging Counterparty).

"**Hedging Disruption**" means that the Company and/or any Hedging Counterparty is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company issuing and performing its obligations with respect to the Preference Shares or of any obligor of a Related Financial Product issuing and performing its obligations with respect to a Related Financial Product, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Increased Cost of Hedging**" means that the Company and/or any Hedging Counterparty 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 (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company issuing and performing its obligations with respect to the Preference Shares or of any obligor of a Related Financial Product issuing and performing its obligations with respect to a Related Financial Product, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Company and/or any Financial Product obligor shall not be deemed an Increased Cost of Hedging.

"**Insolvency Filing**" means that the Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Company shall not be deemed an Insolvency Filing.

15. CORRECTION OF INDEX LEVELS

With the exception of any corrections published after the day which is two Business Days prior to the due date for any payment under the Preference Shares, if the level of any Index, published by the Index Sponsor and which is utilised by the Calculation Agent for any calculation or determination (the "**Original Determination**") under the Preference Shares is subsequently corrected and the correction (the "**Corrected Value**") is published by the relevant Index Sponsor within five days of the original publication, the level to be used for the purposes of the Conditions (the "**Replacement Determination**") shall be the Corrected Value. Corrections published after the day which is two Business Days prior to a due date for payment under the Preference Shares will be disregarded by the Calculation Agent for the purposes of determining the relevant amount. If the result of the Replacement Determination is different from the Corrected Value result of the Original Determination, to the extent that it determines to be necessary and practicable, the Calculation Agent may adjust the Conditions accordingly.

CALCULATION AGENT DISCLAIMERS

The Calculation Agent makes no express or implied representations or warranties as to (a) the advisability of investing in or obtaining exposure to the Preference Shares, (b) the value of the Preference Shares at any particular time on any particular date, or (c) any amounts that may become payable in respect of the Preference Shares. The Calculation Agent shall not act as agent or trustee for the holders of the Preference Shares or any Related Financial Product.

Without limiting any of the foregoing, in no event shall the Calculation Agent have any liability (whether in negligence or otherwise) to any Shareholders or Related Financial Product investors for any direct, indirect, special, punitive, consequential or any other damages (including loss of profits) even if notified of the possibility of such damages.

In addition, to providing calculation agency services to the Company, the Calculation Agent or any of its Affiliates, may perform further or alternative roles relating to the Company and any series of Preference Shares. Furthermore, the Calculation Agent or any of its Affiliates may contract with the Company and/or enter into transactions which relate to the Company, the Preference Shares or an Index and as a result the Calculation Agent may face a conflict between its obligations as Calculation Agent and its and/or its Affiliates' interests in other capacities. Subject to all regulatory obligations, neither the Company nor the Calculation Agent in respect of the Preference Shares owes any duty or responsibility to any Shareholder or Related Financial Product investor to avoid any conflict or to act in the interest of any Shareholder or Related Financial Product investor.

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PRO FORMA EQUITY LINKED PREFERENCE SHARE CONDITIONS

PRO FORMA PREFERENCE SHARE TERMS AND CONDITIONS FOR [SINGLE EQUITY DIGITAL] [MULTI EQUITY DIGITAL] [SINGLE EQUITY AUTOCALLABLE] [WORST OF AUTOCALLABLE] [SINGLE EQUITY WITH GEARED PUT] [MULTI EQUITY WITH GEARED PUT] [SINGLE EQUITY AUTOCALLABLE WITH GEARED PUT] [MULTI EQUITY AUTOCALLABLE WITH GEARED PUT] [GEARED CALL SPREAD WITH DOWN AND IN PUT] [GEARED ASIAN CALL SPREAD WITH DOWN AND IN PUT] [GEARED CALL SPREAD WITH GEARED PUT DOWNSIDE] [GEARED CALL WITH DOWN AND IN PUT]

The following are the terms and conditions (the "**Conditions**") of the Series [*specify series number*] Equity linked redeemable preference shares (the "**Preference Shares**) issued by Tower Securities Limited (the "**Company**") on [*specify preference share issue date*]. Terms not otherwise defined have the meanings given in Condition 1 (*Definitions*) below. References to a numbered Condition shall be to such numbered section of the Conditions.

In the event of any inconsistency between the Articles and the Conditions, the Conditions shall prevail.

1. DEFINITIONS

"**Adjustment Provisions**" means all relevant provisions of these Conditions which provide for any adjustment, delay, modification, cancellation or determination in relation to an Underlying Equity, the valuation procedure for such Underlying Equity or the Preference Shares. This shall include the provisions of Condition 11 (*Calculation Agent Modifications*) and all subsequent Conditions.

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

"**Articles**" means the Articles of Association of the Company, as may be amended, supplemented or otherwise modified from time to time.

"**Associated Costs**" means, in respect of each Preference Share, an amount (subject to a minimum of zero) equal to its *pro rata* share (calculated on the basis of the proportion of the aggregate number of Preference Shares outstanding as at the Preference Share Early Valuation Date) as determined by the Calculation Agent of:

(a) the total amount of any and all costs associated with or incurred by or to be incurred by the Company or the Calculation Agent in connection with or arising as a result of the redemption of the Preference Shares occurring on the Preference Share Early Redemption Date rather than the Preference Share Final Redemption Date, all as determined by the Calculation Agent;

(b) without duplication, an amount which the Calculation Agent determines is appropriate in the context of any Related Financial Product to take into account the total amount of any and all actual and anticipated costs associated with or expected to be incurred by the issuer or obligor and/or Hedging Counterparty in relation to any Related Financial Product, in each case in connection with or arising as a result of the redemption of the Preference Shares occurring on the Preference Share Early

Redemption Date rather than the Preference Share Final Redemption Date, including, without limitation, any funding related costs and any costs associated with unwinding the Related Financial Product and/or any hedge positions relating to such Related Financial Product, all as determined by the Calculation Agent by reference to such source(s) as it determines appropriate; and

(c) without duplication, any other fees and expenses payable by the Company which are attributable to the Preference Shares, all as determined by the Calculation Agent.

["**Auto-Call Barrier**" means the product of (a) the Initial Underlying Equity Level of such Underlying Equity and (b) the Auto-Call Trigger Level in respect of the relevant Auto-Call Valuation Date.][25]

["**Auto-Call Trigger Event**" means an event which occurs if, in the determination of the Calculation Agent, the Underlying Equity Level of [the Underlying Equity][each of the Underlying Equities] on an Auto-Call Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] the Auto-Call Barrier.][26]

["**Auto-Call Trigger Level**" means, in respect of an Auto-Call Valuation Date, the percentage specified as such set out beside such Auto-Call Valuation Date in the second column of the table below:][27]

Auto-Call Valuation Date	Auto-Call Trigger Level	Auto-Call Trigger Rate
[*specify auto-call valuation date*]	[*specify relevant auto-call level]*%	[*specify relevant valuation percentage*]%
[*specify auto-call valuation date*]	[*specify relevant auto-call level]*%	[*specify relevant valuation percentage*]%
[*specify auto-call valuation date*]	[*specify relevant auto-call level]*%	[*specify relevant valuation percentage*]%
[*specify auto-call valuation date*]	[*specify relevant auto-call level]*%	[*specify relevant valuation percentage*]%
[*specify auto-call valuation date*]	[*specify relevant auto-call level]*%	[*specify relevant valuation percentage*]%
[*specify final auto-call valuation date*] (the **"Valuation Date**" as	[*specify relevant*	[*specify relevant*

[25] Include for Autocallable.
[26] Include for Autocallable.
[27] Include for Autocallable.

further defined in this Condition 1)	*auto-call level]%*	*valuation percentage*]%

["**Auto-Call Trigger Rate**" means, in respect of an Auto-Call Valuation Date, the percentage specified as such set out beside such Auto-Call Valuation Date in the third column of table in the definition of Auto-Call Trigger Level above**.**][28]

["**Auto-Call Valuation Date**" means, subject to the Adjustment Provisions, each day specified as such in the first column of table in the definition of Auto-Call Trigger Level above (other than, for the avoidance of doubt, [*specify final valuation date of underlying*]), or if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day thereafter unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then the provisions of Condition 12 (*Consequences of Disrupted Days*) shall apply.][29]

["**Average Underlying Equity Level**" means the arithmetic average of the Underlying Equity Level as observed on the each of the Monthly Averaging Dates.][30]

"**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in [London] [New York]] [[and] which is a TARGET Business Day].

"**Calculation Agent**" means Canadian Imperial Bank of Commerce ("**CIBC**).

"**Call and Put Period**" means the period commencing on and including the Issue Date to and including the day after [*preference share issue date plus 2 business days*] or, if such date is not a Business Day, the next following Business Day.

"**Call and Put Redemption Amount**" means [GBP] [EUR] [USD]1.00 per Preference Share.

["**Cap**" means [*specify percentage*] per cent.][31]

"**Correction Cut-Off Date**" means the date that is [2] Business Days [prior to/after] the [Valuation Date] [Preference Share Early Redemption Date].

"**Disrupted Day**" means any Scheduled Trading Day on which the relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"**Early Closure**" means the closure on any Exchange Business Day of any relevant Exchange(s) 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 or if earlier (ii) the submission deadline for orders to be entered into such Exchange(s) or such Related Exchange(s) system for execution at the Valuation Time on such Exchange Business Day.

[28] Include for Autocallable.
[29] Include for Autocallable.
[30] Include for Geared Asian Call Spread with Down and In Put.
[31] Include for Geared Call Spread with Geared Put Downside or Call Spread with Gearing and Down and In Put.

"**Equity Issuer**" means, in relation to an Underlying Equity, the issuer of such Underlying Equity.

"**Exchange**" means, in respect of an Underlying Equity, the exchange or quotation system specified as such in the definition of "Underlying Equity" below, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means any Scheduled Trading Day on which each Exchange(s) and each Related Exchange(s) are open for trading during their regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

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

"**Final Underlying Equity Level**" means, in relation to an Underlying Equity and subject to the Adjustment Provisions, the Underlying Equity Level of such Underlying Equity on [each of] the Valuation Date(s) [or for the purposes of determining whether an Auto-Call Trigger Event has occurred on any Auto-Call Valuation Date for such Underlying Equity, the Underlying Equity Level of such Underlying Equity Index on the relevant Auto-Call Valuation Date for such Underlying Equity][32].

["**Final Redemption Percentage**" means [*specify number*]%.]

["**Gearing**" means [*specify number*]. per cent.][33]

"**Hedging Counterparty**" means CIBC or any Affiliate of CIBC or any other party (i) providing the Company directly or indirectly with hedging arrangements in relation to the Preference Shares and/or (ii) providing or entering into hedging arrangements in relation to any Related Financial Product (and which may, without limitation, be the principal obligor of a Related Financial Product).

"**Initial Underlying Equity Level**" means, in relation to an Underlying Equity, subject to the Adjustment Provisions, the Underlying Equity Level of such Underlying Equity on the Strike Date, being the following:

[32] Include for Worst of Autocallable.
[33] Include for Geared Call Spread with Geared Put Downside

Initial Underlying Equity (Bloomberg Code)	**Initial Underlying Equity Level**
[*Specify relevant Equity*] ([*Specify relevant Bloomberg Code*])	[GBP][EUR][USD] [*specify relevant Equity Level*]
[*Specify relevant Equity*] ([*Specify relevant Bloomberg Code*])	[GBP][EUR][USD] [*specify relevant Equity Level*]
[*Specify relevant Equity*] ([*Specify relevant Bloomberg Code*])	[GBP][EUR][USD] [*specify relevant Equity Level*]

"**Issue Date**" means [*preference share issue date*] .

["**Knock-in Barrier**" means the product of (a) [*specify number*] per cent. and (b) the Initial Underlying Equity Level of the relevant Underlying Equity.]

["**Knock-in Event**" means, subject to the Adjustment Provisions, an event that occurs if, in the determination of the Calculation Agent, the Underlying Equity Level of [the Underlying Equity] [any one of the Underlying Equities] on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Knock-In Barrier.]

"**Market Disruption Event**" means, in respect of an Underlying Equity, the occurrence or existence of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

["**Monthly Averaging Dates**" means each of the following calendar dates: [*specify date*] and [*specify date*] or if any such date is a day on which there is no determination or publication of the official closing price of an Underlying Equity, then the relevant Monthly Averaging Date shall be the next following day thereafter on which the determination or publication of the official closing price of the Underlying Equity is made and/or announced.][34]

"**Notional Amount**" means [GBP] [EUR] [USD] 1.00 per Preference Share.

"**Preference Share Early Redemption Amount**" means, subject to the provisions of the Articles and the Conditions, in respect of each Preference Share, an amount expressed in the Settlement Currency calculated by the Calculation Agent as the fair market value (calculated without taking into account the creditworthiness of the Company) of a Preference Share as of the Preference Share Early Valuation Date taking into account such factor(s) as the Calculation Agent determines appropriate, including, but not limited to, the relevant Preference Share Early Redemption Event after deducting any Associated Costs (to the extent not already reflected in such fair market value).

"**Preference Share Early Redemption Date**" means the day falling [ten] Business Days after the Preference Share Early Valuation Date.

"**Preference Share Early Redemption Event**" means the event that occurs if:

[34] Include for Geared Asian Call Spread with Down and In Put.

(a) the Calculation Agent determines that for reasons beyond the Company's control, the performance of the Company's obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or

(b) any event occurs in respect of which the Adjustment Provisions provide the Preference Shares may be cancelled or redeemed; or

(c) a change in applicable law or regulation occurs that in the determination of the Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Company being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by the Company to be onerous to it; or

(d) the Company is notified by any issuer or obligor of a Related Financial Product that such Related Financial Product has become subject to early redemption.

"**Preference Share Early Redemption Notice**" means a notice of early redemption of some or all of the Preference Shares given by or on behalf of the Company in accordance with Condition 6 (*Notices*).

"**Preference Share Early Valuation Date**" means the date specified as such in the relevant Preference Share Early Redemption Notice which shall fall not less than one day and not more than 180 days following the day such Preference Share Early Redemption Notice is given. The Preference Share Early Redemption Notice may provide that such date is subject to adjustment in accordance with certain disruption or adjustment events, as determined by the Calculation Agent.

"**Preference Share Final Redemption Amount**" means, subject to the provisions of the Articles and the Conditions, in respect of each Preference Share, an amount expressed in the Settlement Currency determined by the Calculation Agent equal to:

[SINGLE EQUITY DIGITAL]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and there has not been a Knock-in Event:

Notional Amount x Final Redemption Percentage

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and there has been a Knock-in Event:

Notional Amount x Underlying Equity Performance

[Where:

Underlying Equity Performance = $\left(\frac{\text{Final Underlying Equity Level}}{\text{Initial Underlying Equity Level}}\right)$]

[MULTI EQUITY DIGITAL]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and there has not been a Knock-in Event:

Notional Amount x Final Redemption Percentage

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and there has been a Knock-in Event:

Notional Amount x Worst Performing Underlying Equity Performance

[Where:

Underlying Equity Performance = $\left(\frac{\text{Final Underlying Equity Level}}{\text{Initial Underlying Equity Level}}\right)$]

[SINGLE EQUITY AUTOCALLABLE]

(a) if the Preference Shares have not been redeemed prior to either:

(i) the relevant Auto-Call Valuation Date occurring; or, as the case may be

(ii) the Valuation Date,

and in each case an Auto-Call Trigger Event has occurred on such relevant Auto-Call Valuation Date, including the Valuation Date;

Notional Amount x Auto-Call Trigger Rate in respect of the relevant Auto-Call Valuation Date, including, for the avoidance of doubt, the Valuation Date; or

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date and there has been a Knock-in Event:

Notional Amount x Underlying Equity Performance

[Where:

Underlying Equity Performance = $\left(\frac{\text{Final Underlying Equity Level}}{\text{Initial Underlying Equity Level}}\right)$]

(c) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date, and there has not been a Knock-in Event:

Notional Amount x 100%

[WORST OF AUTOCALLABLE]

(a) if the Preference Shares have not been redeemed prior to either:

(i) the relevant Auto-Call Valuation Date occurring; or, as the case may be

(ii) the Valuation Date,

and in each case an Auto-Call Trigger Event has occurred on such relevant Auto-Call Valuation Date, including the Valuation Date;

Notional Amount x Auto-Call Trigger Rate in respect of the relevant Auto-Call Valuation Date, including, for the avoidance of doubt, the Valuation Date; or

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date and there has been a Knock-in Event:

Notional Amount x Worst Performing Underlying Equity Performance

[Where:

Underlying Equity Performance = $\left(\frac{\text{Final Underlying Equity Level}}{\text{Initial Underlying Equity Level}}\right)$]

(c) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date, and there has not been a Knock-in Event:

Notional Amount x 100%

[SINGLE EQUITY WITH GEARED PUT]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and if the Final Index Level of the Underlying Equity on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] the Strike Price of such Underlying Equity:

Notional Amount x Final Redemption Percentage

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and if the Final Index Level of the Index on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such Index:

Notional Amount x Underlying Equity Performance

[Where:

Underlying Equity Performance = $\left(\frac{\text{Final Underlying Equity Level}}{\text{Strike Price}}\right)$]

[MULTI EQUITY WITH GEARED PUT]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and if the Final Underlying Equity Level of each of the Indices on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of each such relevant Underlying Equity:

Notional Amount x Final Redemption Percentage

(b) if the Preference Shares have not been redeemed prior to the Valuation and if the Final Underlying Equity Level of any one of the Indices on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such relevant Underlying Equity:

Notional Amount x Worst Performing Underlying Equity Performance

[Where:

Underlying Equity Performance = $\left(\frac{\text{Final Underlying Equity Level}}{\text{Strike Price}}\right)$]

[SINGLE EQUITY AUTOCALLABLE WITH GEARED PUT]

(a) if the Preference Shares have not been redeemed prior to either:

(i) the relevant Auto-Call Valuation Date occurring; or, as the case may be

(ii) the Valuation Date,

and in each case an Auto-Call Trigger Event has occurred on such relevant Auto-Call Valuation Date, including the Valuation Date;

Notional Amount x Auto-Call Trigger Rate in respect of the relevant Auto-Call Valuation Date, including, for the avoidance of doubt, the Valuation Date; or

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date and if the Final Underlying Equity Level of the Underlying Equity on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such Underlying Equity:

Notional Amount x Underlying Equity Performance

[Where:

Underlying Equity Performance = $\left(\frac{\text{Final Underlying Equity Level}}{\text{Strike Price}}\right)$]

(c) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date, and if the Final Underlying Equity Level of the Underlying Equity on the Valuation Date is [greater

than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such Underlying Equity:

Notional Amount x 100%

[WORST OF AUTOCALLABLE WITH GEARED PUT]

(a) if the Preference Shares have not been redeemed prior to either:

(i) the relevant Auto-Call Valuation Date occurring; or, as the case may be

(ii) the Valuation Date,

and in each case an Auto-Call Trigger Event has occurred on such relevant Auto-Call Valuation Date, including the Valuation Date;

Notional Amount x Auto-Call Trigger Rate in respect of the relevant Auto-Call Valuation Date, including, for the avoidance of doubt, the Valuation Date; or

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date and if the Final Underlying Equity Level of any one of the Indices on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such relevant Underlying Equity:

Notional Amount x Worst Performing Underlying Equity Performance

[Where:

Underlying Equity Performance = $\left(\frac{\text{Final Underlying Equity Level}}{\text{Strike Price}}\right)$]

(c) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date, and if the Final Underlying Equity Level of each of the Indices on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of each such relevant Underlying Equity:

Notional Amount x 100%

[GEARED CALL SPREAD WITH DOWN AND IN PUT]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has occurred:

Notional Amount x Underlying Equity Performance

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has not occurred:

Notional Amount x [1 + Max(0%, Gearing x Min(Cap, Underlying Equity Performance -1))]

[Where:

Underlying Equity Performance = $\left(\frac{\text{Final Underlying Equity Level}}{\text{Initial Underlying Equity Level}}\right)$]

[GEARED ASIAN CALL SPREAD WITH DOWN AND IN PUT]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has not occurred:

Notional Amount x [1 + Max (0%, Gearing x Min (Cap, $\left(\frac{\text{Average Underlying Equity Level}}{\text{Initial Underlying Equity Level}} - 1\right)$))]

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has occurred:

Notional Amount x [Underlying Equity Performance + Max (0%, Gearing x Min (Cap, $\left(\frac{\text{Average Underlying Equity Level}}{\text{Initial Underlying Equity Level}} - 1\right)$))]

[Where:

Underlying Equity Performance = $\left(\frac{\text{Final Underlying Equity Level}}{\text{Initial Underlying Equity Level}}\right)$]

[GEARED CALL SPREAD WITH GEARED PUT DOWNSIDE]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and if the Final Underlying Equity Level of the Underlying Equity on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such Underlying Equity:

Notional Amount x [1 + Max(0%, Gearing x Min(Cap, Underlying Equity Performance -1))]

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and if the Final Underlying Equity Level of the Underlying Equity on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such Underlying Equity:

Notional Amount x $\left(\frac{\text{Final Underlying Equity Level}}{\text{Strike Price}}\right)$

[Where:

Underlying Equity Performance = $\left(\frac{\text{Final Underlying Equity Level}}{\text{Initial Underlying Equity Level}}\right)$]

[GEARED CALL WITH DOWN AND IN PUT]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has not occurred:

Notional Amount x [1 + Gearing x (Max(0%, Underlying Equity Performance -1)]

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has occurred:

Notional Amount x Underlying Equity Performance

[Where:

Underlying Equity Performance = $\left(\frac{\text{Final Underlying Equity Level}}{\text{Initial Underlying Equity Level}}\right)$]

"**Preference Share Final Redemption Date**" means the day falling [ten] Business Days after the Valuation Date [or, if earlier, the day falling [ten] Business Days after the relevant Auto-Call Valuation Date][35].

