

## OFFERING MEMORANDUM



**CANADIAN IMPERIAL BANK OF COMMERCE**  
(a Canadian chartered bank)

**US\$7,500,000,000**  
**Note Issuance Programme**

*This document (the "Offering Memorandum") constitutes an offering memorandum in respect of the Programme (as defined below). Notes (as defined below) issued on or after the date of this Offering Memorandum are issued subject to the provisions herein. This Offering Memorandum does not constitute a base prospectus for the purpose of Article 5.4 of Directive 2003/71/EC (as amended or superseded the "Prospectus Directive"). This Offering Memorandum has been filed with the Luxembourg Stock Exchange in accordance with the Prospectus Law (Law of 10 July 2005 on prospectuses for securities as amended by the law of 3 July 2012). This Offering Memorandum must be read with the documents incorporated by reference herein.*

Under the Note Issuance Programme (the "Programme") described in this Offering Memorandum, Canadian Imperial Bank of Commerce ("CIBC" or the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "Notes"). Any Notes issued under the Programme on or after the date of this Offering Memorandum are issued subject to the provisions hereof. Notes to be issued under the Programme will be unsubordinated Notes constituting deposit liabilities of CIBC. The aggregate nominal amount of Notes outstanding at any time under the Programme will not exceed US\$7,500,000,000 (or the equivalent in other currencies). Notes may be offered directly to persons other than the Dealers specified herein (the initial purchasers of the Notes, herein referred to as the "Initial Purchasers").

**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 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 the Bail-inable Notes. See Condition 3(b) and the discussion under the risk factors included under "Risk Factors – Risks related to the structure of a particular issue of Notes – Risks relating to the bail-in regime and to Bail-inable Notes". The applicable Pricing Supplement (as defined below) will indicate whether the Notes are Bail-inable Notes.**

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Euro MTF market (the "Euro MTF"). The Euro MTF is not a regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II"). The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such further or other stock exchanges or markets as the Issuer and the Dealer(s) (as defined herein) may agree. The applicable Pricing Supplement will specify whether the Notes are to be listed or unlisted.

The Notes and, in certain cases, Asset Amounts (as defined herein) relating to the Notes (if any), 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 and Notes issued in bearer form are subject to U.S. tax law requirements. 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")). The Notes may be offered and sold (i) within the United States in registered form only to qualified institutional buyers (each, a "QIB"), as defined in Rule 144A under the Securities Act ("Rule 144A"), in reliance on the exemption from registration provided by Rule 144A (the "Rule 144A Notes") and (ii) to non-U.S. persons in offshore transactions in reliance on Regulation S (the "Regulation S Notes"). Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain other restrictions, see "Subscription and Sale".

**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 Offering Memorandum. Any representation to the contrary is a criminal offence in the United States.**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Offering Memorandum or any Pricing Supplement and other offering material relating to the Notes in Canada, the United States, the European Economic Area (including Belgium, Luxembourg, the United Kingdom, The Netherlands, Italy and France), Switzerland, Japan, Hong Kong, Singapore, Taiwan, PRC (as defined herein), Australia, New Zealand, Chile, Mexico and Colombia see "Subscription and Sale".

**Prospective purchasers of Notes should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in light of their own circumstances and financial condition. Notes involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Notes. See "Risk Factors" on pages 23 to 72.**

**CIBC Capital Markets**

The date of this Offering Memorandum is 3 May 2019

## IMPORTANT NOTICES

This Offering Memorandum is a “prospectus” for the purposes of the admission to listing on the Official List of the Luxembourg Stock Exchange and to trading of the Notes on the Euro MTF in accordance with the rules and regulations of the Luxembourg Stock Exchange. The Euro MTF is not a “regulated market” for the purposes of MiFID II. **This document does not constitute a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.**

**THE AMOUNT PAYABLE OR DELIVERABLE ON REDEMPTION OF THE NOTES MAY BE LESS THAN THE ORIGINAL INVESTED AMOUNT (AND IN SOME CASES MAY BE ZERO), IN WHICH CASE YOU MAY LOSE SOME OR ALL OF YOUR ORIGINAL INVESTMENT.**

**INVESTING IN NOTES INVOLVES CERTAIN RISKS, AND YOU SHOULD FULLY UNDERSTAND THESE BEFORE YOU INVEST. SEE THE SECTION HEADED ‘RISK FACTORS’ BELOW.**

### RESPONSIBILITY

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

The Issuer may issue Notes with principal, premium, interest or amounts deliverable determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other financial variables (each, a “**Reference Item**”).

Information contained in this Offering Memorandum which is sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading and the Issuer takes responsibility for the correct extraction and reproduction of such information. The Issuer has also identified the source(s) of such information.

The applicable Pricing Supplement may (if applicable) contain information relating to Reference Item(s) to which the relevant Notes relate and which is contained in such Pricing Supplement. The applicable Pricing Supplement will specify the nature of the responsibility (if any) taken by the Issuer for the information relating to Reference Items to which the relevant Notes relate and which is contained in such Pricing Supplement. However, unless otherwise expressly stated in the applicable Pricing Supplement, any information contained therein relating to Reference Item(s) will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Reference Item(s). The Issuer will, unless otherwise expressly stated in the applicable Pricing Supplement, confirm that such extracts or summaries have been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Reference Item(s), no facts have been omitted that would render the reproduced information inaccurate or misleading.

### UNAUTHORIZED INFORMATION

No person has been authorized by the Issuer to give any information or to make any representation other than those contained in this Offering Memorandum or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer or any of the Initial Purchasers of an issue of Notes. This Offering Memorandum does not constitute, and may not be used for the purposes of, 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 offer or solicitation and no action is being taken to permit an offering of the Notes or the distribution of this Offering Memorandum in any jurisdiction where any such action is required. This Offering Memorandum may only be used for the purposes for which it has been published.

This Offering Memorandum is to be read in conjunction with all documents which are or are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*") and, in relation to any Tranche or Series of Notes, should be read and construed together with the applicable Pricing Supplement. Any reference herein to Offering Memorandum means this document together with the documents incorporated by reference herein.

## **INDEPENDENT EVALUATION**

Other than the Issuer, no party has independently verified the information contained in this Offering Memorandum. None of the Dealers makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information in or incorporated by reference in this Offering Memorandum.

Neither this Offering Memorandum nor any other information supplied in relation to the Programme or any Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or any Dealer that any recipient of this Offering Memorandum or any other information supplied in relation to 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 Offering Memorandum and the applicable Pricing Supplement and its purchase of Notes should be based upon such investigation as it deems necessary. Any purchaser of the Notes is deemed by its purchase to acknowledge that it is relying solely on the information contained herein or incorporated by reference herein and on its own investigations in making its investment decision and is not relying on any Dealer in any manner whatsoever in relation to its investigation of the Issuer or in relation to such investment decision. Neither this Offering Memorandum nor any other information supplied in relation to the Programme or any Notes constitutes an offer or an invitation by or on behalf of the Issuer or any Dealer or any other person to subscribe for or purchase the 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.