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

"**Related Financial Product**" means any financial product which references directly or indirectly the Preference Shares.

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

"**Scheduled Trading Day**" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the [Strike Date or the Valuation Date] [Strike Date, the Valuation Date or an Auto-Call Valuation Date][36].

"**Settlement Currency**" means British pounds sterling ("**GBP**")] [Euro ("**EUR**")] [U.S. Dollar ("**USD**")].

"**Shareholder**" means a holder of Preference Shares in accordance with the Articles.

[35] Include for Autocallable.
[36] Include for Autocallable.

"**Strike Date**" means, subject to the Adjustment Conditions, [*specify strike date*], or if such date is not a Scheduled Trading Day the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If such day is a Disrupted Day, then the provisions in Condition 12 (*Consequences of Disrupted Days*) shall apply.

["**Strike Price**" means the product of [*specify number*] per cent. and the Initial Underlying Equity Level.][37]

["**TARGET Business Day**" means any day on which the TARGET System is open for the settlement of payments in Euro.]

["**TARGET System**" means the real time gross settlement system operated by the Eurosystem, or any successor system.]

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

"**Underlying Equity**" means:

Underlying Equity (Bloomberg Code)	**Exchanges**	**Related Exchanges**
[*Specify relevant Equity*] ([*Specify relevant Bloomberg Code*])	[Specify relevant Exchange(s)]	[All Exchanges]
[*Specify relevant Equity*] ([*Specify relevant Bloomberg Code*])	[Specify relevant Exchange(s)]	[All Exchanges]
[*Specify relevant equity*] ([*Specify relevant Bloomberg Code*])	[Specify relevant Exchange(s)]	[All Exchanges]

[and together, the "**Underlying Equities**".]

"**Underlying Equity Currency**" means:

(a) [in respect of [*specify relevant Equity*], British pounds sterling ("**GBP**");]

(b) [in respect of [*specify relevant Equity*], Euro ("**EUR**"); [and]

(c) [in respect of [*specify relevant Equity*], United States Dollars ("**USD**").]

"**Underlying Equity Level**" means, in respect of any day and subject to the Adjustment Provisions, the aggregate of the official closing prices (which shall be deemed to be an amount in the relevant Underlying Equity Currency) of an Underlying Equity on such day, all as determined by the Calculation Agent.

[37] Include for Geared Call Spread with Geared Put Downside.

"**Underlying Equity Performance**" means a percentage calculated by the Calculation Agent in accordance with the following formula:

[Underlying Equity Performance = $\left(\frac{\text{Final Underlying Equity Level}}{\text{Initial Underlying Equity Level}}\right)$

or

Underlying Equity Performance = $\left(\frac{\text{Final Underlying Equity Level}}{\text{Strike Price}}\right)$]

"**Valuation Date**" means, in respect of an Underlying Equity and subject to the Adjustment Provisions, [*specify final valuation date of underlying*] or, if such date is not a Scheduled Trading Day the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If such day is a Disrupted Day, then the provisions of Condition 12 (*Consequences of Disrupted Days*) shall apply [and, for the avoidance of doubt, for the determination of an Auto-Call Trigger Event, the Valuation Date shall be an Auto-Call Valuation Date][38].

"**Valuation Time**" means the Scheduled Closing Time on the relevant Exchange on the [Strike Date or the Valuation Date] [Strike Date, the Valuation Date or an Auto-Call Valuation Date, as the case may be][39]. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

["**Worst Performing Underlying Equity**" means the Underlying Equity having the lowest Underlying Equity Performance, provided that if any of the Underlying Equities has the same Underlying Equity Performance, the Calculation Agent shall determine which Underlying Equity shall constitute the Worst Performing Underlying Equity.][40]

["**Worst Performing Underlying Equity Performance**" means the Underlying Equity Performance of the Worst Performing Equity.][41]

2. REDEMPTION AND PAYMENT

The Preference Shares shall not be redeemed except as provided for in the Conditions and Article 49.1 (*Redemption of Redeemable Preference Shares*) of the Articles shall not apply.

The method for determining the Preference Share Final Redemption Amount or the Preference Share Early Redemption Amount shall be as set out in the Conditions and Article 49.4 (*Redemption of Redeemable Preference Shares*) of the Articles shall not apply.

The Preference Share Final Redemption Amount or Preference Share Early Redemption Amount, as the case may be, may not be less than [GBP] [EUR] [USD] 0.0001 and will be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards, provided that in the case of Preference Shares redeemed at the same time by the

[38] Include for Autocallable.
[39] Include for Autocallable.
[40] Include for Worst of Autocallable.
[41] Include for Worst of Autocallable.

same Shareholder, such rounding shall only occur following calculation of the aggregate amounts due in respect of such Preference Shares.

2.1 FINAL REDEMPTION

If the Preference Shares have not:

(a) been previously redeemed in accordance with Condition 2.3 (*Company Call*), Condition 2.4 (*Shareholder Put*) or Condition 3 (*Early Redemption if there is a Preference Share Early Redemption Event*); or

(b) become redeemable under Condition 3 (*Early Redemption if there is a Preference Share Early Redemption Event*),

each Shareholder shall have the right exercisable from and including the [Valuation Date] [relevant Auto-Call Valuation Date on which an Auto-Call Trigger Event has occurred (or, if no Auto-Call Trigger Event occurs prior to the Valuation Date, the Valuation Date)][42] to and including the Preference Share Final Redemption Date, by giving notice to the Company, to require the Company immediately to pay or cause to be paid, and if that right is not exercised, the Company will pay or cause to be paid on the Preference Share Final Redemption Date, the Preference Share Final Redemption Amount in respect of each Preference Share in the Settlement Currency, subject to applicable laws, the Articles and the Conditions.

2.2 PAYMENT ON A WINDING UP OR RETURN OF CAPITAL

The provisions of Articles 47.1 (*Capital*) and 47.2 (*Capital*) shall apply to the Preference Shares.

2.3 COMPANY CALL

The Company shall have the right exercisable during the Call and Put Period to redeem compulsorily all of the then outstanding Preference Shares at the Call and Put Redemption Amount payable on the date that right is exercised in accordance with the Articles, the Conditions and in the manner determined by the Company.

Upon the Company exercising its right in accordance with Condition 2.3, it shall give an Preference Share Early Redemption Notice as soon as practicable to Shareholders in accordance with Condition 6 (*Notices*) of the early redemption of each of the then outstanding Preference Shares.

2.4 SHAREHOLDER PUT

If the Company has not given notice of its right to redeem compulsorily the Preference Shares in accordance with Condition 2.3 (*Company Call*), each Shareholder shall have the right exercisable during the Call and Put Period, by giving notice to the Company, to have all of its outstanding Preference Shares redeemed at the Call and Put Redemption Amount payable on the date that right is exercised in accordance with the Articles, the Conditions and in the manner determined by the Company.

[42] Include for Autocallable.

Upon the occurrence of a Shareholder exercising its right in accordance with Condition 2.4, the Company shall give an Preference Share Early Redemption Notice as soon as practicable to Shareholders in accordance with Condition 6 (*Notices*) of the early redemption of each of the then outstanding Preference Shares.

3. EARLY REDEMPTION IF THERE IS AN PREFERENCE SHARE EARLY REDEMPTION EVENT

If the Company, or the Calculation Agent on behalf of the Company, determines that there is an Preference Share Early Redemption Event falling within paragraphs (a) to (c) of the definition of Preference Share Early Redemption Event, the Company, or the Calculation Agent on behalf of the Company, may, but shall not be obliged to elect to redeem early the outstanding Preference Shares by giving an Preference Share Early Redemption Notice to Shareholders in accordance with Condition 6 (*Notices*) below, and if the Company, or the Calculation Agent on behalf of the Company, determines that there is an Preference Share Early Redemption Event falling within paragraph (d) of that definition then the Company, or the Calculation Agent on behalf of the Company, must redeem early the outstanding Preference Shares by giving an Preference Share Early Redemption Notice to Shareholders in accordance with Condition 6 (*Notices*) below.

For the purposes of this Condition 3 only, following the delivery of an Preference Share Early Redemption Notice, each Shareholder shall have the right exercisable from and including the Preference Share Early Valuation Date to and including the Preference Share Early Redemption Date to require the Company to redeem the outstanding Preference Shares immediately (and if that right is not exercised the Company will redeem all of the outstanding Preference Shares on the Preference Share Early Redemption Date) at the Preference Share Early Redemption Amount in respect of each Preference Share, subject to applicable laws, the Articles and the Conditions.

4. DIVIDENDS

In accordance with the Articles, no dividends will be paid in respect of the Preference Shares.

5. FURTHER PREFERENCE SHARES

The Company shall be entitled to issue further Preference Shares from time to time to be consolidated and form a single class with the Preference Shares **provided that** the rights conferred upon the Shareholders shall not be varied, amended or abrogated by the creation, allotment or issue of any further Preference Shares of the same class as the Preference Shares or any different class.

6. NOTICES

Notices to Shareholders shall be delivered to Shareholders at the address for each Shareholder set out in the register of members of the Company with a copy to the Calculation Agent. Any such notice will become effective on the first calendar day after such delivery to such address. Where a notice is being delivered in accordance with Condition 3 (*Early Redemption if there is a Preference Share Early Redemption Event*), such notice shall specify the relevant Preference Share Early Valuation Date. A copy of any Preference Share Early Redemption Notice shall also be delivered to any Hedging Counterparty.

Notices to the Company shall be delivered to the Company at the address of the registered office of the Company with a copy to the Calculation Agent. Any such notice will become effective on the first calendar day after such delivery to such address.

7. CALCULATIONS AND DETERMINATIONS

Any calculations, determinations and adjustments to be made in relation to the Conditions shall (a) unless otherwise specified, be made by the Calculation Agent and in such a manner as the Calculation Agent determines is appropriate acting in good faith and in a commercially reasonable manner (having regard in each case to the criteria stipulated in the Conditions and the hedging arrangements entered into with any Hedging Counterparty) and (b) be final and binding upon the Company, the Shareholders and any Related Financial Product investors and the Calculation Agent shall not have any liability to the Company, the Shareholders or any Related Financial Product investors in respect of any calculation, determination or adjustment made or provided by it.

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

Pursuant to the Conditions the Calculation Agent has a number of discretions. These are necessary since certain circumstances or the occurrence of certain events may materially affect the costs to the Company and/or a Hedging Counterparty (including in relation to any Related Financial Product) and/or any issuer or obligor of a Related Financial Product of maintaining the Preference Shares or a Related Financial Product or hedging arrangements for the Preference Shares or a Related Financial Product, in each case before and after the occurrence of such event in a way which has not been reflected in the pricing of the Preference Shares and/or the Related Financial Product. In addition, certain circumstances may arise where it is not reasonably practicable or otherwise not appropriate for certain valuations to be carried out in relation to relevant reference assets and in these circumstances the Calculation Agent also may exercise certain discretions.

8. SEVERABILITY

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

9. GOVERNING LAW AND JURISDICTION

The Conditions and all non-contractual obligations arising from or in connection with the Conditions shall be governed by and construed in accordance with English law. The English courts shall have exclusive jurisdiction to deal with any dispute and all non-contractual obligations arising from or in connection with the Conditions.

10. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any rights to enforce any terms or conditions of the Preference Shares under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or

remedy of any person which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

11. CALCULATION AGENT MODIFICATIONS

The Calculation Agent will employ the methodology and comply with the provisions described in the Conditions to determine the amounts payable in respect of the Preference Shares. The Calculation Agent's determination in the application of such methodology and compliance with the provisions shall be final, conclusive and binding on the Company and Shareholders except in the case of manifest error.

The Calculation Agent shall be free to modify such methodology or provisions from time to time, acting in good faith and in a commercially reasonable manner, (1) as it deems appropriate in response to any market, regulatory, juridical, fiscal or other circumstances which may arise which, in the opinion of the Calculation Agent, necessitates or makes desirable (taking into account the interests of the Company and any obligor of a Related Financial Product) a modification or change of such methodology or provisions or (2) for the purposes of (i) preserving the intended economic terms of the Preference Shares or (ii) curing any ambiguity or correcting or supplementing any provision of the Conditions or (iii) accounting for any change in the basis on which any relevant values, levels or information is calculated or provided which would materially change the commercial effect of any provision or provisions of the Conditions or (iv) replacing any information provider or source or (v) making amendments to the provisions of a formal, minor or technical nature or (vi) correcting any manifest or proven errors or (vii) making such amendments to comply with mandatory provisions of any applicable laws, provided that no modification by the Calculation Agent constituting a variation (or deemed variation) of the rights of the Preference Shares (or any other class of shares of the Company) for the purposes of sections 630-640 of the Companies Act 2006 (including any statutory modification or re-enactment of it for the time being in force) and/or the Articles shall have effect unless previously approved in accordance with the Companies Act 2006 and the Articles.

Other than with respect to payments, where the Company fails to exercise any discretion or take any action provided to it in the Conditions when the exercise of such discretion or action would be necessary or desirable (as determined by the Calculation Agent), the Calculation Agent may exercise such discretion on its behalf.

12. CONSEQUENCES OF DISRUPTED DAYS

If any Scheduled Valuation Date is a Disrupted Day, then the [Valuation Date or the Strike Date] [Valuation Date, the Strike Date or any Auto-Call Valuation Date], as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the relevant Scheduled Valuation Date is a Disrupted Day. In that case, (a) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date or the Strike Date, as the case may be, notwithstanding the fact that such day is a Disrupted Day, and (b) the Calculation Agent shall, where practicable, determine the Underlying Equity Level in accordance with its good faith estimate of the Underlying Equity Level as of the Valuation Time on that eighth Scheduled Trading Day.

13. ADJUSTMENTS

(a) Following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Underlying Equity and, if so, will (a) make the corresponding adjustment, if any, to any one or more of the relevant Strike Price and/or Underlying Equity Level and/or Preference Share Final Redemption Amount and/or any of the other terms of the Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting, concentrative or other effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the Underlying Equity) and (b) determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Underlying Equity traded on that options exchange. Upon making any such adjustment, the Company shall give notice as soon as practicable to the Shareholders in accordance with Condition 6 (*Notices*), stating the adjustment to the relevant Strike Price and/or Underlying Equity Level and/or Preference Share Final Redemption Amount and/or any of the other terms of these Conditions and giving brief details of the Potential Adjustment Event.

For the purposes of this Condition 13(a):

"**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of an Underlying Equity (unless resulting in a Merger Event), or a free distribution or dividend of the Underlying Equity to existing holders by way of bonus, capitalization or similar issue;

(ii) a distribution, issue or dividend to existing holders of an Underlying Equity of (1) such Underlying Equity or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Underlying Equity or (3) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Company, or the Calculation Agent on behalf of the Company;

(iii) an extraordinary dividend as determined by the Company, or the Calculation Agent on behalf of the Company;

(iv) a call by an Equity Issuer in respect of an Underlying Equity that is not fully paid;

(v) a repurchase by an Equity Issuer or any of its subsidiaries of an Underlying Equity whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of an Equity Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(vii) any other event that has or may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of an Underlying Equity.

(b) If, on or prior to the [Valuation Date or the Strike Date] [Valuation Date, the Strike Date or any Auto-Call Valuation Date][43], a De-listing, Merger Event, Tender Offer, Nationalization or Insolvency occurs in relation to an Underlying Equity the Company in its sole and absolute discretion may (i) require the Calculation Agent to determine in its sole and absolute discretion an appropriate adjustment, if any, to be made to any one or more of the Strike Price and/or Underlying Equity Level and/or Preference Share Final Redemption Amount to account for the De-listing, Merger Event, Tender Offer, Nationalization or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may in the case of adjustments following a Merger Event or Tender Offer include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to an Underlying Equity; or (ii) give a Preference Share Early Redemption Notice to redeem the Preference Shares at the Preference Share Early Redemption Amount.