None of Dealers or the Issuer 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.

## **CURRENCY OF INFORMATION**

Neither the delivery of this Offering Memorandum or any Pricing Supplement nor any offering, sale or delivery of any Notes 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 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 undertakes to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor or potential investor in the Notes of any information coming to their attention.

## **RESTRICTIONS ON USE AND DISTRIBUTION**

This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation is such jurisdiction. The distribution of this Offering Memorandum and any Pricing Supplement and the offering or sale of the Notes in certain jurisdictions may be restricted by law. None of the Issuer or any Dealers represents that this Offering Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offer. In particular, unless specifically indicated to the contrary in the applicable Pricing Supplement, no action has been taken by the Issuer or the Dealers which would permit a public offering of the Notes or distribution of this Offering Memorandum (or any part of it) in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum 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 Offering Memorandum (or any part of it), any Pricing Supplement or any Notes come must inform themselves about and observe any such restriction on the distribution of this Offering Memorandum or any Pricing Supplement and the offering and sale of Notes. In particular, there are restrictions on offers, sales and deliveries of Notes and on the distribution of this Offering Memorandum or any Pricing Supplement and other offering material relating to the Notes in Canada, the United States, the European Economic Area (including Belgium, Luxembourg, the United Kingdom, The Netherlands, Italy and France), Switzerland, Japan, Hong Kong, Singapore, Taiwan, PRC, Australia, New Zealand, Chile, Mexico and Colombia and such other restrictions as may be required in connection with the offering and sale of a particular series of Notes (see "*Subscription and Sale*").

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. Prospective investors are advised to exercise caution in relation to the offering of Notes. If prospective investors are in any doubt about any of the contents of this document, independent professional advice should be obtained.

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 United States persons, except in certain transactions permitted by U.S. tax regulations.

The Notes may not be offered, sold or delivered, directly or indirectly, in Canada or to or for the benefit of residents of Canada in contravention of the securities laws of Canada or any province or territory thereof. Neither this Offering Memorandum nor any Pricing Supplement may be used for the purpose of 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.

#### **NOTICES REGARDING OFFERS IN THE EUROPEAN ECONOMIC AREA**

This Offering Memorandum has been prepared on the basis that any offer of Notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Offering Memorandum as completed by any Pricing Supplement in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any of the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Initial Purchasers has authorized, nor do they authorize, the making of any 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.

#### **PRIIPs / IMPORTANT – EEA RETAIL INVESTORS**

If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of 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 Directive. 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.

## **MIFID II PRODUCT GOVERNANCE / TARGET MARKET**

The Pricing Supplement 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 in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

## **NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (THE “SFA”)**

Unless otherwise stated in the applicable Pricing Supplement 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).

## **NOTICE REGARDING RESTRICTIONS UNDER U.S. FEDERAL SECURITIES LAWS**

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from the registration requirements of the Securities Act. Each prospective U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. Bearer Notes may not be offered or sold within the United States.

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together “**Restricted Notes**”) will be deemed, by its acceptance or purchase of any such Restricted Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “*Subscription and Sale*” and “*Transfer and Selling Restrictions*”. Unless otherwise stated, terms used in this paragraph have the meanings given to them in “*Form of the Notes*”.

## **DENOMINATIONS**

In the case of Rule 144A Notes, the minimum denomination shall not be less than US\$200,000 (or its equivalent in another currency at the date of issue of the Notes), and in the case of Definitive N Registered Notes, as defined herein, the minimum denomination shall not be less than €200,000 (or its equivalent in another currency at the date of issue of the Notes).

## **FORMS OF NOTES**

Notes may be issued in bearer form or in registered form. Each Tranche of a Series of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**” and together with a temporary Global Note, collectively referred to as “**Global Notes**”). The temporary Global Note representing the interest in a Tranche of a Series of Notes will be exchangeable, in whole or in part, for a permanent Global Note, or if so indicated in the applicable Pricing Supplement (as defined herein), definitive Notes, representing such interest on or after the day that is 40 days after the later of the commencement of the offering of the particular Tranche and the relevant issue date, upon certification as to non-U.S. beneficial ownership.

Global Notes which are stated in the applicable Pricing Supplement to be issued in new global note (“**NGN**”) form will be delivered on or prior to the issue date of the relevant Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”). Global Notes which are stated in the applicable Pricing Supplement not to be issued in NGN form may be deposited on the issue date of the relevant Tranche with a common depository or common safekeeper on behalf of Euroclear and Clearstream, Luxembourg or any other agreed clearing system.

Each Tranche of a Series of Notes in registered form (other than Definitive N Registered Notes) will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes, other than Definitive N Registered Notes, which are sold in an “offshore transaction” within the meaning of Regulation S under the Securities Act, will initially be represented by a permanent registered global certificate (each an “**Unrestricted Global Certificate**”). Global Certificates (as defined below) which are held in Euroclear and Clearstream, Luxembourg (or any other agreed clearing system) will be registered in the name of a nominee for Euroclear and Clearstream, Luxembourg (or any other agreed clearing system), or a common nominee or nominee for a common depository and delivered to the appropriate depository or, as the case may be, a common depository. Notes may also be issued in the form of Registered Notes in definitive form made out in the name of a specific creditor governed by German law (the “**Definitive N Registered Notes**”) (*Namenschuldverschreibungen*).

Rule 144A Notes will initially be represented by a permanent registered global certificate (each a “**Restricted Global Certificate**” and, together with the Unrestricted Global Certificate, the “**Global Certificates**”), which will be deposited on the issue date with a custodian for, and registered in the name of Cede & Co. as nominee for, The Depository Trust Company (“**DTC**”). Beneficial interests in a Restricted Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants, including Euroclear and Clearstream, Luxembourg.

The provisions governing the exchange of interests in Global Notes and Global Certificates for other Global Notes and/or Global Certificates and definitive Notes are described in “*Summary of Provisions Relating to the Notes while in Global Form*”.

## **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**

The Issuer will issue Notes that evidence deposit liabilities under the Bank Act (Canada) either through its main branch in Toronto or through another branch, as specified in the applicable Pricing Supplement. Notes issued by any branch are obligations of the Issuer.

## **DEFINITIONS**

All references in this Offering Memorandum to the “**European Economic Area**” or “**EEA**” are to the Member States of the European Union together with Iceland, Norway and Liechtenstein.

In this Offering Memorandum, unless otherwise specified or the context otherwise requires, references to “**U.S. dollars**”, and “**US\$**” are to United States dollars, references to “**C\$**” are to Canadian dollars, references to “**sterling**”, and “**£**” are to British pounds sterling, references to “**Yen**” are to Japanese yen and references to “**€**” and “**euro**” are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union as amended. In the documents incorporated by reference in this Offering Memorandum, unless otherwise specified or the context otherwise requires, references to “**\$**” are to Canadian dollars.