Upon the occurrence (if applicable) of a De-listing, Merger Event, Tender Offer, Nationalization or Insolvency, the Company shall give notice as soon as practicable to the Shareholders in accordance with Condition 6 stating the occurrence of the De-listing, Merger Event, Tender Offer, Nationalization or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

For the purposes of this Condition 13(b):

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

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Equity Issuer (A) the Underlying Equity is required to be transferred to a

[43] Include for Autocallable.

trustee, liquidator or other similar official or (B) holders of the Underlying Equity of that Equity Issuer become legally prohibited from transferring them;

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

"**Merger Event**" means any (a) reclassification or change of an Underlying Equity that results in a transfer of, or an irrevocable commitment to transfer the Underlying Equity outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in any such reclassification or change of all such Underlying Equity outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Equity of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Underlying Equity (other than such Underlying Equity owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer or its subsidiaries with or into another entity in which such Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Underlying Equity outstanding but results in the outstanding Underlying Equity (other than any such Underlying Equity owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Equity immediately following such event, in each case if the Merger Date is on or before the relevant Valuation Date or, if the Notes are to be redeemed by delivery of Underlying Equity, the Preference Share Final Redemption Date;

"**Nationalization**" means that all the Underlying Equity or all or substantially all the assets of an Equity Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof; and

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

(c) If any Underlying Equity Level is subsequently corrected and the correction (the "**Corrected Share Price**") is published on the relevant Exchange prior to the Correction Cut-Off Date then such Corrected Share Price shall be deemed to be the Underlying Equity Level for that Valuation Date and the Calculation Agent shall use such Corrected Share Price in determining the Preference Share Final Redemption Amount.

(d) In respect of an Underlying Equity being originally quoted, listed and/or dealer as of the Strike Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty establishing the European Community, as amended, if such Underlying Equity is at any time after the Strike Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, then the Calculation Agent will adjust any one or more of the Strike Price and/or Underlying Equity Level and/or Preference Share Final Redemption Amount and/or any of the other terms of these Conditions as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Preference Shares. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Condition 13(c) will affect the currency denomination of any payments in respect of the Preference Shares.

14. ADDITIONAL DISRUPTION EVENTS

(a) Following the occurrence of an Additional Disruption Event, the Company, or the Calculation Agent on behalf of the Company, will determine whether or not the Preference Shares shall continue or be redeemed early.

(b) If the Company, or the Calculation Agent on behalf of the Company, determines that the Preference Shares shall continue, the Calculation Agent may make such adjustment as the Calculation Agent considers appropriate, if any, to any one or more of the Conditions to account for the Additional Disruption Event and determine the effective date of that adjustment.

(c) If the Company, or the Calculation Agent on behalf of the Company, determines that the Preference Shares shall be redeemed early, then the Company shall redeem all but not some only of the Preference Shares in accordance with Condition 3 (*Early Redemption if there is an Preference Share Early Redemption Event*).

(d) Upon the occurrence of an Additional Disruption Event, the Company, or the Calculation Agent on behalf of the Company, shall give notice as soon as practicable to the Shareholders stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto Provided That any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

For the purposes of this Condition 14:

"**Additional Disruption Event**" means any of Change of Law, Hedging Disruption, Insolvency Filing and/or Increased Cost of Hedging.

"**Change in Law**" means that on or after the Issue Date, (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (A) it has become illegal to hold, acquire or dispose of the Underlying Equity or (B) the Company or any Hedging

Counterparty will incur a materially increased cost in performing its obligations in relation to the Preference Shares or any Related Financial Product (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Company and/or any Hedging Counterparty).

"**Hedging Disruption**" means that the Company and/or any Hedging Counterparty is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company issuing and performing its obligations with respect to the Preference Shares or of any obligor of a Related Financial Product issuing and performing its obligations with respect to a Related Financial Product, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Increased Cost of Hedging**" means that the Company and/or any Hedging Counterparty 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 (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company issuing and performing its obligations with respect to the Preference Shares or of any obligor of a Related Financial Product issuing and performing its obligations with respect to a Related Financial Product, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Company and/or any Financial Product obligor shall not be deemed an Increased Cost of Hedging.

"**Insolvency Filing**" means that an Equity Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer shall not be deemed an Insolvency Filing.

15. CORRECTION UNDERLYING EQUITY PRICES

With the exception of any corrections published after the day which is two Business Days prior to the due date for any payment under the Preference Shares, if the published price of an Underlying Equity is subsequently corrected and the correction (the "**Corrected Value**") is published within five days of the original publication, the price to be used for the purposes of the Conditions shall be the Corrected Value. Corrections published after the day which is two Business Days prior to a due date for payment under the Preference Shares will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

CALCULATION AGENT DISCLAIMERS

The Calculation Agent makes no express or implied representations or warranties as to (a) the advisability of investing in or obtaining exposure to the Preference Shares, (b) the value of the Preference Shares at any particular time on any particular date, or (c) any amounts that may

become payable in respect of the Preference Shares. The Calculation Agent shall not act as agent or trustee for the holders of the Preference Shares or any Related Financial Product.

Without limiting any of the foregoing, in no event shall the Calculation Agent have any liability (whether in negligence or otherwise) to any Shareholders or Related Financial Product investors for any direct, indirect, special, punitive, consequential or any other damages (including loss of profits) even if notified of the possibility of such damages.

In addition to providing calculation agency services to the Company, the Calculation Agent or any of its Affiliates, may perform further or alternative roles relating to the Company and any series of Preference Shares. Furthermore, the Calculation Agent or any of its Affiliates may contract with the Company and/or enter into transactions which relate to the Company, the Preference Shares or an Underlying Equity and as a result the Calculation Agent may face a conflict between its obligations as Calculation Agent and its and/or its Affiliates' interests in other capacities. Subject to all regulatory obligations, neither the Company nor the Calculation Agent in respect of the Preference Shares owes any duty or responsibility to any Shareholder or Related Financial Product investor to avoid any conflict or to act in the interest of any Shareholder or Related Financial Product investor.

PRO FORMA FUND LINKED PREFERENCE SHARE CONDITIONS

PRO FORMA PREFERENCE SHARE TERMS AND CONDITIONS FOR [SINGLE FUND DIGITAL] [MULTI FUND DIGITAL] [SINGLE FUND AUTOCALLABLE] [WORST OF AUTOCALLABLE] [SINGLE FUND WITH GEARED PUT] [MULTI FUND WITH GEARED PUT] [SINGLE FUND AUTOCALLABLE WITH GEARED PUT] [MULTI FUND AUTOCALLABLE WITH GEARED PUT] [GEARED CALL SPREAD WITH DOWN AND IN PUT] [GEARED ASIAN CALL SPREAD WITH DOWN AND IN PUT] [GEARED CALL SPREAD WITH GEARED PUT DOWNSIDE] [GEARED CALL WITH DOWN AND IN PUT]

The following are the terms and conditions (the "**Conditions**") of the Series [*specify series number*] Fund linked redeemable preference shares (the "**Preference Shares**") issued by Tower Securities Limited (the "**Company**") on [*specify preference share issue date*]. Terms not otherwise defined have the meanings given in Condition 1 (*Definitions*) below. References to a numbered Condition shall be to such numbered section of the Conditions.

In the event of any inconsistency between the Articles and the Conditions, the Conditions shall prevail.

1. DEFINITIONS

"**Adjustment Provisions**" means all relevant provisions of these Conditions which provide for any adjustment, delay, modification, cancellation or determination in relation to a Fund, the valuation procedure for such Fund or the Preference Shares. This shall include the provisions of Condition 11 (*Calculation Agent Modifications*) and all subsequent Conditions.

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

"**Articles**" means the Articles of Association of the Company, as may be amended, supplemented or otherwise modified from time to time.

"**Associated Costs**" means, in respect of each Preference Share, an amount (subject to a minimum of zero) equal to its *pro rata* share (calculated on the basis of the proportion of the aggregate number of Preference Shares outstanding as at the Preference Share Early Valuation Date) as determined by the Calculation Agent of:

(a) the total amount of any and all costs associated with or incurred by or to be incurred by the Company or the Calculation Agent in connection with or arising as a result of the redemption of the Preference Shares occurring on the Preference Share Early Redemption Date rather than the Preference Share Final Redemption Date, all as determined by the Calculation Agent;

(b) without duplication, an amount which the Calculation Agent determines is appropriate in the context of any Related Financial Product to take into account the total amount of any and all actual and anticipated costs associated with or expected to be incurred by the issuer or obligor and/or Hedging Counterparty in relation to any Related Financial Product, in each case in connection with or arising as a result of the redemption of the Preference Shares occurring on the Preference Share Early Redemption Date rather than the Preference Share Final Redemption Date, including, without limitation, any funding related costs and any costs associated with unwinding the Related Financial Product and/or any hedge positions relating to such

Related Financial Product, all as determined by the Calculation Agent by reference to such source(s) as it determines appropriate; and

(c) without duplication, any other fees and expenses payable by the Company which are attributable to the Preference Shares, all as determined by the Calculation Agent.

["**Auto-Call Barrier**" means the product of (a) the Initial Fund Level of such Fund and (b) the Auto-Call Trigger Level in respect of the relevant Auto-Call Valuation Date.][44]

["**Auto-Call Trigger Event**" means an event which occurs if, in the determination of the Calculation Agent, the Fund Level of the [Fund] [each of the Funds] on an Auto-Call Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Auto-Call Barrier.] [45]

["**Auto-Call Trigger Level**" means, in respect of an Auto-Call Valuation Date, the percentage specified as such set out beside such Auto-Call Valuation Date in the second column of the table below:][46]

Auto-Call Valuation Date	**Auto-Call Trigger Level**	**Auto-Call Trigger Rate**
[*specify auto-call valuation date*]	[*specify relevant auto-call level*]%	[*specify relevant valuation percentage*]%
[*specify auto-call valuation date*]	[*specify relevant auto-call level*]%	[*specify relevant valuation percentage*]%
[*specify auto-call valuation date*]	[*specify relevant auto-call level*]%	[*specify relevant valuation percentage*]%
[*specify auto-call valuation date*]	[*specify relevant auto-call level*]%	[*specify relevant valuation percentage*]%
[*specify auto-call valuation date*]	[*specify relevant auto-call level*]%	[*specify relevant valuation percentage*]%
[*specify final auto-call valuation date*] (the **"Valuation Date**" as further defined in this Condition 1)	[*specify relevant auto-call level*]%	[*specify relevant valuation percentage*]%

[44] Include for Autocallable.
[45] Include for Autocallable.
[46] Include for Autocallable.

["**Auto-Call Trigger Rate**" means, in respect of an Auto-Call Valuation Date, the percentage specified as such set out beside such Auto-Call Valuation Date in the third column of table in the definition of Auto-Call Trigger Level above.][47]

["**Auto-Call Valuation Date**" means, subject to the Adjustment Provisions, each day specified as such in the first column of table in the definition of Auto-Call Trigger Level above (other than, for the avoidance of doubt, [*specify final valuation date of underlying*]), or if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day thereafter unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then the provisions of Condition 12 (*Consequences of Disrupted Days*) shall apply.][48]

["**Average Fund Level**" means the arithmetic average of the Fund Level as observed on the each of the Monthly Averaging Dates.][49]

"**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in [London] [New York]] [[and] which is a TARGET Business Day].

"**Calculation Agent**" means Canadian Imperial Bank of Commerce ("**CIBC**").

"**Call and Put Period**" means the period commencing on and including the Issue Date to and including the day after [*preference share issue date plus 2 business days*] or, if such date is not a Business Day, the next following Business Day.

"**Call and Put Redemption Amount**" means [GBP] [EUR] [USD] 1.00 per Preference Share.

["**Cap**" means [*specify percentage*] per cent.][50]

"**Disrupted Day**" means any Scheduled Trading Day on which the 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.

["**Exchange Traded Funds**" or "**ETF**" means any fund which is an exchange traded fund as specified in relation to such Fund in the definition of "Fund" below, or if not so specified, any fund which the Company, or the Calculation Agent on behalf of the Company, determines to be an Exchange Traded Fund.][51]

["**Exchange**" means, in relation to a Fund Share, the exchange or principal trading market for such ETF specified in the definition of "Fund" below, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such ETF has temporarily relocated.][52]

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

[47] Include for Autocallable.
[48] Include for Autocallable.
[49] Include for Geared Asian Call Spread with Down and In Put.
[50] Include for Geared Call Spread with Geared Put Downside or Call Spread with Gearing and Down and In Put.
[51] Include for ETFs.
[52] Include for ETFs.

"**Final Fund Level**" means, in relation to a Fund and subject to the Adjustment Provisions, the Fund Level of such Fund on [each of] the Valuation Date(s) [or for the purposes of determining whether an Auto-Call Trigger Event has occurred on any Auto-Call Valuation Date for such Fund, the Fund Level of such Fund on the relevant Auto-Call Valuation Date for such Fund][53].

["**Final Redemption Percentage**" means [*specify number*]%.]

"**Fund**" means:

Fund	**Exchange/Related Exchange**	**Bloomberg Code**	**Currency**	**[Underlying Index][54][Fund Administrator][55]**
[*Specify relevant Fund/ETF*]	[*Specify relevant Exchange/Related Exchange*]	[*Specify relevant Bloomberg Code*]	[GBP][EUR][USD]	[*Specify relevant Underlying Index][Fund Administrator]*]
[*Specify relevant Fund/ETF*]	[*Specify relevant Exchange/Related Exchange*]	[*Specify relevant Bloomberg Code*]	[GBP][EUR][USD]	[*Specify relevant* [*Underlying Index*][*Fund Administrator*]]
[*Specify relevant Fund/ETF*]	[*Specify relevant Exchange/Related Exchange*]	[*Specify relevant Bloomberg Code*]	[GBP][EUR][USD]	[*Specify relevant [Underlying Index*][*Fund Administrator*]]

[which is an [Exchange Traded Fund ("**ETF**")][mutual fund][other].]

"**Fund Currency**" means:

(a) [in respect of the [*specify relevant Fund*], British Pounds Sterling ("GBP");]

(b) [in respect of the [*specify relevant Fund*], Euro ("EUR"); [and]

(c) [in respect of the [[*specify relevant Fund*], United States Dollars ("USD").]

["**Fund Event**" means, in respect of Funds other than Exchange Traded Funds, the occurrence of each of an Additional Disruption Event, a Fund Disruption Event and/or a Fund Extraordinary Event (each as defined in Condition 13 (*Adjustments*)), as determined by the Company or the Calculation Agent, on behalf of the Company.][56]

"**Fund Interest**" means, subject to adjustment in accordance with these Conditions, each fund interest specified in the definition of "Fund" below and related expressions shall be construed accordingly.

[53] Include for Autocallable.
[54] Include for ETFs.
[55] Include for Funds other than ETFs.
[56] Include for funds other than ETFs.

"**Fund Level**" means, in respect of any day and subject to the Adjustment Provisions, the official closing level (which shall be deemed to be an amount in the relevant Underlying Currency) of such Fund on such day, all as determined by the Calculation Agent.

"**Fund Performance**" means a percentage calculated by the Calculation Agent in respect of such date in accordance with the following formula:

[Fund Performance = $\left(\frac{\text{Final Fund Level}}{\text{Initial Fund Level}}\right)$]

or

[Fund Performance = $\left(\frac{\text{Final Fund Level}}{\text{Strike Price}}\right)$]

["**Fund Share**" means a share of each ETF, and references to "**holder of Fund Shares**" and "**Fund Shareholder**" shall be construed accordingly.]

["**Fund Share Closing Price**" means, in respect of a Fund Share and any relevant date, an amount equal to the official closing price of such Fund Share quoted on the relevant Exchange as determined by the Calculation Agent on such date.][57]

["**Fund Share Price**" means, in respect of a Fund Share and a time on a Scheduled Trading Day and subject to these Conditions, the price of such Fund Share at such time on such day as determined by the Calculation Agent.][58]

["**Gearing**" means [*specify number*] per cent.][59]

"**Hedging Counterparty**" means CIBC or any Affiliate of CIBC or any other party (i) providing the Company directly or indirectly with hedging arrangements in relation to the Preference Shares and/or (ii) providing or entering into hedging arrangements in relation to any Related Financial Product (and which may, without limitation, be the principal obligor of a Related Financial Product).

"**Initial Fund Level**" means, in relation to a Fund, subject to the Adjustment Provisions, the Fund Level of such Fund on the Strike Date, being the following:

Fund	**Initial Fund Level**
[*Specify relevant Fund*]	[GBP][EUR][USD] [*Specify relevant Fund Level*]
[*Specify relevant Fund*]	[GBP][EUR][USD] [*Specify relevant Fund Level*]
[*Specify relevant Fund*]	[GBP][EUR][USD] [*Specify relevant Fund Level*]

"**Issue Date**" means [*specify preference share issue date*].

["**Knock-in Barrier**" means the product of (a) [*specify number*] per cent. and (b) the Initial Fund Level of the relevant Fund.]

[57] Include for ETFs.
[58] Include for ETFs.
[59] Include for Geared Call Spread with Geared Put Downside or Call Spread with Gearing and Down and In Put.

["**Knock-in Event**" means, subject to the Adjustment Provisions, an event that occurs if, in the determination of the Calculation Agent, the Fund Level of [the Fund][any one of the Funds] on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Knock-In Barrier.]

["**Monthly Averaging Dates**" means each of the following calendar dates: [*specify date*] and [*specify date*] or if any such date is a day on which there is no determination or publication of the [Fund Share Closing Price of the Fund] [relevant net asset value of the Fund Interest], then the relevant Monthly Averaging Date shall be the next following day thereafter on which the determination or publication of the [Fund Share Closing Price of the Fund] [relevant net asset value of the Fund Interest] is made and/or announced.] [60]

"**Notional Amount**" means [GBP] [EUR] [USD] 1.00 per Preference Share.

"**Preference Share Early Redemption Amount**" means, subject to the provisions of the Articles and the Conditions, in respect of each Preference Share, an amount expressed in the Settlement Currency calculated by the Calculation Agent as the fair market value (calculated without taking into account the creditworthiness of the Company) of a Preference Share as of the Preference Share Early Valuation Date taking into account such factor(s) as the Calculation Agent determines appropriate, including, but not limited to, the relevant Preference Share Early Redemption Event after deducting any Associated Costs (to the extent not already reflected in such fair market value).

"**Preference Share Early Redemption Date**" means the day falling [ten] Business Days after the Preference Share Early Valuation Date.

"**Preference Share Early Redemption Event**" means the event that occurs if:

(a) the Calculation Agent determines that for reasons beyond the Company's control, the performance of the Company's obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or

(b) any event occurs in respect of which the Adjustment Provisions provide the Preference Shares may be cancelled or redeemed; or

(c) a change in applicable law or regulation occurs that in the determination of the Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Company being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by the Company to be onerous to it; or

(d) the Company is notified by any issuer or obligor of a Related Financial Product that such Related Financial Product has become subject to early redemption.

"**Preference Share Early Redemption Notice**" means a notice of early redemption of some or all of the Preference Shares given by or on behalf of the Company in accordance with Condition 6 (*Notices*).

"**Preference Share Early Valuation Date**" means the date specified as such in the relevant Preference Share Early Redemption Notice which shall fall not less than one day and not more than 180 days following the day such Preference Share Early Redemption Notice is given. The Preference

[60] Include for Geared Asian Call Spread with Down and In Put.

Share Early Redemption Notice may provide that such date is subject to adjustment in accordance with certain disruption or adjustment events, as determined by the Calculation Agent.