In this Offering Memorandum, references to a “**branch**” mean a branch of CIBC, unless the context otherwise requires. Notes issued by any branch are obligations of CIBC.

## STABILIZATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) appointed as stabilizing manager(s) (the “**Stabilizing Manager(s)**”) (or persons acting on behalf of any Stabilizing 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, stabilization may not necessarily occur. Any stabilization action or over-allotment 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 cease 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 stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or person(s) acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

## AVAILABLE INFORMATION UNDER RULE 144A

For so long as any of the Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is not subject to Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the “**Exchange Act**”), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of a Note, or to any prospective purchaser of a Note or beneficial interest therein designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

## SUITABILITY OF NOTES

**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 Offering Memorandum (including any applicable supplement) and any applicable Pricing Supplement;
- (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 will 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);
- (i) has knowledge of and access to appropriate analytical resources to analyze 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;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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 OFFERING MEMORANDUM AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE PRICING SUPPLEMENT. 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 REFERENCE ITEMS 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" BELOW. 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 REFERENCE ITEM(S), THE VALUE OF THE REFERENCE ITEM(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 Offering Memorandum 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, ongoing objectives, strategies, the regulatory environment in which CIBC operates and outlook for calendar year 2019 and subsequent periods.

Forward-looking statements are typically identified by the words “believe”, “expect”, “anticipate”, “intend”, “estimate”, “forecast”, “target”, “objective” and other similar expressions or future or conditional verbs such as “will”, “should”, “would” and “could”. By their nature, these statements require CIBC to make assumptions and are subject to inherent risks and uncertainties that may be general or specific. 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: credit, market, liquidity, strategic, insurance, operational, reputation and legal, regulatory and environmental risk; 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 Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations issued and to be issued thereunder, 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 recapitalisation 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; the resolution of legal and regulatory proceedings and related 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 and terrorism; natural disasters, public health emergencies, 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; global capital market activity; changes in monetary and economic policy; currency value and interest rate fluctuations, including as a result of market and oil price volatility; 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; 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 synergies and benefits of an acquisition 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.

Additional information about these factors can be found in the “*Risk Factors*” section of this Offering Memorandum and in the documents incorporated herein by reference.

The forward-looking statements included in this Offering Memorandum are made only as of the date of this Offering Memorandum. 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.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been previously published and which have been filed with the Luxembourg Stock Exchange shall be incorporated in, and form part of this Offering Memorandum.

- (a) CIBC's Annual Information Form dated 28 November 2018 (the "**Annual Information Form**");
- (b) pages 1-191 of CIBC's Annual Report for the year ended 31 October 2018 (the "**Annual Report**"); and
- (c) CIBC's comparative unaudited interim consolidated financial statements for the period ended 31 January 2019 prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" together with management's discussion and analysis for the three-month periods ended 31 January 2019 and 2018, set out on pages 1 through to 58 of the CIBC First Quarter 2019 Report to Shareholders (the "**First Quarter Report**").

The following documents, which may be produced or issued from time to time after the date hereof, shall upon publication be deemed to form part of this Offering Memorandum:

- (i) CIBC's future annual reports;
- (ii) CIBC's quarterly reports to shareholders; and
- (iv) all material change reports filed electronically by CIBC on SEDAR, the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") at <http://www.sedar.com>.

Copies of this Offering Memorandum and the documents incorporated by reference in this Offering Memorandum, or deemed incorporated herein, may be obtained free of charge from the head office of the Issuer and the specified office of each Paying Agent, as set out at the end of this Offering Memorandum. The documents incorporated by reference listed in (a) to (d) above will be available on the Luxembourg Stock Exchange website at [www.bourse.lu](http://www.bourse.lu). In addition, all of the documents incorporated herein by reference, or deemed incorporated herein, that CIBC files electronically can be retrieved on SEDAR at <http://www.sedar.com>. No website or information on a website shall be incorporated in or form part of this Offering Memorandum.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to the information in this Offering Memorandum which is capable of affecting the assessment of the Notes, prepare a supplement to this Offering Memorandum or publish a new Offering Memorandum in connection with any subsequent issue of Notes. Statements contained herein or in any document incorporated or deemed incorporated by reference herein shall to the extent applicable be modified or superseded for the purpose of this Offering Memorandum to the extent that a subsequent statement contained in a supplement to this Offering Memorandum or documents incorporated or deemed incorporated by reference herein or therein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Memorandum.

Investors in the Notes shall be deemed to have notice of all information contained in the documents incorporated by reference in this Offering Memorandum, as if all such information were included in this Offering Memorandum. Investors who have not previously reviewed such information should do so in connection with their purchase of Notes.

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## OVERVIEW OF THE PROGRAMME

This overview must be read as an introduction to this Offering Memorandum and any decision to invest in any Notes should be based on a consideration of this Offering Memorandum as a whole, including any documents incorporated by reference. Words and expressions defined in “Forms of the Notes” and “Terms and Conditions of the Notes” and in the remainder of this Offering Memorandum shall have the same meanings in this overview.

<b>Issuer</b>	<p>Canadian Imperial Bank of Commerce (“<b>CIBC</b>” or the “<b>Issuer</b>”).</p> <p>CIBC is a diversified financial institution governed by the <i>Bank Act</i> (Canada) (the “<b>Bank Act</b>”).</p> <p>CIBC is a leading Canadian-based global financial institution. Through its four strategic business units – Canadian Personal and Small Business Banking, Canadian Commercial Banking and Wealth Management, US Commercial Banking and Wealth Management and Capital Markets - CIBC provides a full range of financial products and services to 11 million individual, small business, commercial, corporate and institutional clients in Canada, the U.S. and around the world.</p>
<b>Legal Entity Identifier</b>	2IG19DL77OX0HC3ZE78
<b>Description</b>	Note Issuance Programme (the “ <b>Programme</b> ”).
<b>Size</b>	Up to US\$7,500,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time.
<b>Dealers</b>	<p>CIBC World Markets Corp.</p> <p>CIBC World Markets plc</p> <p>Notes may also be issued to other dealers and third parties.</p>
<b>Calculation Agent</b>	CIBC World Markets plc, CIBC World Markets Corp. or such other calculation agent specified in the applicable Pricing Supplement.
<b>Fiscal Agent, Principal Paying Agent and Transfer Agent</b>	Deutsche Bank AG, London Branch.
<b>Paying Agents, Registrars and Transfer Agents</b>	<p>Deutsche Bank Trust Company Americas.</p> <p>Deutsche Bank Luxembourg S.A.</p>
<b>Paying Agent and Registrar (Definitive N Registered Notes)</b>	Deutsche Bank Aktiengesellschaft.
<b>Issue Price</b>	Notes may be issued at par or at a discount to, or premium over par. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments. The issue price will be specified in the applicable Pricing Supplement.
<b>Terms of Notes</b>	Notes may be denominated in any currency specified in the applicable Pricing Supplement with a maturity between one month and 99 years, subject to compliance with all applicable legal and/or regulatory restrictions.

Notes may: (i) bear interest at a fixed or floating rate; (ii) not bear interest; (iii) have an interest amount or rate and/or a redemption amount determined or calculated by reference to one or more underlying assets or bases of reference such as indices (including equity or commodity indices), currency exchange rates, shares, commodities or the credit of one or more underlying entities (each such underlying asset or basis of reference, a “**Reference Item**” and any Reference Item linked Notes, “**Reference Item Linked Notes**”); (iv) reference any combination of the foregoing; (v) be redeemed by physical delivery (“**Physical Delivery Notes**”) of specified asset(s); and/or (vi) have such other terms and conditions as specified in the applicable Pricing Supplement.

Interest periods, interest rates and the terms of and/or amounts payable on redemption will be specified in the applicable Pricing Supplement.

#### **Status of the 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 the bank resolution powers under the CDIC Act) without any preference amongst themselves.

Notes will not be deposits insured under the CDIC Act.

#### **Bail-inable Notes**

The Conditions provide that holders of Notes other than “structured notes” (as defined in the *Bank Recapitalization (Bail-in) Conversion Regulations* (Canada)) having an original or amended term to maturity (including explicit or embedded options) of more than 400 days and that have been assigned a CUSIP or ISIN or similar identification number (“**Bail-inable Notes**”) are bound, in respect of those Bail-inable Notes, by the CDIC Act, and subject to the 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 in respect of the operation of the CDIC Act with respect to those Bail-inable Notes. Such Notes will be identified in the applicable Pricing Supplement 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 those laws;

(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 holders 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.

**Method of Issue**

The Notes will be issued in series (each a “**Series**”), and each Series (other than a Series of Definitive N Registered Notes) may be issued in one or more tranches (each a “**Tranche**”) on the same or different issue dates, on terms otherwise identical (or identical other than in respect of the issue date, the issue price, and the amount and/or date of the first payment(s) of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series.

The Issuer does not intend to issue a further Tranche of a Series of Notes where the issuance of such further Tranche would result in the Notes of such Series becoming subject to bail-in conversion.

**Form of Notes**

The Notes may be issued in bearer form only, in bearer form exchangeable for Notes in registered form or in registered form only, as specified in the applicable Pricing Supplement.

**Definitive N Registered Notes**  
**(*Namensschuldverschreibungen*)**

Notes issued in the form of Registered Notes in definitive form made out in the name of a specific creditor governed by German law (“**Definitive N Registered Notes**”) (*Namensschuldverschreibungen*) may be issued. Where specified in the applicable Pricing Supplement, the Issuer may waive any right to set-off in relation to the Definitive N Registered Notes.

**Clearing System**

Euroclear and/or Clearstream, Luxembourg (in relation to any Regulation S Notes) and DTC (in relation to any Rule 144A Notes) and/or, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s).

**Specified Denomination**

As specified in the applicable Pricing Supplement, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) and all relevant laws, regulations or directives applicable to the specified currency and (i) unless permitted by then current laws, regulations and directives, Rule 144A Notes will have a minimum denomination of not less than US\$200,000 (or its equivalent in another currency as at the date of issue of the Notes) and (ii) Definitive N Registered Notes will have a minimum denomination of not less than €200,000 (or its equivalent in another currency as at the date of issue of the Notes).

Notes (including Notes denominated in sterling) which have a maturity of less than one year and whose issue otherwise constitutes a contravention of Section 19 of the FSMA will have a minimum denomination of not less than £100,000 (or its equivalent in other currencies).

<b>Specified Currency or Currencies</b>	As agreed by the Issuer and the relevant Dealer(s) and specified in the applicable Pricing Supplement.
<b>Redenomination</b>	The applicable Pricing Supplement may provide that certain Notes may be redenominated into euro and will set out in full the provisions applicable to any such redenomination.
<b>Fixed Rate Notes</b>	Interest on Fixed Rate Notes will be payable in arrear on the date or dates in each year specified in the applicable Pricing Supplement.
<b>Floating Rate Notes</b>	Floating Rate Notes will bear interest set separately for each Series by reference to the benchmark rate specified in the applicable Pricing Supplement, as adjusted for any applicable margin. Interest periods will be specified in the applicable Pricing Supplement. Minimum/Maximum Rates of Interest or Interest Amounts may be specified in the applicable Pricing Supplement.
<b>Benchmark Discontinuation</b>	On the occurrence of a Benchmark Event, the Issuer may (subject to certain conditions and following consultation with an Independent Adviser (as defined in "Terms and Conditions of the Notes")) determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments in accordance with the Conditions.
<b>Zero Coupon Notes</b>	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
<b>Change of Interest/Payment Basis</b>	Notes may be converted from one interest and/or payment basis to another.
<b>Interest Periods and Rates of Interest</b>	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the applicable Pricing Supplement.
<b>Redemption</b>	Notes may be redeemed at par or at such other redemption amount (detailed in a formula or otherwise) or by delivery of securities of an issuer not affiliated with the Issuer, as specified in the applicable Pricing Supplement.  The applicable Pricing Supplement may provide that Notes other than Bail-inable Notes may be redeemable in two or more instalments of such amounts or redeemable prior to such stated maturity at the option of the Issuer and/or the Noteholders upon giving notice at a price and on such dates as are indicated in the applicable Pricing Supplement.
<b>Early Redemption</b>	The applicable Pricing Supplement will indicate either that (a) the relevant Notes may not be redeemed prior to their stated maturity (other than in specified instalments, (if applicable), for taxation reasons, following an Event of Default and acceleration of the Notes, or (if applicable) following an Additional Disruption Event), (b) such Notes

will be redeemable at the option of the Issuer and/or the Noteholders or (c) may automatically redeem early (or “autocall”) if the underlying assets are at or above a certain level on any one of a series of specified dates, provided however that Bail-inable Notes may not be redeemed prior to maturity at the Noteholder’s election.

Where the early redemption of Bail-inable Notes 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**”).

A notice of redemption shall be irrevocable, except that the making of an order under subsection 39.13(1) of the CDIC Act in respect of Bail-inable Notes prior to the date fixed for redemption shall automatically rescind such notice of redemption and, in such circumstances, no Bail-inable Notes may be redeemed and no payment in respect of the Bail-inable Notes shall be due and payable. Bail-inable Notes will continue to be subject to bail-in conversion prior to their repayment in full.

Bail-inable Notes are subject to bail-in conversion and to variation or extinguishment in consequence.

**TLAC Disqualification Event**

If so specified in the applicable Pricing Supplement, 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 (as defined in the Conditions). All early redemptions of Bail-inable Notes for a TLAC Disqualification Event require the prior approval of the Superintendent.