"**Preference Share Final Redemption Amount**" means, subject to the provisions of the Articles and the Conditions, in respect of each Preference Share, an amount expressed in the Settlement Currency determined by the Calculation Agent equal to:

[SINGLE FUND DIGITAL]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and there has not been a Knock-in Event:

Notional Amount x Final Redemption Percentage

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and there has been a Knock-in Event:

Notional Amount x Fund Performance

[Where:

Fund Performance = $\left(\frac{\text{Final Fund Level}}{\text{Initial Fund Level}}\right)$]

[MULTI FUND DIGITAL]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and there has not been a Knock-in Event:

Notional Amount x Final Redemption Percentage

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and there has been a Knock-in Event:

Notional Amount x Worst Performing Fund Performance

Where:

[Fund Performance = $\left(\frac{\text{Final Fund Level}}{\text{Initial Fund Level}}\right)$]

[SINGLE FUND AUTOCALLABLE]

(a) if the Preference Shares have not been redeemed prior to either:

(i) the relevant Auto-Call Valuation Date occurring; or, as the case may be or

(ii) the Valuation Date,

and in each case an Auto-Call Trigger Event has occurred on such relevant Auto-Call Valuation Date, including the Valuation Date;

Notional Amount x Auto-Call Trigger Rate in respect of the relevant Auto-Call Valuation Date, including, for the avoidance of doubt, the Valuation Date; or

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date and there has been a Knock-in Event:

Notional Amount x Fund Performance

[Where:

Fund Performance = $\left(\frac{\text{Final Fund Level}}{\text{Initial Fund Level}}\right)$]

(c) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date, and there has not been a Knock-in Event:

Notional Amount x 100%

[WORST OF AUTOCALLABLE]

(a) if the Preference Shares have not been redeemed prior to either:

(i) the relevant Auto-Call Valuation Date occurring; or, as the case may be or

(ii) the Valuation Date,

and in each case an Auto-Call Trigger Event has occurred on such relevant Auto-Call Valuation Date, including the Valuation Date;

Notional Amount x Auto-Call Trigger Rate in respect of the relevant Auto-Call Valuation Date, including, for the avoidance of doubt, the Valuation Date; or

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date and there has been a Knock-in Event:

Notional Amount x Worst Performing Fund Performance

[Where:

Fund Performance = $\left(\frac{\text{Final Fund Level}}{\text{Initial Fund Level}}\right)$]

(c) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date, and there has not been a Knock-in Event:

Notional Amount x 100%

[SINGLE FUND WITH GEARED PUT]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and if the Final Fund Level of the Fund on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] the Strike Price of such Fund:

Notional Amount x Final Redemption Percentage

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and if the Final Fund Level of the Fund on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such Fund:

Notional Amount x Fund Performance

[Where:

Fund Performance = $\left(\frac{\text{Final Fund Level}}{\text{Strike Price}}\right)$]

[MULTI FUND WITH GEARED PUT]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and if the Final Fund Level of each of the Funds on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of each such relevant Fund:

Notional Amount x Final Redemption Percentage

(b) if the Preference Shares have not been redeemed prior to the Valuation and if the Final Fund Level of any one of the Funds on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such relevant Fund:

Notional Amount x Worst Performing Fund Performance

[Where:

Fund Performance = $\left(\frac{\text{Final Fund Level}}{\text{Strike Price}}\right)$]

[SINGLE FUND AUTOCALLABLE WITH GEARED PUT]

(a) if the Preference Shares have not been redeemed prior to either:

(i) the relevant Auto-Call Valuation Date occurring; or, as the case may be or

(ii) the Valuation Date,

and in each case an Auto-Call Trigger Event has occurred on such relevant Auto-Call Valuation Date, including the Valuation Date;

Notional Amount x Auto-Call Trigger Rate in respect of the relevant Auto-Call Valuation Date, including, for the avoidance of doubt, the Valuation Date; or

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date and if the Final Fund Level of the Fund on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such Fund:

Notional Amount x Fund Performance

[Where:

Fund Performance = $\left(\frac{\text{Final Fund Level}}{\text{Strike Price}}\right)$]

(c) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date, and if the Final Fund Level of the Fund on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such Fund:

Notional Amount x 100%

[WORST OF AUTOCALLABLE WITH GEARED PUT]

(a) if the Preference Shares have not been redeemed prior to either:

(i) the relevant Auto-Call Valuation Date occurring; or, as the case may be or

(ii) the Valuation Date,

and in each case an Auto-Call Trigger Event has occurred on such relevant Auto-Call Valuation Date, including the Valuation Date;

Notional Amount x Auto-Call Trigger Rate in respect of the relevant Auto-Call Valuation Date, including, for the avoidance of doubt, the Valuation Date; or

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date and if the Final Fund Level of any one of the Funds on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such relevant Fund:

Notional Amount x Worst Performing Fund Performance

[Where

Fund Performance = $\left(\frac{\text{Final Fund Level}}{\text{Strike Price}}\right)$]

(c) if the Preference Shares have not been redeemed prior to the Valuation Date and an Auto-Call Trigger Event has not occurred on or prior to the Valuation Date, and if the Final Fund Level of each of the Funds on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of each such relevant Fund:

Notional Amount x 100%

[GEARED CALL SPREAD WITH DOWN AND IN PUT]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has occurred:

Notional Amount x Fund Performance

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has not occurred:

Notional Amount x [1 + Max(0%, Gearing x Min(Cap, Fund Performance -1))]

[Where:

Fund Performance = $\left(\frac{\text{Final Fund Level}}{\text{Initial Fund Level}}\right)$]

[GEARED ASIAN CALL SPREAD WITH DOWN AND IN PUT]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has not occurred:

Notional Amount x [1 + Max (0%,Gearing x Min (Cap, $\left(\frac{\text{Average Fund Level}}{\text{Initial Fund Level}} - 1\right)$)]

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has occurred:

Notional Amount x [Fund Performance + Max (0%, Gearing x Min (Cap, $\left(\frac{\text{Average Fund Level}}{\text{Initial Fund Level}} - 1\right)$))]

[Where:

Fund Performance = $\left(\frac{\text{Final Fund Level}}{\text{Initial Fund Level}}\right)$]

[GEARED CALL SPREAD WITH GEARED PUT DOWNSIDE]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and if the Final Fund Level of the Fund on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such Fund:

Notional Amount x [1 + Max(0%, Gearing x Min(Cap, Fund Performance -1))]

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and if the Final Fund Level of the Fund on the Valuation Date is [greater than] [greater than or equal to] [less than] [less than or equal to] than the Strike Price of such Fund:

Notional Amount x $\left(\frac{\text{Final Fund Level}}{\text{Strike Price}}\right)$

[Where:

Fund Performance = $\left(\frac{\text{Final Fund Level}}{\text{Initial Fund Level}}\right)$]

[GEARED CALL WITH DOWN AND IN PUT]

(a) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has not occurred:

Notional Amount x [1 + Gearing x (Max(0%, Fund Performance -1)]

(b) if the Preference Shares have not been redeemed prior to the Valuation Date and a Knock-In Event has occurred:

Notional Amount x Fund Performance

[Where:

Fund Performance = $\left(\frac{\text{Final Fund Level}}{\text{Initial Fund Level}}\right)$]

"**Preference Share Final Redemption Date**" means the day falling [ten] Business Days after the Valuation Date [or, if earlier, the day falling [ten] Business Days after the relevant Auto-Call Valuation Date][61].

"**Related Exchange**" means, in respect of a Fund, each exchange or principal trading market specified as such for such Fund in the definition of "Fund", any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund in respect of such Fund has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Fund on such temporary substitute exchange or quotation system as on the original Related Exchange), provided however, that where "All Exchanges" is specified as the Related Exchange, "Related Exchange" shall mean each exchange or principal trading market where trading has a material effect (as determined by the Calculation Agent) on the overall market for such Fund.

"**Related Financial Product**" means any financial product which references directly or indirectly the Preference Shares.

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

"**Scheduled Trading Day**" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the [Strike Date or the Valuation Date] [Strike Date, the Valuation Date or an Auto-Call Valuation Date][62].

"**Settlement Currency**" means [British pounds sterling ("**GBP**")] [Euro ("**EUR**")] [U.S. Dollar ("**USD**")].

[61] Include for Autocallable.
[62] Include for Autocallable.

"**Shareholder**" means a holder of Preference Shares in accordance with the Articles.

"**Strike Date**" means, subject to the Adjustment Conditions, [*specify strike date*] or if such date is not a Scheduled Trading Day the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If such day is a Disrupted Day, then the provisions in Condition 12 (*Consequences of Disrupted Days*) shall apply.

["**Strike Price**" means the product of [*specify number*] per cent. and the Initial Fund Level.][63]

["**TARGET Business Day**" means any day on which the TARGET System is open for the settlement of payments in Euro.]

["**TARGET System**" means the real time gross settlement system operated by the Eurosystem, or any successor system.]

["**Underlying Index**" means, in respect of a Fund, the underlying index specified in the definition of "Fund" above.][64]

"**Valuation Date**" means, in respect of a Fund and subject to the Adjustment Provisions, [*specify final valuation date of underlying*] or, if such date is not a Scheduled Trading Day the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If such day is a Disrupted Day, then the provisions of Condition 12 (*Consequences of Disrupted Days*) shall apply [and for the avoidance of doubt, for the determination of an Auto-Call Trigger Event, the Valuation Date shall be an Auto-Call Valuation Date][65].

"**Valuation Time**" means the Scheduled Closing Time on the relevant Exchange on the [Strike Date or the Valuation Date] [Strike Date, the Valuation Date or an Auto-Call Valuation Date][66], as the case may be. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

["**Worst Performing Fund**" means the Fund having the lowest Fund Performance, provided that if any of the Funds has the same Fund Performance, the Calculation Agent shall determine which Fund shall constitute the Worst Performing Fund.][67]

["**Worst Performing Fund Performance**" means the Fund Performance of the Worst Performing Fund.]

2. REDEMPTION AND PAYMENT

The Preference Shares shall not be redeemed except as provided for in the Conditions and Article 49.1 (*Redemption of Redeemable Preference Shares*) of the Articles shall not apply.

The method for determining the Preference Share Final Redemption Amount or the Preference Share Early Redemption Amount shall be as set out in the Conditions and Article 49.4 (*Redemption of Redeemable Preference Shares*) of the Articles shall not apply.

[63] Include for Geared Call Spread with Geared Put Downside.
[64] Include for ETFs.
[65] Include for Autocallable.
[66] Include for Autocallable.
[67] Include for Worst of Autocallable.

The Preference Share Final Redemption Amount or Preference Share Early Redemption Amount, as the case may be, may not be less than [GBP] [EUR] [USD] 0.0001 and will be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards, provided that in the case of Preference Shares redeemed at the same time by the same Shareholder, such rounding shall only occur following calculation of the aggregate amounts due in respect of such Preference Shares.

2.1 FINAL REDEMPTION

If the Preference Shares have not:

(a) been previously redeemed in accordance with Condition 2.3 (*Company Call*), Condition 2.4 (*Shareholder Put*) or Condition 3 (*Early Redemption if there is a Preference Share Early Redemption Event*); or

(b) become redeemable under Condition 3 (*Early Redemption if there is a Preference Share Early Redemption Event*),

each Shareholder shall have the right exercisable from and including the [Valuation Date] [relevant Auto-Call Valuation Date on which an Auto-Call Trigger Event has occurred (or, if no Auto-Call Trigger Event occurs prior to the Valuation Date, the Valuation Date)][68] to and including the Preference Share Final Redemption Date, by giving notice to the Company, to require the Company immediately to pay or cause to be paid, and if that right is not exercised, the Company will pay or cause to be paid on the Preference Share Final Redemption Date, the Preference Share Final Redemption Amount in respect of each Preference Share in the Settlement Currency, subject to applicable laws, the Articles and the Conditions.

2.2 PAYMENT ON A WINDING UP OR RETURN OF CAPITAL

The provisions of Articles 47.1 (*Capital*) and 47.2 (*Capital*) shall apply to the Preference Shares.

2.3 COMPANY CALL

The Company shall have the right exercisable during the Call and Put Period to redeem compulsorily all of the then outstanding Preference Shares at the Call and Put Redemption Amount payable on the date that right is exercised in accordance with the Articles, the Conditions and in the manner determined by the Company.

Upon the Company exercising its right in accordance with Condition 2.3, it shall give an Preference Share Early Redemption Notice as soon as practicable to Shareholders in accordance with Condition 6 (*Notices*) of the early redemption of each of the then outstanding Preference Shares.

2.4 SHAREHOLDER PUT

If the Company has not given notice of its right to redeem compulsorily the Preference Shares in accordance with Condition 2.3 (*Company Call*), each Shareholder shall have the right

[68] Include for Autocallable.

exercisable during the Call and Put Period, by giving notice to the Company, to have all of its outstanding Preference Shares redeemed at the Call and Put Redemption Amount payable on the date that right is exercised in accordance with the Articles, the Conditions and in the manner determined by the Company.

Upon the occurrence of a Shareholder exercising its right in accordance with Condition 2.4, the Company shall give a Preference Share Early Redemption Notice as soon as practicable to Shareholders in accordance with Condition 6 (*Notices*) of the early redemption of each of the then outstanding Preference Shares.

3. EARLY REDEMPTION IF THERE IS AN PREFERENCE SHARE EARLY REDEMPTION EVENT

If the Company, or the Calculation Agent on behalf of the Company, determines that there is an Preference Share Early Redemption Event falling within paragraphs (a) to (c) of the definition of Preference Share Early Redemption Event, the Company, or the Calculation Agent on behalf of the Company, may, but shall not be obliged to elect to redeem early the outstanding Preference Shares by giving an Preference Share Early Redemption Notice to Shareholders in accordance with Condition 6 (*Notices*) below, and if the Company, or the Calculation Agent on behalf of the Company, determines that there is an Preference Share Early Redemption Event falling within paragraph (d) of that definition then the Company, or the Calculation Agent on behalf of the Company, must redeem early the outstanding Preference Shares by giving an Preference Share Early Redemption Notice to Shareholders in accordance with Condition 6 (*Notices*) below.

For the purposes of this Condition 3 only, following the delivery of an Preference Share Early Redemption Notice, each Shareholder shall have the right exercisable from and including the Preference Share Early Valuation Date to and including the Preference Share Early Redemption Date to require the Company to redeem the outstanding Preference Shares immediately (and if that right is not exercised the Company will redeem all of the outstanding Preference Shares on the Preference Share Early Redemption Date) at the Preference Share Early Redemption Amount in respect of each Preference Share, subject to applicable laws, the Articles and the Conditions.

4. DIVIDENDS

In accordance with the Articles, no dividends will be paid in respect of the Preference Shares.

5. FURTHER PREFERENCE SHARES

The Company shall be entitled to issue further Preference Shares from time to time to be consolidated and form a single class with the Preference Shares **provided that** the rights conferred upon the Shareholders shall not be varied, amended or abrogated by the creation, allotment or issue of any further Preference Shares of the same class as the Preference Shares or any different class.

6. NOTICES

Notices to Shareholders shall be delivered to Shareholders at the address for each Shareholder set out in the register of members of the Company with a copy to the Calculation

Agent. Any such notice will become effective on the first calendar day after such delivery to such address. Where a notice is being delivered in accordance with Condition 3 *(Early Redemption if there is a Preference Share Early Redemption Event*), such notice shall specify the relevant Preference Share Early Valuation Date. A copy of any Preference Share Early Redemption Notice shall also be delivered to any Hedging Counterparty.

Notices to the Company shall be delivered to the Company at the address of the registered office of the Company with a copy to the Calculation Agent. Any such notice will become effective on the first calendar day after such delivery to such address.

7. CALCULATIONS AND DETERMINATIONS

Any calculations, determinations and adjustments to be made in relation to the Conditions shall (a) unless otherwise specified, be made by the Calculation Agent and in such a manner as the Calculation Agent determines is appropriate acting in good faith and in a commercially reasonable manner (having regard in each case to the criteria stipulated in the Conditions and the hedging arrangements entered into with any Hedging Counterparty) and (b) be final and binding upon the Company, the Shareholders and any Related Financial Product investors and the Calculation Agent shall not have any liability to the Company, the Shareholders or any Related Financial Product investors in respect of any calculation, determination or adjustment made or provided by it.

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

Pursuant to the Conditions the Calculation Agent has a number of discretions. These are necessary since certain circumstances or the occurrence of certain events may materially affect the costs to the Company and/or a Hedging Counterparty (including in relation to any Related Financial Product) and/or any issuer or obligor of a Related Financial Product of maintaining the Preference Shares or a Related Financial Product or hedging arrangements for the Preference Shares or a Related Financial Product, in each case before and after the occurrence of such event in a way which has not been reflected in the pricing of the Preference Shares and/or the Related Financial Product. In addition, certain circumstances may arise where it is not reasonably practicable or otherwise not appropriate for certain valuations to be carried out in relation to relevant reference assets and in these circumstances the Calculation Agent also may exercise certain discretions.

8. SEVERABILITY

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

9. GOVERNING LAW AND JURISDICTION

The Conditions and all non-contractual obligations arising from or in connection with the Conditions shall be governed by and construed in accordance with English law. The English courts shall have exclusive jurisdiction to deal with any dispute and all non-contractual obligations arising from or in connection with the Conditions.

10. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any rights to enforce any terms or conditions of the Preference Shares under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

11. CALCULATION AGENT MODIFICATIONS

The Calculation Agent will employ the methodology and comply with the provisions described in the Conditions to determine the amounts payable in respect of the Preference Shares. The Calculation Agent's determination in the application of such methodology and compliance with the provisions shall be final, conclusive and binding on the Company and Shareholders except in the case of manifest error.

The Calculation Agent shall be free to modify such methodology or provisions from time to time, acting in good faith and in a commercially reasonable manner, (1) as it deems appropriate in response to any market, regulatory, juridical, fiscal or other circumstances which may arise which, in the opinion of the Calculation Agent, necessitates or makes desirable (taking into account the interests of the Company and any obligor of a Related Financial Product) a modification or change of such methodology or provisions or (2) for the purposes of (i) preserving the intended economic terms of the Preference Shares or (ii) curing any ambiguity or correcting or supplementing any provision of the Conditions or (iii) accounting for any change in the basis on which any relevant values, levels or information is calculated or provided which would materially change the commercial effect of any provision or provisions of the Conditions or (iv) replacing any information provider or source or (v) making amendments to the provisions of a formal, minor or technical nature or (vi) correcting any manifest or proven errors or (vii) making such amendments to comply with mandatory provisions of any applicable laws, provided that no modification by the Calculation Agent constituting a variation (or deemed variation) of the rights of the Preference Shares (or any other class of shares of the Company) for the purposes of sections 630-640 of the Companies Act 2006 (including any statutory modification or re-enactment of it for the time being in force)and/or the Articles shall have effect unless previously approved in accordance with the Companies Act 2006 and the Articles.

Other than with respect to payments, where the Company fails to exercise any discretion or take any action provided to it in the Conditions when the exercise of such discretion or action would be necessary or desirable (as determined by the Calculation Agent), the Calculation Agent may exercise such discretion on its behalf.

12. CONSEQUENCES OF DISRUPTED DAYS

If any Scheduled Valuation Date is a Disrupted Day, then the [Valuation Date or the Strike Date] [Valuation Date, the Strike Date or any Auto-Call Valuation Date, as the case may be, for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and that Valuation Date for each Fund Share affected by the occurrence of a Disrupted Day (an "**Affected Fund Share**") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Fund Share. In that case, (i) that eighth Scheduled Trading Day shall be

deemed to be the Valuation Date for the Affected Fund Share, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, where applicable, determine the Fund Share Closing Price or the Fund Share Price of the Fund Share using, in relation to the Affected Fund Share, the level of that Fund Share determined in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, using the level of that Fund Share as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Fund Share last in effect prior to the occurrence of the Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in that Fund Share (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day).

13. ADJUSTMENTS

13.1 PROVISIONS RELATING TO FUNDS (OTHER THAN EXCHANGE TRADED FUNDS)

The following provisions apply to Funds other than Exchange Traded Funds:

(a) Fund Event

Following the occurrence of a Fund Event, the Company, or the Calculation Agent on behalf of the Company, may take the action described in (i) or (ii) below such that the Company, or the Calculation Agent, in its sole and absolute discretion, determines to be practicable, which may be determined by the Company, or the Calculation Agent on behalf of the Company, after all necessary information has been obtained and/or released by the Fund:

(i) make such determinations and/or adjustments to the Conditions as it determines appropriate to account for the Fund Event, which may include, without limitation,

(A) delaying any determination date (including any [Valuation Date or any Auto-Call Valuation Date, as the case may be]) and/ or any date on which payment might otherwise have to be made under the Conditions until it determines that no Fund Event exists;

(B) determining that, in the sole and absolute discretion of the Company, or the Calculation Agent on behalf of the Company, one or more Fund Events may continue until or after any scheduled determination dates and/or payment dates as set out in the Conditions, and thereafter determining to fix any determination date (including any Valuation Date or any Auto-Call Valuation Date, as the case may be) and/or date on which payment should be made, and making payment on such date of such amount as is appropriate, as determined in the sole and absolute discretion of the Company, or the Calculation Agent on behalf of the Company, taking into account the Fund Event, and which may be based solely on any amounts of cash that a Hypothetical Investor in the Fund actually received from the Fund during the relevant period or periods (and which may be less than any relevant net asset value published for the Fund, and may be as low as zero);

(C) calculating the value of a Fund Interest and/or replacing a Fund Interest (the "**Affected Fund Interest**") with a replacement fund interest (the "**Replacement Fund Interest**") with a value as determined by Company, or the Calculation Agent on behalf of the Company, equal to the Removal Value for the Affected Fund Interest and in a fund which in the determination of the Calculation Agent has similar characteristics, investment objectives and policies to those applicable to the Fund in respect of the Affected Fund Interest immediately prior to the occurrence of the Fund Event; or

(ii) on giving notice to the Shareholders in accordance with Condition 6 *(Notices*), redeem all, but not less than all, of the Preference Shares in accordance with Condition 3 (*Early Redemption if there is a Preference Share Early Redemption Event*).

If the Calculation Agent replaces an Affected Fund Interest with a Replacement Fund Interest, such replacement shall take effect on the first reasonably practicable date following the Removal Date for such Affected Fund Interest on which the Calculation Agent determines that a Hypothetical Investor could acquire the Replacement Fund Interest.

Upon the occurrence of a Fund Event, the Company, or the Calculation Agent on behalf of the Company, shall give notice as soon as practicable to the Shareholders in accordance with Condition 6 (*Notices*), giving details of the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action.

For the purposes of this Condition 13.1(a):

"**Fund Event**" means the occurrence of each of an Additional Disruption Event, a Fund Disruption Event and/or a Fund Extraordinary Event as determined by the Calculation Agent.

"**Fund Disruption Event**" means at any time the occurrence or continuance of any of the following events, as determined by the Calculation Agent in its sole and absolute discretion, if the Calculation Agent determines any such event is material:

(i) "**Fund Valuation Disruption**" means (A) any continued postponement of any Scheduled Valuation Date due to such Scheduled Valuation Date not being a Scheduled Fund Redemption Valuation Date, (B) the failure of a Scheduled Fund Redemption Valuation Date in respect of a Fund Interest to be a Fund Redemption Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Redemption Valuation Date, or (C) the failure of a Scheduled Fund Valuation Date in respect of a Fund Interest to be a Fund Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Valuation Date;

(ii) "**Fund Settlement Disruption**" means a failure by a Fund on any day to pay the full amount (whether expressed as a percentage or otherwise) of any fund redemption proceeds with respect to any Fund Interest scheduled to have been paid on or by such day according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests).

"**Fund Extraordinary Event**" means each of the following events:

(i) "**Nationalization**" means that all the Fund Interests or all or substantially all the assets of a Fund are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

(ii) "**Insolvency**" means that 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 or redeeming them;

(iii) "**Fund Insolvency Event**" means a Fund or relevant Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up or official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or Arrangement with or for the benefit of its creditors; (C) (I) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or 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 (II) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (I) above and either (aa) 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 (bb) is not dismissed, discharged, stayed or restrained in each case within fifteen calendar 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 of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen calendar days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (E) and (F) above;

(iv) "**NAV Trigger Event**" means that (A) the aggregate net asset value of a Fund (the "**NAV**") has decreased by an amount equal to or greater than 30 per cent. since the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or (B) a Fund has violated any leverage restriction that is applicable to, or affecting, it 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 relevant Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;

(v) "**Adviser Resignation Event**" means the resignation, termination of appointment, or replacement of a Fund's Fund Adviser;

(vi) "**Fund Modification**" means any change or modification of the relevant Fund Documents that could reasonably be expected to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or the imposition of any fees or charges in relation to redemptions, subscriptions or transfers of Fund Interests;

(vii) "**Strategy Breach**" means any breach or violation of any strategy or investment guidelines stated in the relevant Fund Documents that is reasonably likely to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent); or any change of the nature of a Fund, including but not limited to the type of investments, the duration, the credit risk and diversification of the investments to which that Fund is exposed, which, in the opinion of the Calculation Agent, results in a material deterioration of the risk profile of that Fund;

(viii) "**Regulatory Action**" means (A) the cancellation, suspension or revocation of the registration or approval of a Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund, (B) any change in the legal, tax, accounting, or regulatory treatments of a Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of the related Fund Interest or on any investor therein (as determined by the Calculation Agent), or (C) a Fund or any of its Fund Administrator or Fund Adviser becoming subject to investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund, Fund Administrator or Fund Adviser;

(ix) "**Reporting Disruption**" means (A) the occurrence of any event affecting a Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest in respect of a Scheduled Fund Valuation Date or a Scheduled Fund Redemption Valuation Date, and such event continues for at least two consecutive Scheduled Fund Valuation Dates or Scheduled Fund Redemption Valuation Dates, as the case may be; (B) any failure of a Fund to deliver, or cause to be delivered, (I) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, including, but not limited to, information to determine the occurrence of a Fund Event and the annual audited financial report and semi-annual financial report, if any, in relation to the related Fund Interests, or (II) information that has been previously delivered to the Calculation Agent, in accordance with such Fund's, or its authorized representative's, normal practice and that the Calculation Agent deems necessary to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the related Fund Interests;

(x) "**Fund Service Provider Cessation**" means that one or more Fund Service Provider(s) in respect of a Fund ceases to provide the service as outlined in the relevant Fund Documents prevailing on the Trade Date or, where the related Fund Interest is a Replacement Fund Interest, the relevant replacement date, and any such Fund Service Provider is not immediately replaced by another service provider acceptable to the Calculation Agent;

(xi) "**Fund Administrator Disruption**" means any event or circumstances compromising the independence of a Fund Administrator performing services for a Fund from the relevant Fund Adviser; or

(xii) "**Related Agreement Termination**" means a Fund or any of its Fund Administrator or Fund Adviser is in breach of or has terminated any existing agreement with the Calculation Agent in respect of, but not limited to, retrocession, dealing fees, liquidity and licensing.

"**Fund Administrator**" means the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for a Fund according to the relevant Fund Documents.

"**Fund Adviser**" means 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).

"**Fund Documents**" means the constitutive and governing documents, subscription agreements and other agreements of a Fund specifying the terms and conditions relating to the related Fund Interest, as amended from time to time.

"**Fund Redemption Valuation Date**" means, in respect of a Fund Interest, the date as of which a Fund (or its Fund Service Provider that generally determines such value) would determine 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 and timely notice for redemption of Fund Interests based on the value determined as of such date.

"**Fund Service Provider**" means any person who is appointed to provide services, directly or indirectly, to a Fund, whether or not specified in the relevant Fund Documents, including without limitation any Fund Administrator, Fund Adviser, operator, management company, depositary, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent.

"**Fund Valuation Date**" means a date as of which a Fund (or its Fund Service Provider that generally determines such value) determines the value of the related Fund Interest.]

"**Hypothetical Investor**" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Fund Interests which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding Fund Interests at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organized in any

jurisdiction, and to be, without limitation, the Company, the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation).

"**Removal Value**" means, in respect of an Affected Fund Interest, the amount that the Calculation Agent determines a Hypothetical Investor would receive in cash on the redemption or realization of such Affected Fund Interest at the relevant time, provided that if any such redemption proceeds would comprise non-monetary assets the Removal Value may, at the sole and absolute discretion of the Calculation Agent, include only such amount (if any) that the Calculation Agent determines would be received by the Hypothetical Investor in respect of a realization (in whatsoever manner the Calculation Agent determines appropriate) of such non-monetary assets as soon as reasonably practicable after their receipt.

"**Scheduled Fund Redemption Valuation Date**" means the date as of which a Fund (or its Fund Service Provider that generally determine such value) is scheduled, according to the relevant 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 the related Fund Interest for 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.

"**Scheduled Fund Valuation Date**" means, in respect of a Fund Interest, a date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to the relevant 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 value of the related Fund Interest or, if the Fund only reports its aggregate net asset value, the date as of which such Fund is scheduled to determine its aggregate net asset value.

(b) **Potential Adjustment Events of the Fund**

Following the declaration by a Fund of the terms of any Fund Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Fund Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the relevant Fund Interest and, if so, will make the corresponding adjustment, if any, to any one or more of any of the terms of the Conditions as the Calculation Agent, in its sole and absolute discretion, determines appropriate to account for that diluting, concentrative or other effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest) and determine the effective date of that adjustment. Upon making of any such adjustment, the Company shall give notice as soon as practicable to the Shareholders in accordance with Condition 6 (*Notices*) stating the adjustment to any of the Conditions, and giving brief details of the Fund Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

For the purposes of this Condition 13.1(b):

"**Fund Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Fund Interests or a free distribution or dividend of any such Fund Interests to existing holders by way of bonus, capitalization or similar issue;

(ii) a distribution, issue or dividend to existing holders of relevant Fund Interests of (A) such Fund Interests or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the related Fund equally or proportionately with such payments to holders of such Fund Interests or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the related 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 (in cash or in other consideration) at less than the prevailing market price as determined by the Company, or the Calculation Agent on behalf of the Company;

(iii) an extraordinary dividend as determined by the Company, or the Calculation Agent on behalf of the Company;

(iv) a repurchase by a Fund of relevant Fund Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise other than where such repurchase is a redemption of Fund Interests initiated by an investor in such Fund Interests and consistent with the relevant Fund Documents; or

(v) any other event that may have, in the opinion of the Company, or the Calculation Agent on behalf of the Company, a diluting, concentrative or other effect on the theoretical value of relevant Fund Interests.

13.2 PROVISIONS RELATING TO EXCHANGE TRADED FUNDS

The following provisions apply to Exchange Traded Funds:

(a) Market Disruption Event

For the purpose of determining whether a Market Disruption Event exists in respect of a Fund Share at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the relevant Underlying Index at that time, then the relevant percentage contribution of that security, to the level of the relevant Underlying Index shall be based on a comparison of (a) the portion of the level of the relevant Underlying Index attributable to that security, and (b) the overall level of the relevant Underlying Index immediately before the occurrence of such Market Disruption Event. The Company, of the Calculation Agent on behalf of the Company, shall give notice as soon as practicable to the Noteholders in accordance with Condition 6 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Disrupted Day.

For the purposes of this Condition 13.2(a):

"**Market Disruption Event**" means, in respect of a Fund Share:

(a) the occurrence or existence at any time during the one-hour period that ends at the relevant Valuation Time:

(i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:

(1) relating to the relevant Fund Share on such Exchange; or

(2) relating to securities that comprise 20 per cent. or more of the level of the relevant Underlying Index or any relevant successor index; or

(3) in futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange, or

(b) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Company, or the Calculation Agent on behalf of the Company) the ability of market participants in general to (A) effect transactions in, or obtain market values for, the Fund Shares on the Exchange, (B) effect transactions in, or obtain market values for securities that comprise 20 per cent. or more of the level of the relevant Underlying Index, or (C) to effect transactions in, or obtain market values for, futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange; or

(c) the closure on any Exchange Business Day of any relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange on such Exchange Business Day or, if earlier, (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Company, or the Calculation Agent on behalf of the Company, determines is material.

(b) Potential Adjustment Event of the Exchange Traded Fund

Following a Potential Adjustment Event, the Company, or the Calculation Agent on behalf of the Company, will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the terms of the Conditions as the Company, or the Calculation Agent on behalf of the Company, determines appropriate to account for that diluting or concentrative effect and (b) determine the effective date(s) of that adjustment(s). The Company, or the Calculation Agent on behalf of the Company, may, but need not, determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Fund Shares traded on such options exchange.

For the purposes of this Condition 13.2(b):

"**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Fund Shares (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Fund Shares to existing holders by way of bonus, capitalization or similar issue;

(ii) a distribution, issue or dividend to existing holders of the relevant Fund Shares of (A) such Fund Shares or (B) other share capital or securities granting the right to payment of dividends and/ or the proceeds of liquidation of the ETF equally or proportionately with such payments to holders of such Fund Shares or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the 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 Company, or the Calculation Agent on behalf of the Company;

(iii) an extraordinary dividend as determined by the Company, or the Calculation Agent on behalf of the Company;

(iv) a call by the ETF in respect of relevant Fund Shares that are not fully paid;

(v) a repurchase by the ETF or any of its subsidiaries of relevant Fund Shares, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of an ETF, an event that results in any shareholder rights being distributed or becoming separated from Fund Shares of common stock or other shares of the capital stock of the ETF 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 Company, or the Calculation Agent on behalf of the Company, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Shares.

Upon the making of any such adjustment, the Calculation Agent shall as soon as is reasonably practicable under the circumstances give notice to the Shareholders in accordance with Condition 6 (*Notices*) stating the adjustment made and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

(c) De-Listing, Insolvency, Material Underlying Event, Merger Date, Merger Event, Nationalization, Tender Offer

If on or prior to the [Valuation Date or the Strike Date,] [Valuation Date, the Strike Date or any Auto-Call Valuation Date,][69] a De-Listing, Merger Event, Tender Offer, Nationalization, Insolvency or Material Underlying Event occurs in relation to any Fund Share, the Company, or the Calculation Agent on behalf of the Company, in its sole and absolute discretion may take the action described in (a), (b) or (c) below:

(a) determine the appropriate adjustment(s), if any, to be made to any one or more of the terms of the Conditions to account for the De-Listing, Merger Event, Tender Offer, Nationalization, Insolvency or Material Underlying Event, as the case may be, and determine the effective date(s) of that adjustment(s). The Company, or the Calculation Agent on behalf of the Company, may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of the De-Listing, Merger Event, Tender Offer, Nationalization, Insolvency or Material Underlying Event made by any options exchange to options on the relevant Fund Share traded on that options exchange;

(b) give notice to the Shareholders in accordance with Condition 6 (*Notices*), and redeem all, but not less than all, of the Preference Shares in accordance with Condition 3 (*Early Redemption if there is an Preference Share Early Redemption Event)*, taking into account the Merger Event, Tender Offer, De-listing, Nationalization, Insolvency or Material Underlying Event, as the case may be, less the cost to the Company or any Hedging Counterparty of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion; or

(c) following such adjustment to the settlement terms of options on the Fund Shares traded on such exchange(s) or quotation system(s) as the Company, or the Calculation Agent on behalf of the Company, in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of the terms of the Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Fund Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the terms of the Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, Nationalization, Insolvency or Material Underlying Event, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(B) Upon the occurrence (if applicable) of a Merger Event, Tender Offer, De-listing, Nationalization, Insolvency or Material Underlying Event, the Company, or the Calculation Agent on behalf of the Company, shall give notice as soon as practicable

[69] Include for Worst of Autocallable.

to the Shareholders in accordance with Condition 6 (*Notices*) stating the occurrence of the Merger Event, Tender Offer, Nationalization, De-listing, Insolvency or Material Underlying Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Merger Event, Tender Offer, De-listing, Nationalization, Insolvency or Material Underlying Event, as the case may be.

(C) For the purposes of this Condition 13.2(c):

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

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

"**Material Underlying Event**" means any of the following:

(i) the investment objectives and/or policies in respect of the ETF are materially changed;

(ii) an illegality occurs or a relevant authorization or license is revoked in respect of the ETF and/ or the ETF is required by a competent authority (other than any holder of the Fund Shares) to redeem any Fund Shares;

(iii) there is a change in any relevant jurisdiction in respect of any payments made by the ETF in respect of any Fund Share as a result of which the amounts paid or to be paid by the Company in connection with hedging arrangements relating to the Preference Shares are materially reduced or otherwise adversely affected; and/or

(iv) any other event occurs in relation to the ETF and/or the Fund Shares which is materially prejudicial to the Company in connection with the issue of the Preference Shares or any hedging arrangements relating to the Preference Shares,

as determined by the Calculation Agent.

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

"**Merger Event**" means, in respect of any relevant Fund Shares, any (i) reclassification or change of such Fund Shares that results in a transfer of or an irrevocable commitment to transfer all of such Fund Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the ETF with or into another entity

or person (other than a consolidation, amalgamation, merger or binding share exchange in which such ETF is the continuing entity and which does not result in any such reclassification or change of all such Fund Shares outstanding) or (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Fund Shares of the relevant ETF that results in a transfer of or an irrevocable commitment to transfer all such Fund Shares (other than such Fund Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the ETF or its subsidiaries with or into another entity in which the ETF is the continuing entity and which does not result in a reclassification or change of all such Fund Shares outstanding but results in the outstanding Fund Shares (other than Fund Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Fund Shares immediately following such event (a "**Reverse Merger**"), in each case if the Merger Date is on or before the Valuation Date.

"**Nationalization**" means that all the Fund Shares or all or substantially all the assets of an ETF are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

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

14. ADDITIONAL DISRUPTION EVENTS

(a) Following the occurrence of an Additional Disruption Event, the Company, or the Calculation Agent on behalf of the Company, will determine whether or not the Preference Shares shall continue or be redeemed early.

(b) If the Company, or the Calculation Agent on behalf of the Company, determines that the Preference Shares shall continue, the Calculation Agent may make such adjustment as the Calculation Agent considers appropriate, if any, to any one or more of the Conditions to account for the Additional Disruption Event and determine the effective date of that adjustment.

(c) If the Company, or the Calculation Agent on behalf of the Company, determines that the Preference Shares shall be redeemed early, then the Company shall redeem all but not some only of the Preference Shares in accordance with Condition 3 (*Early Redemption if there is a Preference Share Early Redemption Event*).

(d) Upon the occurrence of an Additional Disruption Event, the Company, or the Calculation Agent on behalf of the Company, shall give notice as soon as practicable to the Shareholders stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto Provided That any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

For the purposes of this Condition 14:

"**Additional Disruption Event**" means any of Change of Law, Hedging Disruption, Increased Cost of Hedging and/or Insolvency Filing.