**Physical Delivery Notes**

Where the applicable Pricing Supplement indicates Notes will be Physical Delivery Notes, in order to receive the relevant asset(s), a Noteholder must deliver an Asset Transfer Notice on or prior to a specified cut-off time and pay all taxes, duties and/or expenses arising from delivery of the relevant assets. For certain Reference Item Linked Notes, if certain disruption events occur on settlement, the relevant settlement date may be postponed and in certain circumstances the Issuer will be entitled to make payment of a cash amount in lieu of physical delivery.

**Branch of Account**

The main branch of the Issuer in Toronto or such other branch as may be specified in the applicable Pricing Supplement, which is the branch of account for purposes of the Bank Act.

Subject to meeting certain conditions described in Condition 19(d), the Issuer may change the Branch of Account for Notes.

**Substitution**

Subject to the Conditions, a Subsidiary of the Issuer may be substituted as the issuer in place of the Issuer or a previous substitute company. Where substitution in relation to Bail-inable Notes would lead to a breach of the Issuer’s TLAC requirements, the substitution may only occur with the prior approval of the Superintendent.

**Negative Pledge**

None.

**Cross Default**

None.

**Events of Default**

The terms of the Notes contain events of default covering non-payment of interest, principal or additional amounts when due or non-delivery of the specified assets and relating to the insolvency or bankruptcy 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 Bail-inable Notes, the Bail-inable Notes remain subject to a bail-in conversion until repaid in full. A bail-in conversion will not be an event of default.

**Waiver of Set-Off – Bail-inable Notes**

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

**Withholding Tax**

All payments of principal and interest will be made without withholding for or on account of taxes imposed by Canada or such other country in which the Branch of Account is located unless any such withholding is required by law whereupon, subject to certain exceptions set out in Condition 16, the Issuer will pay additional amounts to cover the amounts deducted.

**Dual Currency Notes**

Payments of principal and/or interest in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange as set out in the applicable Pricing Supplement.

**Variable Coupon Amount Notes**

Payments of interest in respect of Variable Coupon Amount Notes will be calculated by reference to an index and/or formula or as set out in the applicable Pricing Supplement.

**Variable Redemption Amount Notes**

Payments of principal (whether at maturity or otherwise) in respect of Variable Redemption Amount Notes will be calculated by reference to such index and/or formula as set out in the applicable Pricing Supplement.

**Index Linked Notes**

Amounts payable in respect of Index Linked Notes will be calculated by reference to one or more indices and/or such formula as set out in the applicable Pricing Supplement.

Index Linked Notes may be subject to early redemption or cancellation, as applicable, or adjustment if an Index is modified or cancelled and there is no successor index acceptable to the Calculation Agent, if the Index's Sponsor fails to calculate and announce the Index, if certain market disruption events occur, or if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's and/or any Affiliate's hedging arrangements.

If certain disruption events occur with respect to valuation of an Index, such valuation will be postponed and may be made by the Calculation Agent. Payments may also be postponed.

**Equity Linked Notes**

Amounts payable in respect of Equity Linked Notes will be calculated by reference to a single equity security or a basket of equity securities (in this overview, each an "Equity") as set out in the applicable Pricing Supplement. Equity Linked Notes may also provide for settlement by physical delivery of a specified amount of Equities of one or more companies, subject to payment of any sums payable.

Equity Linked Notes may, at the discretion of the Issuer, be subject to early redemption or cancellation, as applicable, or adjustment (including valuation and in certain circumstances Equity substitutions) if certain corporate events (such as events affecting the value of an

Equity (including Equity divisions or consolidations, extraordinary dividends and capital calls), de-listing of an Equity, insolvency, merger or nationalization of an Equity issuer, a tender offer or redenomination of an Equity) occur, if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's and/or any Affiliate's hedging arrangements, or if insolvency filings are made with respect to an Equity issuer.

If certain disruption events occur with respect to valuation of an Equity, such valuation will be postponed and may be made by the Calculation Agent. Payments may also be postponed.

#### **Commodity Linked Notes**

Amounts payable in respect of Commodity Linked Notes will be calculated by reference to a single commodity, and/or commodity-index and/or formula or to changes in the prices of one or more commodities (which may include precious and base metals, oil, gas, electricity, power and agricultural commodities) and similar indexes or formulas (such as formulas used in weather derivatives) and such other factors as set out in the applicable Pricing Supplement.

If certain disruption events occur with respect to valuation of a Commodity or futures or options contracts relating to such Commodity, such valuation may be postponed and/or may be made by the Calculation Agent.

Commodity Linked Notes linked to a Commodity Index may be subject to adjustment if the Commodity Index is modified or cancelled and there is no successor acceptable to the Calculation Agent or if the Commodity Index's sponsor fails to calculate and announce the index.

#### **Fund Linked Notes**

Amounts payable in respect of Fund Linked Notes will be calculated by reference to units, interests or shares in a single Fund or basket of Funds. Fund Linked Notes may also provide for settlement by physical delivery of a specified amount of units, interests or shares of one or more Funds.

Fund Linked Notes may, at the discretion of the Issuer, be subject to early redemption or cancellation, as applicable, or adjustment (including as to valuations and fund substitutions) if certain corporate events (such as insolvency (or an analogous event) or nationalization of a Fund; litigation against, or regulatory events occurring with respect to, a Fund; suspensions of Fund subscriptions or redemptions; certain changes in net asset value or violations of leverage restrictions of a Fund; Fund reporting disruptions; or modifications to the investment objectives or changes in the nature or administration of a Fund) occur, if certain valuation or settlement disruption events occur with respect to a Fund, or if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's and/or any Affiliate's hedging arrangements.

Fund Linked Notes linked to Exchange Traded Funds may be subject to early redemption or cancellation, as applicable, or adjustment (including as to valuation) if certain corporate events (such as events affecting the value of a Fund Share including share divisions or consolidation, de-listing of a Fund Share, insolvency, merger or nationalization of a Fund Share issuer, or a tender offer of a Fund Share) or modifications of its investment objectives occur or if certain events occur with respect to the Issuer's and/or Affiliate's hedging arrangements. If certain disruption events occur with respect to the valuation of a Fund Share in respect of an Exchange Traded Fund,

such valuation may be postponed and may be made by the Calculation Agent. Payments may also be postponed.

**FX Linked Notes**

Amounts payable in respect of FX Linked Notes will be calculated by reference to the rate of exchange of a single currency or basket of currencies. FX Linked Notes may also provide for settlement by physical delivery of a specified amount of the relevant currencies.

If certain disruption events occur with respect to a rate of exchange of a single currency or basket of currencies, such valuation may be postponed and/or made by the Calculation Agent.

**Inflation Linked Notes**

Amounts payable in respect of Inflation Linked Notes will be calculated by reference to a single Inflation Index or basket of Inflation Indices.

Inflation Linked Notes may be subject to early redemption or cancellation, as applicable, and/or adjustment if an Inflation Index is modified or cancelled and there is no successor index acceptable to the Calculation Agent, or if the Inflation Index Sponsor fails to calculate and announce the Index.