"**Change in Law**" means that on or after the Issue Date, (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (A) it has become illegal to hold, acquire or dispose of any relevant [Fund Share] [Fund Interest] or (B) the Company or any Hedging Counterparty will incur a materially increased cost in performing its obligations in relation to the Preference Shares or any Related Financial Product (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Company and/or any Hedging Counterparty).

"**Hedging Disruption**" means that the Company and/or any Hedging Counterparty is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company issuing and performing its obligations with respect to the Preference Shares or of any obligor of a Related Financial Product issuing and performing its obligations with respect to a Related Financial Product, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Increased Cost of Hedging**" means that the Company and/or any Hedging Counterparty 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 (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk relating to any Fund Interest of the Company issuing and performing its obligations with respect to the Preference Shares or of any obligor of a Related Financial Product issuing and performing its obligations with respect to a Related Financial Product, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Company and/or any Financial Product obligor shall not be deemed an Increased Cost of Hedging.

"**Insolvency Filing**" means that the Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Company shall not be deemed an Insolvency Filing.

CALCULATION AGENT DISCLAIMERS

The Calculation Agent makes no express or implied representations or warranties as to (a) the advisability of investing in or obtaining exposure to the Preference Shares, (b) the value of the Preference Shares at any particular time on any particular date, or (c) any amounts that may become payable in respect of the Preference Shares. The Calculation Agent shall not act as agent or trustee for the holders of the Preference Shares or any Related Financial Product.

Without limiting any of the foregoing, in no event shall the Calculation Agent have any liability (whether in negligence or otherwise) to any Shareholders or Related Financial Product investors for any direct, indirect, special, punitive, consequential or any other damages (including loss of profits) even if notified of the possibility of such damages.

In addition, to providing calculation agency services to the Company, the Calculation Agent or any of its Affiliates, may perform further or alternative roles relating to the Company and any series of Preference Shares. Furthermore, the Calculation Agent or any of its Affiliates may contract with the Company and/or enter into transactions which relate to the Company, the Preference Shares or the [Fund][Funds] and as a result the Calculation Agent may face a conflict between its obligations as Calculation Agent and its and/or its Affiliates' interests in other capacities. Subject to all regulatory obligations, neither the Company nor the Calculation Agent in respect of the Preference Shares owes any duty or responsibility to any Shareholder or Related Financial Product investor to avoid any conflict or to act in the interest of any Shareholder or Related Financial Product investor.

FUND DISCLAIMER

[*iShares China Large-Cap ETF*]

[The benchmark is the intellectual property of the index provider. The Preference Share is not sponsored or endorsed by the index provider. Please refer to the Fund's prospectus for full disclaimer.]

[other]

USE OF PROCEEDS

This section sets out what the proceeds from the sale of Notes will be used for.

Except as otherwise set out in the applicable Final Terms (including, without limitation, in relation to Green Bonds, Social Bonds or Sustainability Bonds as described below), the net proceeds of the issue of each Tranche of Notes will be added to the general funds of the Issuer.

Green Bonds, Social Bonds and Sustainability Bonds

Use of Proceeds

Where Notes are specified as being "Green Bonds", "Social Bonds" or "Sustainability Bonds" and/or for green, social or sustainability or other equivalently-labelled purposes, respectively, as described in Part B, Item 4 of the applicable Final Terms (such Notes, "**Green Bonds**", "**Social Bonds**", or "**Sustainability Bonds**", respectively, and together, "**Eligible Bonds**") the proceeds of the issue will be used to finance or refinance loans and investments that meet the Issuer's Green and/or Social Issuance Eligibility Criteria as described in the Issuer's Sustainability Issuance Framework ("**Eligibility Criteria**") that support the achievement of the United Nations Sustainable Development Goals and the global transition to a just and lower carbon economy. The net proceeds of Sustainability Bonds may finance or refinance a combination of loans or investments in businesses, projects and assets that satisfy any of the Eligibility Criteria ("**Eligible Assets**").

In particular, if so specified in the Final Terms, the Issuer will apply the net proceeds from an offer of Notes specified as "Green Bonds", "Social Bonds" or "Sustainability Bonds" to Eligible Projects.

Eligibility Criteria

"**Eligible Projects**" means projects within the Eligibility Criteria set out in sections 2.2-2.4 of the Issuer's Sustainability Issuance Framework, which has been drawn up in alignment with the ICMA Green Bond Principles 2021, falling within the following eligible categories:

(a) Green Bonds: (i) clean energy; (ii) energy efficiency; (iii) pollution prevention and control; (iv) environmentally sustainable management of living natural resources and land use; (v) Terrestrial and aquatic biodiversity conservation (vi) Clean transportation; (vii) Sustainable water and waste water management; (viii) Green buildings; and (ix) Circularity;

(b) Social Bonds: (i) Essential services; (ii) Affordable housing & basic infrastructure; (iii) Indigenous communities & businesses; (iv) Majority Women-owned business;

(c) Sustainability Bonds: projects and assets that qualify under Green Bond and/or Social Bond categories outlined above respectively. For clarity, a Sustainability Bond can have proceeds which are allocated across both categories of activities. Where the Eligible Asset is a loan or investment in a business, the business must derive 90% or more of its revenues from activities that meet the Eligibility Criteria.

ICMA Green Bond Principles 2021 are voluntary process guidelines that were developed by an industry working group administered by ICMA that recommend transparency and disclosure and are intended to promote integrity in the development of the green, social and sustainability bond markets by clarifying the approach for issuance of such bonds.

Project evaluation and selection process

Eligible Projects have been (or will be, as the case may be) selected by the Issuer in accordance with the broad categorisations of eligibility set out in the ICMA Green Bond Principles 2021, and are further described in the Sustainability Issuance Framework published on the Issuer's website at **https://www.cibc.com/content/dam/about_cibc/investor_relations/pdfs/debt_info/cibc-sustainability-issuance-framework-en.pdf** and as updated from time to time. The Issuer may, in the future, update the Sustainability Issuance Framework. In connection with the issuance of Eligible Bonds, Sustainalytics (a sustainability consulting firm) has evaluated the Issuer's Sustainability Issuance Framework and has issued an independent opinion confirming that the Eligible Projects described in the Sustainability Issuance Framework are aligned with the ICMA Green Bond Principles 2021. Sustainalytics' independent opinion is also available for viewing at **www.sustainalytics.com/cibc-sustainability-issuance-framework** or **www.cibc.com/second-party-opinion**.

According to the definition criteria set out by the ICMA Green Bond Principles 2021, only Tranches of Notes financing or refinancing Eligible Projects meeting the Eligibility Criteria set out in the Sustainability Issuance Framework will be classified as "**Green Bonds**", "**Social Bonds**" or "**Sustainability Bonds**".

For the avoidance of doubt, neither the Sustainability Issuance Framework nor Sustainalytics' independent opinion forms part of this Base Prospectus.

The Issuer intends to publish reporting in respect of its Eligible Bonds on an annual basis until the maturity of all issuances. Reporting will be published on the Issuer's website and may include the following:

Management of Proceeds

The Issuer will track Eligible Assets dynamically on a portfolio basis using internal systems, and the Eligible Asset pool will be reviewed quarterly by the CIBC Sustainability Working Group. Issuer intends to allocate proceeds against any issuance within 18 months. If for any reason the aggregate Eligible Asset pool does not meet or exceed the net proceeds of all relevant outstanding Eligible Bonds, the excess proceeds of any Eligible Bonds will be deposited in CIBC's general fund account invested in accordance with CIBC treasury's existing liquidity management procedures.

Payment of principal and interest on any Eligible Bonds will be made from CIBC's general fund account and will not be directly linked to the performance of any Eligible Asset nor will the Eligible Assets be ring-fenced as collateral to the specified Eligible Bonds.

Allocation reporting

The Issuer intends to report annually on the allocation of net proceeds. The reporting will include at least the following information:

- Net proceeds raised from each Green, Social and Sustainability Bond issuance
- Aggregate amount of net proceeds allocated by each Eligibility Category
- Allocation by geographic location
- Balance of unallocated proceeds

Impact reporting

To the extent available and subject to any applicable confidentiality obligations and any other non-disclosure obligations, the Issuer will report on an annual basis information on relevant environmental and social impacts.

The Issuer intends to obtain independent assurance over the allocation of net proceeds to Eligible Assets, in accordance with the Eligibility Criteria.

Pursuant to the recommendations under the ICMA Green Bond Principles 2021, the Issuer has obtained a "**second-party opinion**" from an appropriate provider, which will be available at www.sustainalytics.com/cibc-sustainability-issuance-framework.

None of the Arranger or the Dealers will verify, monitor or maintain the application of proceeds of any Green Bonds, Social Bonds or Sustainability Bonds during the life of the relevant Green Bonds, Social Bonds or Sustainability Bonds.

The Issuer intends to undertake an annual compliance review of allocated assets with an external reviewer as long as Eligible Bonds are outstanding. The external reviewer will review allocated assets in order to determine whether they meet the Eligibility Criteria in the Issuer's Sustainability Issuance Framework. As part of the annual compliance review, the external reviewer will undertake a review and analysis of the loans, projects and assets to which the net proceeds of this offering have been allocated. Annually, the Issuer's external auditor will provide reasonable assurance that the processes, policies and systems for managing the Issuer's eligible lending from the net proceeds of Eligible Bonds are in accordance with the Issuer's Sustainability Issuance Framework.

Any websites included or referred to in this "Use of Proceeds" section are for information purposes only and do not form part of this Base Prospectus.

DESCRIPTION OF THE ISSUER

This section sets out a description of the Issuer.

The information appearing below is supplemented by the more detailed information contained in the documents incorporated by reference. See section entitled "Documents Incorporated by Reference".

Introduction

CIBC is a diversified financial institution governed by, and operating under, the Bank Act, which constitutes its charter. CIBC is a Schedule I bank under the Bank Act. CIBC was formed through the amalgamation of The Canadian Bank of Commerce and Imperial Bank of Canada in 1961. The Canadian Bank of Commerce was originally incorporated as Bank of Canada by special act of the legislature of the Province of Canada in 1858. Subsequently, the name was changed to The Canadian Bank of Commerce and it opened for business under that name in 1867. Imperial Bank of Canada was incorporated in 1875 by special act of the Parliament of Canada and commenced operations in that year. The address of the registered and head office of CIBC is 81 Bay Street, CIBC Square, Toronto, Ontario, Canada M5J 0E7 and the telephone number is 1-416-980-3096. The Issuer's website may be found at **www.cibc.com**. The information on the websites or URL's referred to herein does not form part of this Base Prospectus unless the information has been incorporated by reference into this Base Prospectus.

Business

CIBC is a leading North American financial institution. As set out in the Bank Act, its corporate purpose is to act as a financial institution throughout Canada and can carry on business, conduct its affairs and exercise its powers in any jurisdiction outside Canada to the extent and in the manner that the laws of that jurisdiction permit.

CIBC serves its clients through four main strategic business units: Canadian Personal and Business Banking, Canadian Commercial Banking and Wealth Management, U.S. Commercial Banking and Wealth Management and Capital Markets. CIBC provides a full range of financial products and services to 11 million personal banking, business, public sector and institutional clients in Canada, the U.S. and around the world. Further information on these four strategic business units and on the functional groups of CIBC can be found at pages 3-4 of the Annual Information Form and pages 21-33 of the 2023 Annual Report, each incorporated by reference in this Base Prospectus.

Subsidiaries

A list of CIBC's significant subsidiaries is provided on page 189 of the 2023 Annual Report, which page is incorporated herein by reference.

Financial Highlights

As extracted from its latest comparative audited consolidated financial statements for the year ended 31 October 2023, CIBC had total assets of C$975.719 billion, total deposits of C$723.376 billion and common shareholders' equity of C$48.056 billion.

	2023	2022
	For the year ended 31 October	For the year ended 31 October
Financial results (C$ millions)		
Net interest income	12,825	12,641
Non-interest income	10,498	9,192
Total revenue	23,323	21,833
Provision for credit losses	2,010	1,057
Non-interest expenses	14,349	12,803
Income before income taxes	6,964	7,973
Income taxes	1,931	1,730
Net income	5,033	6,243
Net income attributable to non-controlling interests	38	23
Cash, deposits with banks and securities	267,066	239,740
Loans and acceptances, net of allowance	540,153	528,657
Total assets	975,719	943,597
Deposits	723,376	697,572
Common shareholders' equity	48,056	45,258

There are no recent events particular to CIBC that are to a material extent relevant to the evaluation of CIBC's solvency.

Board of Directors

The names of the Directors of CIBC (together with details of their principal outside activities), as at the date of this Base Prospectus, are set out below. The business address of each of the Directors is 81 Bay Street, CIBC Square, Toronto, Ontario, Canada M5J 0E7.

Name, Responsibility and Residence	Principal Outside Activities
Katharine B. Stevenson Toronto, Ontario, Canada	Chair of the Board CIBC
Ammar Aljoundi Toronto, Ontario, Canada	President and Chief Executive Officer Agnico Eagle Mines Limited
Charles J.G. Brindamour Toronto, Ontario, Canada	Chief Executive Officer Intact Financial Corporation
Nanci E. Caldwell Woodside, California, U.S.A.	Corporate Director

Michelle L. Collins Chicago, Illinois, U.S.A.	President Cambium LLC
Luc Desjardins Montréal, Québec, Canada	Corporate Director
Victor G. Dodig Toronto, Ontario, Canada	President and Chief Executive Officer CIBC
Kevin J. Kelly Toronto, Ontario, Canada	Corporate Director
Christine E. Larsen Montclair, New Jersey, U.S.A.	Corporate Director
Mary Lou Maher Toronto, Ontario, Canada	Corporate Director
William F. Morneau Toronto, Ontario, Canada	Corporate Director
Mark Podlasly West Vancouver, B.C., Canada	Chief Sustainability Officer First Nations Major Projects Coalition
Martine Turcotte Verdun, Quebec, Canada	Corporate Director
Barry L. Zubrow West Palm Beach, Florida, U.S.A	Chief Executive Officer ITB LLC

As at the date of this Base Prospectus, there are no potential conflicts of interest between the duties owed to CIBC of the persons listed above and their private interests and other duties. If a Director were to have a material interest in a matter being considered by the Board or any of its Committees, such Director would not participate in any discussions relating to, or any vote on, such matter.

Trend Information

There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year.

Capital structure

A description of the capital structure of the Issuer can be found in the 2023 Annual Report under the headings "Note 15 – Common and preferred shares and other equity instruments" on pages 167-172.

Major Shareholders

To the extent known to CIBC, CIBC is not directly or indirectly owned or controlled by any person. The Bank Act prohibits any person, or persons acting jointly or in concert, from having a "significant interest" in any class of shares of CIBC, that is, from beneficially owning more than 10% of the outstanding shares of the class either directly or through controlled entities, without the approval of the Minister of Finance of Canada. A person may, with the approval of the Minister of Finance, beneficially own up to 20% of a class of voting share and up to 30% of a class of non-voting share of

CIBC, subject to a "fit and proper" test based on the character and integrity of the applicant. In addition, the holder of such a significant interest could not have "control in fact" of CIBC.

There are no measures in place to ensure that control of CIBC is not abused as CIBC has no major shareholders.

Material Contracts

CIBC has not entered into any contracts outside the ordinary course of CIBC's business which could materially affect CIBC's obligations in respect of any Notes issued by CIBC other than, with respect to any Notes, the contracts described in "*Subscription and Sale*" and in "*Terms and Conditions of the Notes*".

Independent Auditor

Ernst & Young LLP ("**E&Y**"), Chartered Professional Accountants, Licensed Public Accountants, Ernst & Young Tower, 100 Adelaide Street West, Toronto, Ontario M5H 0B3, Canada issued an independent auditor's report dated 29 November 2023 to the shareholders and directors of the Issuer on the consolidated balance sheets as at 31 October 2023 and 2022 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the years in the two-year period ended 31 October 2023.

E&Y is registered as a participating audit firm with the Canadian Public Accountability Board and is registered with the Public Company Accounting Oversight Board (U.S.). E&Y is independent of the Issuer within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

Credit Ratings

As of the date of this Base Prospectus, each of Moody's Investors Service, Inc. ("**Moody's USA**"), Standard & Poor's Ratings Services ("**S&P**"), Fitch Ratings, Inc. ("**Fitch**") and DBRS Limited (**"DBRS**") has provided ratings for CIBC as follows:

	MOODY'S USA	**S&P USA**	**FITCH**	**DBRS**
DEPOSIT/ COUNTERPARTY[1]	Aa2	A+	AA	AA
LEGACY SENIOR DEBT	Aa2	A+	AA	AA
SENIOR DEBT[3]	A2	A-	AA-	AA (low)
SUBORDINATED INDEBTEDNESS	Baa1	A-	A	A (high)
SUBORDINATED INDEBTEDNESS – NVCC[4]	Baa1	BBB+	A	A (low)
SHORT-TERM DEBT	P-1	A-1	F1+	R-1 (high)

[1.] DBRS Long-Term Issuer Rating; Moody's Long-Term Deposit and Counterparty Risk Assessment Rating; S&P's Issuer Credit Rating; Fitch Long-Term Deposit Rating and Derivative Counterparty Rating.
[2.] Includes senior debt issued prior to 23 September 2018 as well as senior debt issued on or after 23 September 2018 which is not subject to bail-in regulations
[3.] Comprises liabilities which are subject to conversion under bail-in regulations.
[4.] Comprises instruments which are treated as NVCC in accordance with OSFI's CAR Guideline.

Credit ratings may be adjusted over time and so there is no assurance that these credit ratings will be effective after the date of this Base Prospectus. A credit rating is not a recommendation to buy, sell or hold any Notes.

Moody's in its December 20, 2022 publication defines its ratings as follows:

> Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
>
> Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.
>
> Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess speculative characteristics.
>
> Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.
>
> P-1: Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations. Canadian issuers rated P-1 or P-2 have their short-term ratings enhanced by the senior-most long-term rating of the issuer, its guarantor or support-provider.

S&P in its November 10, 2021 publication defines its ratings as follows:

> An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong.
>
> An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.
>
> Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or a minus (-) sign to show relative standing within the rating categories.
>
> A short-term obligation rated 'A-1' is rated in the highest category by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments on these obligations is extremely strong.

Fitch in its March 21, 2022 publication defines its ratings as follows:

> AA: Very High Credit Quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
>
> A: High Credit Quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
>
> Within rating categories, Fitch may use modifiers. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

F1: Highest Short-Term Credit Quality. Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

DBRS in its May 15, 2023 publication “Long-Term Obligations Rating Scale” at **Understanding Ratings | DBRS Morningstar** defines its ratings as follows:

AA Superior credit quality. The capacity for the payment of financial obligations is considered high. Credit quality differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events.

A Good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA. May be vulnerable to future events, but qualifying negative factors are considered manageable.

All rating categories from AA to CCC also contain subcategories "(high)" and "(low)". The absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category.

DBRS in its April 1, 2021 publication “Commercial Paper and Short-Term Debt Rating Scale” at **Understanding Ratings | DBRS Morningstar** defines its ratings as follows:

R-1 (high) Highest credit quality. The capacity for the payment of short-term financial obligations as they fall due is exceptionally high. Unlikely to be adversely affected by future events.