**Preference Share Linked Notes**

Amounts payable in respect of Preference Share Linked Notes will be calculated by reference to the performance of specified preference shares of an issuer specified in the applicable Pricing Supplement (the “**Preference Share Issuer**”).

Preference Share Linked Notes will be subject to early redemption if certain corporate events (such as insolvency, merger or nationalization of the Preference Share Issuer or a tender offer) occur, or if certain events (such as illegality, hedging disruptions or cost increases) occur with respect to the Issuer’s or any Affiliate’s hedging arrangements, or if insolvency filings are made with respect to the Preference Share Issuer or if the Issuer, or any of its affiliates, receives notice from the Preference Share Issuer that the relevant preference shares are to be redeemed prior to the Maturity Date.

**Protection Amount**

Where a Protection Amount is specified as applicable in the applicable Pricing Supplement, the Final Redemption Amount will in no circumstances be repayable at the stated Maturity Date at less than the Protection Amount specified in the applicable Pricing Supplement. The Protection Amount will not apply in the event that Notes are redeemed prior to their stated Maturity Date or upon the occurrence of a redemption for taxation reasons, an Index Adjustment Event, a Potential Adjustment Event or an Event of Default.

**Additional Disruption Events**

If Additional Disruption Events are specified as applying in the applicable Pricing Supplement, the Notes will be subject to adjustment or may be redeemed upon the occurrence of any of the Additional Disruption Events specified as applying in the applicable Pricing Supplement.

**Governing Law**

Notes are governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein unless otherwise provided in the applicable Pricing Supplement.

Notes issued on a non-syndicated basis may be governed by the laws of England if so provided in the applicable Pricing Supplement, subject to the second paragraph below regarding Bail-inable Notes.

Definitive N Registered Notes are governed by German Law, subject to

the paragraph below regarding Bail-inable Notes.

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 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. 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.

#### **Listing**

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme during the 12 months from the date of this Offering Memorandum to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF market and to be listed on the Official List of the Luxembourg Stock Exchange. Definitive N Registered Notes will not be listed.

In certain circumstances, the Issuer may terminate the listing of the Notes. The Issuer is not under any obligation to Noteholders to maintain any listing of the Notes. See "*Risk Factors*".

#### **Ratings**

Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

#### **Selling Restrictions**

See "*Subscription and Sale*" and, in respect of any Tranche or Series, such additional selling restrictions as are set out in the applicable Pricing Supplement.

#### **Risk Factors**

There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme, which factors are set out under the heading "*Risk Factors*" below. There are certain factors that are material for the purpose of assessing the market risks associated with Notes issued under the Programme, related to the Notes generally or related to the market generally, which factors are set out under the heading "*Risk Factors*" below.

Where the applicable Pricing Supplement specifies one or more Reference Item(s), the relevant Notes will represent an investment linked to the performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in the Notes will depend upon the performance of the relevant Reference Item(s). See "*Risk Factors - Risks related to the structure of a particular issue of Notes*".

Notes may not be ordinary debt securities and the return and/or interest and/or principal may be linked to the performance of, amongst other things, one or more of an index or formula, changes in the prices of securities, funds or commodities, movements in currency exchange rates or to the credit of one or more entities not affiliated with the Issuer. The return on such Notes may be influenced by unpredictable factors, including the value of the underlying or factor, which may in turn be linked to the creditworthiness of an underlying entity, market prices of underlying, market volatility, interest rates, currency exchange rates, inflation, the length of time until maturity and other economic,

financial, environmental, legal, regulatory, social and political influences which may not be within the Issuer's control. Where Notes are linked to emerging market countries or currencies, the impact of the factors outlined previously may be magnified. Such factors may cause a partial or total loss of an Investor's investment in Notes and may involve the Investor receiving a return that they might not have anticipated when purchasing Notes. Investors should also be aware of potential conflicts of interest with the Calculation Agent.

Investment in Notes may carry similar risks to a direct investment in the underlying. However, investors will not have legal or beneficial ownership in such underlying. Further, investment in Notes may be illiquid and investors should be prepared to hold Notes to maturity or expiration as there may be no secondary market therefor.

**IN THE CASE OF REFERENCE ITEM LINKED NOTES, PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE PRICING SUPPLEMENT TO ASCERTAIN WHAT THE RELEVANT REFERENCE ITEM(S) ARE AND TO SEE HOW ANY CASH AMOUNTS OR ASSET AMOUNTS ARE PAYABLE AND/OR DELIVERABLE AND HOW ANY INTEREST PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED NOTES.**

## RISK FACTORS

*The Issuer believes that the following factors are material for the purpose of assessing the Issuer's ability to fulfill its obligations under Notes issued under the Programme, including the Issuer's ability to pay interest, principal or other cash amounts on or in connection with any cash settled Notes or to deliver the Asset Amount in connection with any Physical Delivery Notes and for the purpose of assessing the market risks associated with Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring or the likelihood or extent to which any such contingencies may affect the ability of the Issuer to pay interest, principal or other amounts in connection with the Notes.*

*Consideration should be given to the categories of risks identified and discussed herein including credit, market, liquidity, strategic, insurance, operational, reputation, legal, tax, regulatory, environmental and other risk and those related to general business and economic conditions. For a more detailed explanation of the risk factors set out below, consideration should also be given to the discussion of risk factors related to the Issuer and its business and the steps taken to manage those risks, which are contained on pages 41 to 78 of the Annual Report and on pages 20 to 35 of the First Quarter Report, each of which is incorporated herein by reference.*

*The Issuer believes that the factors described below represent the principal material risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes issued by it or to perform any of its obligations may occur for other reasons and there may be other factors relevant to assessing the market risks associated with Notes issued under the Programme than those described below. The Issuer does not represent that the statements below regarding the risks of holding or investing in any Notes are exhaustive. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties, including those not presently known to the Issuer or that it currently believes to be immaterial, could also have a material impact on the Issuer's business operations, could adversely affect the ability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes issued by it or to perform any of its other obligations under the Notes or could have a material impact on the market risks associated with the Notes. The Pricing Supplement in respect of an issue of Notes may contain additional Risk Factors in respect of such Notes.*

*Prospective investors should also read the detailed information set out elsewhere in this Offering Memorandum (including any supplement to this Offering Memorandum and any other documents that are or are deemed to be incorporated by reference herein or therein, including the description of additional risk factors contained in the Annual Report on pages 41 through 78 and the First Quarter Report on pages 20 through 35) and reach their own views prior to making any investment decision.*

*References to "**Conditions**" means, in respect of the Notes of any Series, the terms and conditions applicable thereto which shall be substantially in the form set out under "Terms and Conditions of the Notes" as modified, with respect to any Notes represented by a Global Certificate or a Global Note, by the provisions of such Global Certificate or Global Note, and which shall incorporate any additional provisions forming part of such terms and conditions set out in the applicable Pricing Supplement applicable to such Series (or, if Notes are issued in more than one Tranche, in the applicable Pricing Supplement relating thereto). Terms used in this section and not otherwise defined shall have the meanings given to them in the Conditions.*

### **Factors that may affect the Issuer's ability to fulfill its obligations under Notes issued under the Programme**

The value of the Notes may be affected by the general creditworthiness of the Issuer. The Issuer's business may be materially impacted by financial conditions, results of operations and cash flows, material trends, demands, commitments, events and other risks or uncertainties.