DESCRIPTION OF TOWER SECURITIES LIMITED AND THE REDEEMABLE PREFERENCE SHARES

Preference Share Linked Notes may be issued under the Programme, where the Preference Shares are preference shares issued by Tower Securities Limited ("TSL" or "Preference Share Issuer"). Set out below is a description of TSL. References in this section to the "Preference Shares" shall be a reference to preference shares issued by TSL which are specified as being the "Preference Shares" in the applicable Final Terms relating to the relevant Preference Share Linked Notes.

TSL

TSL is a private company limited by shares and was incorporated under the Companies Act 2006 on 7 May 2015 (with registered number 9578613). TSL is governed by the laws of England and Wales and has its registered office at 1 Bartholomew Lane, London EC2N 2AX. The sole business activity of TSL is to issue redeemable preference shares. Accordingly, TSL does not have any trading assets and does not generate any significant net income. A copy of TSL's constitutional documents, its non-audited, non-consolidated annual financial statements, when published, and the Terms of the Preference Shares (as defined below) are available (free of charge) from the registered office of TSL.

The Preference Shares

TSL will from time to time issue tranches of at least one redeemable preference share with a par value of either £1.00, €1.00 or US$1.00 each. The preference shares will be issued fully paid to Tower Charitable Trust at par. TSL may issue redeemable preference shares of any kind (the "**Preference Shares**"), including but not limited to preference shares linked to a specified index or basket of indices or to such other underlying instruments, bases of reference or factors (the "**Preference Share Underlying**") and on such terms as may be determined by the board of directors of TSL and specified in the applicable terms and conditions of the relevant series of preference shares (the "**Preference Share Terms and Conditions**"). The Preference Shares are created under the laws of England and Wales.

The Preference Share Terms and Conditions are set out in Annex 6. The Preference Share Terms and Conditions provide that TSL may redeem the Preference Shares early if:

a) the calculation agent in respect of the Preference Shares (the "**Preference Shares Calculation Agent**") determines that for reasons beyond TSL's control, the performance of its obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or

b) any event occurs in respect of which the provisions of the Terms of the Preference Shares relating to any adjustment, delay, modification, cancellation or determination in relation to the Preference Share Underlying, the valuation procedure for the Preference Share Underlying or the Preference Shares provide that the Preference Shares may be redeemed or cancelled; or

c) a change in applicable law or regulation occurs that in the determination of the Preference Share Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in TSL being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by TSL to be onerous to it; or

d) TSL is notified that the Notes have become subject to early redemption.

The performance of the Preference Shares depends on the performance of the Preference Share

Underlying to which the Preference Shares are linked. In determining the value of the Preference Shares, the Preference Shares Calculation Agent shall employ the calculation procedure and methodology set out in the applicable Preference Shares Conditions.

BOOK-ENTRY CLEARANCE SYSTEMS

This section sets out the procedures relating to the clearing of certain Notes.

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the ***Clearing Systems****) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but neither the Issuer nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-Entry Ownership

Bearer Notes

The Issuer may make applications to Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer Notes not in NGN form, a Temporary Global Note and/or a Permanent Global Note in bearer form without coupons may be deposited with a common depositary for Clearstream, Luxembourg and Euroclear, and in respect of Bearer Notes in NGN form, with a common safekeeper for Euroclear and Clearstream, Luxembourg. Transfers of interests in such Temporary Global Notes or other Global Bearer Notes will be made in accordance with the normal Euromarket debt securities operating procedures of Clearstream, Luxembourg and Euroclear.

Registered Notes

Registered Notes may also be accepted for clearance through the Euroclear and/or Clearstream, Luxembourg book-entry systems, with such Notes to be represented by an Global Certificate. Each Global Certificate deposited with a nominee for Euroclear and/or Clearstream, Luxembourg will have an ISIN and a Common Code.

Book-entry Systems

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds Notes for its customers and facilitates the clearance and settlement of Notes transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded Notes and Notes lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic Notes markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, Notes brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

TAXATION

The tax legislation of the Noteholders' member state and of the Issuer's country of incorporation may have an impact on the income received from the Notes. All prospective Noteholders should seek independent advice as to their tax position.

Canadian Taxation

The following is a summary of the principal Canadian federal income tax considerations generally applicable at the date hereof to a holder who acquires ownership of a Note pursuant to this Base Prospectus or common shares of CIBC or any of its affiliates on a bail-in conversion of a Note and who for the purposes of the *Income Tax Act* (Canada) ("**Tax Act**") and at all relevant times: (a) is neither resident nor deemed to be resident in Canada; (b) deals at arm's length with CIBC, any affiliate of CIBC who issues common shares on a bail-in conversion of a Note and any transferee resident (or deemed to be resident) in Canada to whom the holder disposes of the Note; (c) does not use or hold and is not deemed to use or hold the Note or the common shares of CIBC or any of its affiliates in, or in the course of, carrying on a business in Canada; (d) is entitled to receive all payments (including any interest and principal) made on the Note, and (e) is not a, and deals at arm's length with any, "specified shareholder" of CIBC for purposes of the thin capitalization rules in the Tax Act ("**Non-Resident Holder**"). A "specified shareholder" for these purposes generally includes a person who (either alone or together with persons with whom that person is not dealing at arm's length for the purposes of the Tax Act) owns or has the right to acquire or control 25% or more of CIBC's shares determined on a votes or fair market value basis. Special rules which apply to non-resident insurers carrying on business in Canada and elsewhere are not discussed in this summary. This summary assumes that no amount paid or payable in respect of the Notes will be the deduction component of a "hybrid mismatch arrangement" under which the payment arises within the meaning of proposed paragraph 18.4(3)(b) of the Tax Act contained in Tax Proposals released on April 29, 2022.

This summary is based upon: (a) the current provisions of the Tax Act and the regulations thereunder ("**Regulations**") in force on the date hereof; (b) all specific proposals to amend the Tax Act or the Regulations publicly announced prior to the date hereof by, or on behalf of, the Minister of Finance for Canada ("**Tax Proposals**"), and (c) the current assessing practices and administrative policies of the Canada Revenue Agency published in writing by it prior to the date hereof. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurance can be given that this will be the case. This summary does not otherwise take into account or anticipate any changes in law or in the practices and policies of the Canada Revenue Agency, whether by legislative, governmental or judicial action or interpretation, nor does it take into account provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only, is not exhaustive of all Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Non-Resident Holder. Non-Resident Holders are advised to consult their own tax advisers with respect to their particular circumstances. *Canadian federal income tax considerations applicable to Notes may be described more particularly when such Notes are offered (and then only to the extent material) in the applicable Final Terms related thereto if they are not addressed by the comments following and, in that event, the comments following will be superseded thereby to the extent indicated therein. Additional Canadian federal income tax considerations, which are not described herein, may also be applicable where the Note is a Physical Delivery Note and such considerations will be described in the Final Terms related thereto.*

Notes

Interest paid or credited or deemed to be paid or credited on a Note issued by CIBC to a Non-Resident Holder (including any amount paid at maturity in excess of the principal amount and interest deemed to be paid on the Note in certain cases involving an assignment or other transfer of a Note to a resident or deemed resident of Canada) will not be subject to Canadian non-resident withholding tax unless such interest (other than on a "prescribed obligation" as described below) is "participating debt interest" for the purposes of the Tax Act. Interest paid or credited or deemed to be paid or credited on a Note to a Non-Resident Holder will generally not be participating debt interest for the purposes of the Tax Act provided that no portion of such interest is contingent or dependent upon the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation. A prescribed obligation is an "indexed debt obligation" (as described below) in respect of which no amount payable is (a) contingent or dependent upon the use of, or production from, property in Canada, or (b) computed by reference to: (i) revenue, profit, cash flow, commodity price or any other similar criterion, other than a change in the purchasing power of money, or (ii) dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation. An indexed debt obligation is a debt obligation the terms of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding which adjustment is determined by reference to a change in the purchasing power of money.

In the event that a Note is redeemed, cancelled, repurchased or purchased, as the case may be, by CIBC or any other resident or deemed resident of Canada from a Non-Resident Holder, or is otherwise assigned or transferred by a Non-Resident Holder to CIBC or any other resident or deemed resident of Canada, for an amount which exceeds, generally, the issue price thereof, all or a portion of such excess may be deemed to be interest and may be subject to Canadian non-resident withholding tax if: (i) all or any portion of such interest is participating debt interest and (ii) in certain circumstances the Note is not considered to be an "excluded obligation" for the purposes of the Tax Act. A Note which is not an indexed debt obligation, that was issued for an amount not less than 97% of the principal amount (as defined for the purposes of the Tax Act) of the Note, and the yield from which, expressed in terms of an annual rate (determined in accordance with the Tax Act) on the amount for which the Note was issued does not exceed 4/3 of the interest stipulated to be payable on the Note, expressed in terms of an annual rate on the outstanding principal amount from time to time will be an excluded obligation for this purpose.

If applicable, the normal rate of Canadian non-resident withholding tax is 25% but such rate may be reduced under the terms of an applicable income tax treaty.

If a subsidiary or affiliate of CIBC that is a resident of Canada or carries on business in Canada for purposes of the Tax Act were to be substituted in the place of the Issuer, interest paid or credited, or deemed to be paid or credited, by such subsidiary or affiliate on a Note to a Non-Resident Holder (i) with whom such subsidiary or affiliate deals at arm's length and (ii) who is not a, and deals at arm's length with, any "specified shareholder" of such subsidiary or affiliate for purposes of the thin capitalization rules in the Tax Act, will not be subject to Canadian non-resident withholding tax to the extent such interest would be free of Canadian non-resident withholding tax, as discussed above, if references to CIBC in the discussion above were instead references to the relevant subsidiary or affiliate.

Generally, there are no other Canadian federal income taxes that would be payable by a Non-Resident Holder as a result of holding or disposing of a Note (including for greater certainty, any gain realized by a Non-Resident Holder on a disposition of a Note).

Common Shares Acquired on a Bail-in Conversion

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder on any common shares of CIBC or an affiliate of CIBC that is a Canadian resident corporation will be subject to Canadian non-resident withholding tax of 25% but such rate may be reduced under the terms of an applicable income tax treaty.

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition or deemed disposition of any common shares of CIBC or an affiliate of CIBC unless such shares constitute "taxable Canadian property" to the Non-Resident Holder for purposes of the Tax Act at the time of their disposition, and such Non-Resident Holder is not entitled to relief pursuant to the provisions of an applicable income tax treaty.

Generally, the common shares will not constitute taxable Canadian property to a Non-Resident Holder provided that they are listed on a designated stock exchange (which currently includes the Toronto Stock Exchange and New York Stock Exchange) at the time of the disposition, unless, at any particular time during the 60 month period that ends at that time, the following conditions are met concurrently: (i) one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm's length, or (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class or series of the applicable issuer's share capital and (ii) more than 50% of the fair market value of the common shares of such issuer was derived directly or indirectly from one or any combination of (a) real or immovable property situated in Canada, (b) Canadian resource properties (as defined in the Tax Act), (c) timber resource properties (as defined in the Tax Act), and (d) an option, an interest or right in any of the foregoing property, whether or not such property exists. Notwithstanding the foregoing, a common share may be deemed to be "taxable Canadian property" in certain other circumstances. Non-Resident Holders should consult their own tax advisers with respect their particular circumstances.

United Kingdom

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the published practice of H.M. Revenue and Customs, which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective 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 for information purposes 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. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers 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 taxation aspects of payments in respect of the Notes. In particular, 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.

Notes issued by a United Kingdom branch of CIBC ("**UK Notes**")

(i) In the case of UK Notes with a maturity date of less than one year from the date of issue (provided the borrowing under such Notes at no time forms part of a borrowing which is intended to have a total term of one year or more) interest may be paid without withholding for or on account of United Kingdom income tax. Interest on UK Notes with a maturity of one year or more from the date of issue (or forming part of such borrowing as is mentioned above) is referred to below as "yearly interest".

(ii) Provided that the UK Notes are, and continue to be, listed on a recognized stock exchange within the meaning of section 1005 Income Tax Act 2007 ("ITA") for the purposes of section 987 of ITA payments of yearly interest may be made without withholding or deduction for or on account of United Kingdom income tax (section 882 ITA). The London Stock Exchange is a recognized stock exchange. The Issuer's understanding of current HM Revenue & Customs practice is that securities which are officially listed and admitted to trading on the Main Market may be regarded as "listed on a recognized stock exchange" for this purpose.

(iii) Provided that the United Kingdom branch of CIBC ("CIBC UK Branch") continues to be a bank within the meaning of section 991 of ITA, and provided that the interest on the UK Notes is paid in the ordinary course of its business within the meaning of section 878 of ITA, CIBC UK Branch will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax.

(iv) If none of the above paragraphs apply, interest on UK Notes will generally be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to the availability of other reliefs or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

(v) Where UK Notes are issued at a discount, any discount element should generally not be subject to United Kingdom withholding tax. Where UK Notes are issued with a redemption premium, such premium may constitute a payment of interest and the United Kingdom withholding tax position would then be as described in the paragraphs above.

(vi) Any payments made under the Deed of Covenant may not qualify for the exemptions from UK withholding tax described above.

(vii) 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.

(viii) 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. Noteholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute "interest" or "principal" as those terms are understood in United Kingdom tax law. 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 for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Final Terms of the Note). In such a case, 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 such relief as may be available following a direction from H.M. Revenue & Customs pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer pursuant to Condition 19(c) of the Notes and does not consider the consequences of any such substitution.

United States

Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and Treasury regulations promulgated thereunder ("**Section 871(m)**") generally impose a 30% withholding tax on 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 (such equities and indices, "**U.S. Underlying Equities**"). Section 871(m) generally applies to instruments that substantially replicate the economic performance of one or more U.S. Underlying Equities, as determined upon issuance, based on tests set forth in the applicable Treasury regulations (a "**Specified Security**"). Specifically, and subject to the pre-2025 exemption described below, Section 871(m) will apply if, at issuance, a financial instrument either meets (i) a "delta" test, if it is a "simple" contract, or (ii) a "substantial equivalence" test, if it is a "complex" contract. Section 871(m) provides certain exceptions to this withholding regime, in particular for instruments linked to certain broad-based indices that meet requirements set forth in the applicable Treasury regulations as well as securities that track such indices. Regulations under Section 871(m) exempt financial instruments issued prior to 2025 that are not "delta-one." The Issuer is not required to gross-up any payment for the imposition of U.S. taxes imposed under Section 871(m).

A determination that the securities are not subject to Section 871(m) is not binding on the IRS, and the IRS may disagree with this treatment. Moreover, Section 871(m) is complex and its application may depend on a holder's particular circumstances. For example, if a holder enters into other transactions relating to U.S. underlying securities, such holder could be subject to withholding tax or income tax liability under Section 871(m) even if the securities are not Specified Securities subject to Section 871(m) as a general matter. United States Aliens should consult their tax advisers regarding the potential application of Section 871(m) to the securities.

For purposes of this discussion, "**United States Alien**" means any corporation, individual or estate or trust that, for U.S. federal income tax purposes is not a U.S. Holder.

FATCA

FATCA may impose a 30% withholding tax on payments of U.S. source income to (i) certain FFIs that are not Compliant FFIs (by entering into and complying with an agreement to provide the IRS information about their accountholders (as defined for purposes of FATCA), complying with rules or law implementing an IGA between the United States and the non-U.S. financial institution's jurisdiction implementing FATCA with respect to such jurisdiction or otherwise qualifying for an exemption from, or being deemed to comply with, FATCA) and (ii) certain NFFEs that do not provide payors information about their substantial U.S. holders or establish that they have no substantial U.S. holders. Such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register.

Starting on the date that is two years after the date of publication of final U.S. Treasury regulations defining the term "foreign passthru payments", FATCA may also impose withholding tax on such "foreign passthru payments" on obligations executed (or deemed re-executed) after the date that is six months after such publication date. Thus, the Issuer may in certain circumstances be required under FATCA to withhold U.S. tax at a rate of 30% on all or a portion of payments of interest which

are treated as "foreign passthru payments" made to (i) non-U.S. financial institutions (whether holding the Notes as a beneficial owner or intermediary) unless the payee is a Compliant FFI or (ii) any Recalcitrant Holders. Whether or not FATCA withholding tax could apply to "foreign passthru payments" on the Notes may depend upon an applicable IGA relating to FATCA between the United States and the jurisdiction of the Issuer or the applicable Issuer Branch of Account.

The United States and a number of other jurisdictions have reached, agreed in substance to or announced their intention to negotiate IGAs to facilitate the implementation of FATCA with respect to FFIs in such jurisdictions. Under the "Model 1" IGA released by the United States, an FFI in an IGA signatory country that complies with requirements under the IGA could be treated as a Reporting FI not subject to withholding under FATCA on any payments it receives. Further, a Reporting FI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments it makes unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes. Under the Model 1 IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government, which information will be exchanged with the IRS. The United States and Canada have entered into an agreement (the "**US-Canada IGA**") based largely on the Model 1 IGA.

The Issuer is a Reporting FI pursuant to the US-Canada IGA. However, the FATCA rules, and in particular the rules governing foreign passthru payments, have not yet been fully developed, so the future application of FATCA to the Issuer and the holders of Notes is uncertain. Holders may be required to provide certain information to the Issuer or other payors in order (i) for holders to avoid FATCA withholding from payments on the Note, (ii) for the Issuer to avoid the imposition of a FATCA withholding tax on payments it receives or (iii) for the Issuer to comply with the rules under FATCA or an applicable IGA (including laws implementing such an IGA). If a holder (including an intermediary) fails to provide the Issuer, or any other agent of the Issuer with any correct, complete and accurate information that may be required for the Issuer to comply with FATCA and/or to prevent the imposition of FATCA withholding tax, the Issuer may withhold amounts otherwise distributable to the holder.

The requirements of the US-Canada IGA have been implemented through amendments to the *Income Tax Act* (Canada) and the enactment of the Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act (the "**US-Canada IGA Implementation Act**"). Generally, under the terms of the US-Canada IGA Implementation Act and the US-Canada IGA, CIBC may be required to collect information from holders of Notes (other than Notes that are regularly traded on an established securities market for purposes of the IGA) regarding such holders' status as "Specified U.S. Persons" as defined in the IGA (generally, U.S. residents and U.S. citizens) and report certain information to the Canada Revenue Agency regarding such persons' investment in the Notes. The Canada Revenue Agency would then communicate this information to the IRS under the existing provisions of the Canada-United States Tax Convention (1980) (as amended). For this purpose, a Note is not considered to be "regularly traded" if the holder (other than certain financial institutions acting as intermediary) is registered on the books of CIBC.

No additional amounts will be paid in respect of any tax withheld under the FATCA rules or any rules or laws implementing an IGA from payments on the Notes. Potential investors should consult their tax advisers regarding the implications of the FATCA rules or any rules or laws implementing an IGA for their investment in Notes, including the implications resulting from the status under these rules of each financial intermediary through which they hold Notes.

While the Notes are in global form and held within Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**"), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the Common Depositary or Common Safekeeper, given that each of the entities in the payment chain beginning with the Issuer and ending with the relevant Clearing System is a major financial institution whose business is

dependent on compliance with FATCA and that any alternative approach introduced under an intergovernmental agreement will be unlikely to affect the securities. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. The documentation expressly contemplates the possibility that the securities may go into definitive form and therefore that they may be taken out of the Clearing Systems. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, definitive notes will only be printed in remote circumstances.

THE SUMMARY OF U.S. FEDERAL INCOME TAX SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING NOTES OR COUPONS, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

The Proposed Financial Transaction Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (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 the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the 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 the 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.

The FTT proposal remains subject to negotiation between 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 Noteholders are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

This section sets out an overview of certain restrictions regarding who can purchase the Notes in certain jurisdictions.

Overview of Dealer Agreement

Subject to the terms and the conditions contained in an amended and restated Dealer Agreement dated January 26, 2024 (as amended, restated or supplemented, the "**Dealer Agreement**") between the Issuer and the Dealers, the Notes will be offered on a continuous basis by the Issuer to the Dealers, which expression shall include any person appointed as a Dealer for a specific issue. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer(s). The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers. Notes may also be offered directly to persons other than the Dealers.

The Issuer may pay each relevant Dealer a commission agreed between the Issuer and the Dealer in respect of Notes subscribed by it. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the applicable Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe for Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme and Notes issued under the Programme pursuant to this Prospectus (herein referred to as a "**further Dealer appointed under the Programme**") or in relation to a particular Tranche of Notes.

Interests of Dealers

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may also have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations including, but not limited to, entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients or as principal in order to manage their exposure, their general market risk or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates may have a lending relationship with the Issuer and, if so, may hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, Dealers and their affiliates that hedge their exposure would do so by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities

or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

United States

Regulation S, Category 2 and D Rules apply for Notes with a maturity of more than one year issued in bearer form unless C Rules are specified as applicable in the applicable Final Terms or unless the transaction is an Excluded Issue.

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

Notes in bearer form are subject to U.S. tax law requirements (other than Notes having a maturity of one year or less) and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code. Bearer Notes issued in accordance with the D Rules with a maturity of more than one year will bear the following legend:

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

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and such completion is notified to the relevant Dealer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager (once each of the syndicated dealers has so notified the Lead Manager, with respect to Notes purchased by or through it), within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each dealer to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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

Each purchaser of Registered Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the Distribution Compliance Period, by accepting delivery of this Base Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

(1) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person (within the meaning of Regulation S) and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

(2) It understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the Distribution Compliance Period, it will not offer, sell, pledge

or otherwise transfer such Notes except in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S.

(3) It understands that such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OT OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

EACH PURCHASER AND TRANSFEREE OF THIS NOTE (AND ITS FIDUCIARY, IF APPLICABLE) IS DEEMED TO REPRESENT, WARRANT AND COVENANT THAT EITHER (I) IT IS NOT AND FOR AS LONG AS IT HOLDS THIS NOTE (OR AN INTEREST THEREIN) WILL NOT BE AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THAT IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR AN ENTITY DEEMED TO HOLD PLAN ASSETS OF THE FOREGOING (EACH, A "BENEFIT PLAN INVESTOR") OR A PLAN SUBJECT TO APPLICABLE FEDERAL, STATE, LOCAL OR OTHER LAWS SIMILAR TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW") OR (II) THE ACQUISITION AND HOLDING OF THIS NOTE WILL NOT, IN THE CASE OF A BENEFIT PLAN INVESTOR, GIVE RISE TO A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE BECAUSE SUCH PURCHASER OR TRANSFEREE RELIED ON AN AVAILABLE PROHIBITED TRANSACTION EXEMPTION, ALL OF THE CONDITIONS OF WHICH ARE SATISFIED, AND IN THE CASE OF A PLAN SUBJECT TO SIMILAR LAW, RESULT IN A VIOLATION OF ANY SIMILAR LAW.

(4) The Issuer, the Fiscal Agent, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

(5) It understands that the Notes offered in reliance on Regulation S will be represented by one or more Unrestricted Global Certificates. Prior to the expiration of the Distribution Compliance Period, before any interest in an Unrestricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Global Certificate, it will be required to provide a Transfer Agent with a written certification as to compliance with applicable securities laws.

(6) Each purchaser and transferee of Notes (and its fiduciary, if applicable) is deemed to represent, warrant and covenant that either (i) it is not and for as long as it holds the Note (or an interest therein) will not be a Benefit Plan Investor or Plan subject to Similar Law or (ii) the acquisition and holding of the Note will not, in the case of a Benefit Plan Investor, give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code because such purchaser or transferee relied on an available prohibited transaction exemption, all of the conditions of which are satisfied, and in the case of a Plan subject to Similar Law, result in a violation of any Similar Law.

Each issuance of Index Linked Notes, Equity Linked Notes and other Reference Item Linked Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer(s) may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as “Not Applicable”, each relevant Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA.

For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in 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.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as “Not Applicable” , in relation to each Member State of the EEA (each a "**Relevant Member State**") each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may make an offer of such Notes to the public in that Relevant Member State:

(i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iii) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

As used herein, the expression "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors", as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom (the "**UK**").

For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK 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.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not 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 the UK, except that it may make an offer of such Notes to the public in the UK:

(a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision the expression " **offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Additional UK regulatory matters

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(a) 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 Financial Services and Markets Act (2000) (the "**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to Belgian Consumers

Each Dealer has represented and agreed that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute this Base Prospectus, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

The Netherlands

The provisions of "Prohibition of Sales to EEA Retail Investors" above apply. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Notes (including rights representing an interest in the Notes in global form) which are the subject of this Base Prospectus, shall not be offered, sold, transferred or delivered to the public in the Netherlands unless standard logo and exemption wording are incorporated in the respective Final Terms, advertisements and documents in which the offer is announced, as required by article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "**FSA**") or such offer is otherwise made in circumstances in which article 5:20(5) of the FSA is not applicable.

For the purposes of the above, "**offer**" in relation to any Notes in The Netherlands has the meaning given to that term in the paragraph headed "*Prohibition of Sales to EEA Retail Investors*".

Republic of Italy

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer, sale or delivery of any Notes or distribution of copies of this Base Prospectus or any other document relating to any Notes will be carried out in accordance with all Italian securities, tax, exchange control and any other applicable laws and regulations, including the restrictions contained under "Prohibition of Sales to EEA Retail Investors".

Any offer, sale or delivery of any Instruments or distribution of copies of this Base Prospectus or any other document relating to any Notes in Italy must:

(a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of February 15, 2018 (as amended from time to time) and Legislative Decree No. 385 of September 1, 1993, as amended (the "Banking Act"); and

(b) comply with all Italian securities, tax, exchange control and other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable), pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time and/or any other Italian authority.

Canada

The Notes have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree it has not offered, sold, distributed, or delivered, and that it will not offer, sell, distribute, or deliver, any Notes, directly or indirectly, in Canada or to, or for the benefit of, any resident thereof in contravention of the securities laws of Canada or any province or territory thereof and also without the consent of the Issuer. Each Dealer has also agreed, and each further Dealer appointed under the Programme may be required to agree, not to distribute or deliver this Base Prospectus or any other offering material relating to the Notes, in Canada in contravention of the securities laws of Canada or any province or territory thereof and also without the consent of the Issuer. If the applicable Final Terms provides that the Notes may be offered, sold or distributed in Canada, the issue of the Notes will be subject to such additional selling restrictions as the Issuer and the relevant Dealer(s), and each further Dealer appointed under the Programme, may agree, as specified in the applicable Final Terms. Each Dealer, and each further Dealer appointed under the Programme, will be required to agree that it will offer, sell and distribute such Notes only in compliance with such additional Canadian selling restrictions.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**FIEA**"). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any applicable laws, rules, regulations and governmental guidelines of Japan.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "**professional investors**" as defined in the Securities and Futures

Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SAF) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Taiwan

The Notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell any Notes in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and the sale of the Notes in Taiwan.

People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

(a) the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by all relevant laws and regulations of the PRC;

(a) this Base Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any Notes in the PRC to any person to whom it is unlawful to make the offer of solicitation in the PRC; and

(b) the Notes may not be offered, sold or delivered, or offered, sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly (i) by means of any advertisement, invitation, document or activity which is directed at, or the contents of which are likely to be accessed or read by, the public in the PRC, or (ii) to any person within the PRC, other than in full compliance with the relevant laws and regulations of the PRC.

Investors in the PRC are responsible for obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, those which may be required by the China Securities Regulatory Commission, the State Administration of Foreign Exchange and/or the China Banking Regulatory Commission, and complying with all relevant PRC laws and regulations, including, but not limited to, all relevant foreign exchange regulations and/or securities investment regulations.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (Cth) (the "**Corporations Act**")) in relation to the Programme has been or will be lodged with the Australian Securities and Investments Commission ("**ASIC**").

Each Dealer has represented, warranted and agreed (and each further Dealer appointed under the Programme will be required to represent, warrant and agree) that it:

(a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase Notes in, to or from Australia, including an offer or invitation which is received by a person in Australia; and

(b) has not distributed or published, and will not distribute or publish, any prospectus, advertisement or other offering material relating to the Notes in Australia,

unless,

(i) the aggregate consideration payable by each offeree or invitee for the Notes is at least A$500,000 (or the equivalent in another currency) disregarding amounts, if any, lent by the offeror or its associates, or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act;

(ii) such action complies with all applicable laws, regulations and directives; and

(iii) such action does not require any document to be lodged with ASIC.

New Zealand

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that the Notes may not be offered in New Zealand in a manner that makes the Notes subject to a regulated offer within the meaning of the New Zealand Financial Markets Conduct Act 2013 (the "**FMC Act**"). Without limitation, no person may (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or buy, or sell or transfer the Notes, or distribute any product disclosure statement or any other advertisement or offering material relating to the Notes in New Zealand, or to any person in New Zealand except:

(a) to "**wholesale investors**" as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the FMC Act, being a person who is:

(i) an "investment business";

(ii) "large"; or

(iii) a "government agency".

in each case as defined in Schedule 1 to the FMC Act; and

(b) in other circumstances where there is no contravention of the FMC Act, provided that (without limiting paragraph (i) above) Notes may not be offered or transferred to any "eligible investors" (as defined in the FMC Act) or any person that meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMC Act.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering or sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been and will not be offered to any person in the Dubai International Financial Centre (the "**DIFC**") unless such offer is: (a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the "**DFSA**"); and (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA Rulebook.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will, to the best of its knowledge, comply with all relevant securities laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus or any other offering material or any Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or delivery and the Issuer shall not have any responsibility therefor.

Neither the Issuer nor the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

The selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive or in respect of any Tranche of Notes. Any such modification may be set out in the applicable Final Terms issued in respect of the issue of Notes to which it relates. With regard to each Series, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

Neither this Base Prospectus nor any Final Terms constitute, nor may be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. The distribution of this Base Prospectus and the offering and sale of the Notes may be restricted by law in certain

jurisdictions. Persons into whose possession this Base Prospectus comes are required by the Issuer and any Dealer to inform themselves about and to observe any such restrictions.

GENERAL INFORMATION

This section provides certain additional information relating to all the Notes.

Approval, listing and admission to trading of the Notes under the Programme

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Main Market will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application has been made to the FCA for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the Main Market. The listing of the Programme in respect of Notes is expected to be granted on or about January 30, 2024.

Authorisation

The Issuer has obtained all necessary consents, approvals and authorizations in connection with the issue of the Notes. Notes issued under the Programme by CIBC are authorized by resolution of the board of directors dated May 25, 2022.

In the event that additional authorisation procedures are required in respect of a particular Series of Notes, they will be specified (if required by applicable law) in paragraph 9 of the relevant Final Terms.

Significant or Material Adverse Change

Since 31 October 2023, the date of the last published comparative audited consolidated financial statements of the Issuer, there has been no significant change in the financial performance or financial position of the Issuer and its subsidiaries taken as a whole and there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole.

Material Contracts

The Issuer has not entered into any material contracts that are not entered into in the ordinary course of the Issuer's business that could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Noteholders in respect of the Notes.

Legal, Governmental and Arbitration Proceedings

Save as disclosed in Note 22 - "*Contingent liabilities and provision*" to the Audited Consolidated Financial Statements set out at pages 183-185 of the 2023 Annual Report, incorporated herein by reference, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the twelve months preceding the date of this Base Prospectus, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer and its subsidiaries taken as a whole.

Auditors

The independent auditor of the Issuer is E&Y who are Chartered Professional Accountants and Licensed Public Accountants and are subject to oversight by the Canadian Public Accountability Board and Public Company Accounting Oversight Board (United States). E&Y is also registered in the Register of Third Country Auditors maintained by the Financial Reporting Council in the United Kingdom in accordance with the European Commission Decision of 19 January 2011 (Decision 2011/30/EU). E&Y is independent of the Issuer in the context and within the meaning of the CPA

Code of Professional Conduct of the Chartered Professional Accountants of Ontario. The address for E&Y is set out on the last page hereof.

The 2023 Audited Consolidated Financial Statements prepared in accordance with IFRS as issued by the International Accounting Standards Board, were audited in accordance with Canadian generally accepted auditing standards by E&Y. E&Y expressed an unqualified opinion thereon in their report dated 29 November 2023.

Documents Available

Copies of the following documents will, when published, be available for inspection or during normal business hours from the registered office of the Issuer and on the website of the Issuer at **www.cibc.com/en/about-cibc/investor-relations/debt-information**:

(a) a copy of this Base Prospectus;

(b) copies of the latest annual report, annual consolidated financial statements and quarterly interim financial statements of the Issuer;

(c) any future Base Prospectus and supplements to this Base Prospectus and any other documents incorporated herein or therein by reference;

(d) any Final Terms (save that the Final Terms relating to a Note which is neither admitted to trading on a regulated market in the United Kingdom nor offered in the United Kingdom in circumstances where a prospectus is required to be published under the FSMA will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity).

So long as the Notes are admitted to trading on the Main Market, copies of the following documents will, when published, be available free of charge from the specified office of the Issuer or each Agent:

(a) the Bank Act, which is the charter of the Issuer, and the by-laws of the Issuer;

(b) the Annual Information Form;

(c) the Annual Report;

(d) the Agency Agreement;

(e) a copy of this Base Prospectus;

(f) the Deed of Covenant; and

(g) any future prospectuses, offering memoranda, information memoranda and supplements to this Base Prospectus and any other documents incorporated herein or therein by reference.

In addition, representatives of the Provincial and Territorial securities regulatory authorities of Canada have engaged a service provider to operate an Internet web site through which all of the documents incorporated herein by reference that CIBC files electronically can be retrieved. The address of the site is **www.sedar.com**. Please note that information on the websites or URL's referred to herein does not form part of this Base Prospectus unless the information has been incorporated by reference into this Base Prospectus.Investors should consult the Issuer should they require a copy of the ISDA Definitions.

In addition, copies of this Base Prospectus and each document incorporated by reference are available on the London Stock Exchange's website (**https://www.londonstockexchange.com**)).

Copies of each Final Terms relating to Notes that are admitted to trading on the Main Market and each document incorporated by reference, are available on the London Stock Exchange's website (https://www.londonstockexchange.com/)).

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. The relevant ISIN and Common Code will be specified in the applicable Final Terms. If the Notes are cleared through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield

An indication of yield in respect of a Series of Fixed Rate Notes will be specified in the applicable Final Terms. The yield is calculated as at the Issue Date of the Notes and on the basis of the relevant Issue Price. As such, the yield specified in the applicable Final Terms reflects the yield to maturity of the relevant Notes as at their Issue Date and is not an indication of future yield.

UK Benchmarks Regulation

Amounts payable under the Notes may be calculated by reference to one or more "benchmarks" for the purposes of the UK Benchmarks Regulation. In the case of such Notes, a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the "benchmark" is included in the FCA's register of administrators under Article 36 of the UK Benchmarks Regulation. In particular, the Euro Interbank Offered Rate is provided by the European Money Markets Institute ("**EMMI**"), and as at the date of this Base Prospectus, EMMI appears on the register of administrators maintained by the FCA pursuant to Article 36 of the UK Benchmarks Regulation. As far as the Issuer is aware, neither the Bank of England as administrator of SONIA nor the Federal Reserve Bank of New York as administrator of SOFR is required to be registered by virtue of article 2 of the UK Benchmarks Regulation.

Potential conflicts of interest

In the ordinary course of its business, including, without limitation, in connection with its market making activities, the Issuer and/or any of its Affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in any Underlying(s) or related derivatives. In addition, in connection with the offering of any Notes, the Issuer and/or any of its Affiliates may enter into one or more hedging transactions with respect to any Underlying(s) or related derivatives.

The Issuer and/or any of its Affiliates may have existing or future business relationships with any Underlying(s), any constituent thereof (in relation to Underlying(s) which are indices) or, if applicable, any of their subsidiaries or Affiliates or any other person or entity having obligations relating to any Underlying(s) (including, but not limited to, dealing, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Noteholder, regardless of whether any such action might have an adverse effect (including, without limitation, any action which might constitute or give rise to any breach, event of default or termination event) on any Underlying or any investor in Notes.

Where the Issuer acts as Calculation Agent or the Calculation Agent is an Affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions that may influence the amount receivable upon settlement of the Notes.

Potential conflicts of interest may also arise where the manager(s) and any distributors act pursuant to mandate granted by the Issuer and/or the manager(s) and will receive commissions and/or fees on the basis of the services performed and the outcome of the placement of the Notes.

Taxation

The acquisition, holding or disposal of, or other dealings in the Notes may give rise to tax consequences for the Noteholders. Any tax liability is dependent on multiple parameters including the Noteholders' personal circumstances and the jurisdiction in which the Noteholders are subject to taxation. The basis and level of any taxes for which a Noteholder may become liable may change during the term of the Notes. The Issuer disclaims any responsibility to advise or provide clearance to Noteholders as to the tax treatment of the Notes in any jurisdiction and make no representations in respect thereof. Any person intending to acquire, hold, dispose or otherwise deal with a Note should inform themselves by obtaining appropriate tax and financial advice, of the tax treatment of the Notes in their circumstances before making an investment in the Notes.

Post Issuance Information

The Issuer will not provide any post-issuance information, unless required by any applicable laws and regulations.

Money Market Instruments

The Issuer will not issue money market instruments (within the meaning of point 17 of Article 4(1) of Directive 2014/65/EU) having a maturity at issue of less than 12 months which will be offered to the public or admitted to trading on a regulated market under this Base Prospectus.

Index Linked Notes

The Issuer will not issue Notes that are linked to an index composed by the Issuer or any legal entity belonging to the same group or by a legal entity or a natural person acting in association with, or on behalf of, the Issuer.

De-listing

Not all Notes will be listed and the Issuer may, in certain circumstances, seek to delist Notes which are admitted to trading on the Main Market or another securities exchange or market provided that in such cases the Issuer will be required to use its reasonable endeavours to obtain and maintain a listing of such Notes on an alternative stock exchange or exchanges (which may be outside the UK) as agreed between the Issuer and the relevant Dealers. These circumstances include any future rule of the London Stock Exchange or any other securities exchange or any law, regulation or directive imposing requirements (including new corporate governance requirements) on the Issuer or any of its affiliates that the Issuer in good faith determines are impractical or unduly burdensome in order to maintain the continued listing of any Notes on the relevant exchange.

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