## ***Geo-Political Risk***

The level of geo-political 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 shocks could hurt the net income of the Issuer's trading and non-trading market risk positions. Although Canada is unlikely to be directly subject to geo-political risk, the indirect impact of reduced economic growth, as well as potential impacts on commodity prices and the recent rise of protectionism, could have serious negative implications for general economic and banking activities. Currently, there are several areas of concern which have raised the level of uncertainty in global financial markets. These include: heightened tensions in the Middle East in the aftermath of the decision by the U.S. to re-impose sanctions against Iran and withdraw from the Joint Comprehensive Plan of Action relating to Iran's nuclear program; the U.S. decision to withdraw from the Intermediate-Range Nuclear Forces Treaty with Russia; the lack of progress in Brexit negotiations; and continued uncertainty surrounding global trade tensions, especially between the U.S. and China. Diplomatic tensions have also risen between Canada and China, as Canada has become involved in a broader conflict between the U.S. and China. The United States Congress' ratification of the U.S.-Mexico-Canada (USMCA) deal that is intended to replace the North American Free Trade Agreement (NAFTA) remains uncertain. A wide range of potential outcomes on North American trade policy remain a possibility. While it is impossible to predict where new geo-political disruption will occur, the Issuer 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 the Issuer operates.

## ***Commodity Prices Risk Exposure***

Global economic growth is projected to decelerate in 2019, but still provide some support to industrial demand for commodities. The spread between Canada's heavy oil benchmark, Western Canada Select (WCS), and West Texas Intermediate (WTI) hit crisis levels in the fall of 2018. A rebound in crude oil prices, from late December lows, has stalled amid worries of surging U.S. production and concerns that escalating trade tensions between the U.S. and China will result in slower global economic growth and demand in 2019. While there has been significant improvement in the price of Canada's heavy oil benchmark, WCS, and a significant narrowing of the spread between WCS and WTI following the production cut imposed by the Premier of Alberta, a return to somewhat wider differentials for Canadian heavy crude oil remains possible as production increases after easing of the mandated curtailments.

The Issuer's overall commodity exposure continues to perform within its risk appetite, with losses in its oil and gas portfolio down significantly from peak levels. Clients in the Issuer's oil and gas portfolio are currently being assessed on the basis of its enhanced risk metrics, and the portfolio is being monitored in a prudent manner.

## ***Technology, Information and Cyber Security Risk Exposure***

Financial institutions similar to the Issuer are evolving their business processes to leverage innovative technologies and the internet to improve client experience and streamline operations. At the same time, cyber threats and the associated financial, reputation and business interruption risks have also increased.

These risks continue to be actively managed by the Issuer 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, unauthorised access, and denial-of-service attacks, which can result in damage to the Issuer's systems and information, theft or disclosure of confidential information, unauthorised or fraudulent activity, and service disruption.

Given the importance of electronic financial systems, including secure online and mobile banking provided by the Issuer to its clients, the Issuer 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, it continually performs cyber security preparedness, testing, and recovery exercises to validate its defences, benchmark against best practices and provides regular updates to its board of directors. The Issuer has well-defined cyber incident response protocols and playbooks in the event that a security incident or breach occurs. The Issuer also has cyber insurance coverage to help mitigate against certain potential losses associated with cyber incidents. Its 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. The Issuer periodically assesses its insurance coverage based on its risk tolerance and limits.

Despite the Issuer's commitment to information and cyber security, the Issuer and its related third parties may not be able to fully mitigate all risks associated with the increased complexity and high rate of change in the threat landscape. The Issuer continuously monitors its risk profile for changes and continues to refine approaches to security protection and service resilience to minimize the impact of any incidents that may occur.

### ***Disintermediation Risk Exposure***

Canadian banking clients are increasingly shifting their service transactions from branches to digital platforms. As such, competitive pressure from digital disruptors, both global technology leaders and smaller financial technology entrants, is increasing and the risk of disintermediation is growing due to the level of sophistication of these non-traditional competitors. Cryptocurrencies, such as Bitcoin, are increasingly being recognized by financial institutions as risk factors facing their business operations. One of the major appeals of cryptocurrencies is the anonymity they offer, as participants can transfer assets across the internet without the need for centralized third-party intermediaries such as banks. In view of several shortcomings including their high volatility, the widespread adoption of cryptocurrencies as a substitute for government-issued currencies does not appear to be a near-term prospect. However, the underlying blockchain technology is seen to have vast potential which could contribute to increased disintermediation.

Blockchain is a decentralized ledger technology which keeps records that are linked and secured with cryptography. It enables the use of cryptocurrencies, such as Bitcoin. The percentage of global GDP stored on this technology is expected to continue to increase, creating the potential for blockchain to transform business models across multiple industries that focus on transaction and record verification.

The Issuer manages disintermediation risk through strategic risk 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.

### ***Canadian Consumer Debt and the Housing Market***

As a consequence of historically low interest rates, Canadians had increased debt levels at a pace that exceeded the growth in their income. Most of the increase in household debt levels was driven by higher levels of mortgage debt, which was tied to the Canadian housing market. The Bank of Canada's recent and potential further increases in interest rates, combined with regulatory measures introduced by the Office of the Superintendent of Financial Institutions ("**OSFI**"), the Department of Finance, and provincial governments, including taxes on foreign ownership and revised mortgage underwriting guidelines ("**B-20 guidelines**"), are having their intended effect. Household credit is currently growing at the slowest pace experienced in any non-recessionary period during the post-war era. OSFI revised its B-20 guidelines on mortgage lending, which came into effect January 1, 2018. While the Issuer believes that the probability of a severe housing crash that generates significant losses for mortgage portfolios remains low, increases in interest rates and the new regulatory measures put in place elevate the risk associated with an inflated housing market, along with high levels of consumer debt that would be a concern should the economy falter and unemployment rates begin to increase.

Currently, the Issuer qualifies variable rate mortgage borrowers using the Bank of Canada five-year fixed benchmark rate, which is typically higher than the variable rate by approximately two percentage points, which is required as part of the B-20 guidelines. Therefore, the Issuer's variable rate borrowers

should be able to withstand some increase in interest rates. In addition, the Issuer runs its enterprise-wide statistical stress tests at lower home prices to determine potential direct losses, and has also conducted stress tests to assess the impact of rising unemployment rates on borrowers' ability to repay loan obligations.

### **Acquisition Risk**

The Issuer seeks out acquisition opportunities that align with its strategy, risk appetite and financial goals. The ability to successfully execute on its strategy to integrate acquisitions, and the ability to anticipate and manage risks associated with acquisitions, are subject to certain factors. These include 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, among others, and changes in general business and economic conditions.

Although many of the factors are beyond the Issuer's control, their impact is partially mitigated by conducting due diligence before completing the transaction, developing and executing appropriate integration plans, and monitoring performance following the acquisition. However, acquisitions involve inherent uncertainty and the Issuer cannot determine all potential events, facts and circumstances and there could be an adverse impact on the Issuer's operations and financial performance.

### **U.S. Banking Regulation**

In conjunction with the Issuer's acquisition of The PrivateBank (subsequently rebranded as CIBC Bank USA), completed on June 23, 2017, the Issuer's wholly-owned subsidiary, CIBC Bancorp USA Inc. ("**CIBC Bancorp**"), became a bank holding company registered under the U.S. Bank Holding Company Act of 1956, as amended, and subject to regulation as a bank holding company by the U.S. Board of Governors of the Federal Reserve System ("**Federal Reserve**"). CIBC Bank USA, as a state-chartered bank with greater than \$10 billion of total assets, is subject to regulation by the U.S. Federal Deposit Insurance Corporation ("**FDIC**"), the U.S. Consumer Financial Protection Bureau, and the Illinois Department of Financial and Professional Regulation.

The scope of these regulations could impact the Issuer'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 the Issuer 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 (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 the Issuer's ability to receive distributions on its capital investment in its U.S. banking operations.

Furthermore, the Federal Reserve and the FDIC could restrict the Issuer's ability to grow its U.S. banking operation conducted by CIBC Bank USA, whether through acquisitions or organically, 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 or CIBC Bank USA.

In October 2018, the Federal Reserve issued a notice of proposed rulemaking that, consistent with the U.S. regulatory relief legislation enacted in May 2018, would establish a revised framework for applying enhanced prudential standards to large U.S. banking organizations based on their risk profile and asset size. The proposed rules generally would exempt U.S. banking organizations with less than \$100 billion of consolidated assets from most enhanced prudential standards, and those with between \$100 billion and \$250 billion of consolidated assets would be exempt from the more stringent standards. The proposed rules, however, expressly do not apply to U.S. banks controlled by foreign banking organizations, although the Federal Reserve has indicated that it intends to issue separate guidance on the applicability of enhanced prudential standards to foreign banking organizations, which may impact CIBC Bancorp given that it has consolidated assets less than \$100 billion. Until such further regulations are proposed, however, there is uncertainty as to whether the revised asset

thresholds will be applied to foreign banking organizations in a manner similar to U.S. banking organizations. If they are not, CIBC Bancorp could be subject to more significant regulatory compliance burdens, particularly as the Issuer seeks to grow the size of its U.S. operations, as compared to other similarly-sized U.S. banking organizations that are not owned by a foreign parent.

### ***Anti-money Laundering Threat Risk***

Recognising the threat of money laundering, terrorist financing activities and other related crimes to the stability and integrity of a country's financial sector and its broader economy, the international community has made the fight against these illegal activities a priority. Several laws and regulations have been enacted by governments and regulatory bodies globally. As a potential conduit for illegal operations, financial institutions bear a significant responsibility in mitigating the risks associated with these activities.

The Issuer is committed to adhering to all regulatory requirements pertaining to anti-money laundering ("AML") and anti-terrorist financing ("ATF") and implementing best practices to minimise the impact of such activities. As such, the Issuer has implemented procedures to ensure that relevant regulatory obligations with respect to the reporting of large cash transactions, electronic funds transfers, and cross-border movements of cash and monetary instruments, are met in each jurisdiction. In addition, all employees are required to complete the Issuer's AML/ATF training annually.

### ***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 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.

### ***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. 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 anti-money laundering 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.

### ***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.

### ***Borrower and Counterparty Risk Exposure***

The ability of the Issuer to make payments in connection with any Notes issued or entered into by the Issuer is subject to general credit risks, including credit risks of borrowers. Credit risk is one of the most significant and pervasive risks in banking. 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.

In relation to counterparties that are EU institutions, on 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of EU credit institutions and investment firms (the "BRRD") entered into force. In the United Kingdom, the Banking Act implements the BRRD. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing EU institution so as to ensure the continuity of the institution's critical financial and economic functions, whilst minimising the impact of the institution's failure on the economy and financial system. The BRRD was applied in Member States from January 1, 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) an institution 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 into shares (or other instruments of ownership) of the relevant EU institution, 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 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 EU 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 EU institutions to whom the BRRD and its bail-in power applies. The powers set out in the BRRD will impact how such EU institutions and investment firms are managed as well as, in certain circumstances, the rights of their creditors including the Issuer. For instance, the Issuer and its debtholders may be affected by disruptions due to an EU institution not being able to fulfill their obligations as issuing and paying agent, European registrar, calculation agent or similar roles.

***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.

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.

***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.

***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. 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.

***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. Consequently, its 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.

***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. 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. 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.

***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. 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.

***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. Changes in monetary policy and developments in the financial markets are beyond the Issuer's control and difficult to predict or anticipate.

***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 accounting policies and methods prescribed by the recognised accounting standards, 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 103 through 117 of the 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. Changes in the judgments and estimates required in the critical accounting policies could have a material impact on the Issuer's financial results. The Issuer has established control procedures to ensure accounting policies are applied consistently and processes for changing methodologies are well controlled.

### ***Operational Risk Exposure***

The Issuer is exposed to many types of operational risk, including the risk of loss from people, inadequate or failed internal processes and systems or from external events.

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.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List of the UK Listing Authority department of the United Kingdom Financial Conduct Authority (the "FCA") and to the London Stock Exchange, the Official List of the Luxembourg Stock Exchange or any other regulated or non-regulated market, or as a supervised firm regulated by the FCA and the Prudential Regulation Authority in the United Kingdom and by the Commission de Surveillance du Secteur Financier in Luxembourg.

### ***Financial Regulatory Reforms in the U.S. and Canada Could Have a Significant Impact on the Issuer***

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was enacted in the U.S. in July 2010. The Dodd-Frank Act contains many broad reforms impacting the financial services industry. These reforms impact every financial institution in the U.S. and many financial institutions that operate outside the U.S. Most aspects of the Dodd-Frank Act have become effective, while some portions are still subject to final rulemakings by U.S. government agencies, or the expiration of transition periods.

The Issuer is subject to a number of specific requirements, including, among other things: (i) mandatory clearing, trade reporting and registration of over-the-counter ("OTC") derivative trading activities; (ii) heightened capital, liquidity and prudential standards, such as the enhanced prudential standards and early remediation requirements under Sections 165 and 166 of the Dodd-Frank Act; (iii) mandatory risk retention rules, applicable to sponsors of asset-backed securities and securitisations; and (iv) restrictions on proprietary trading, private equity and hedge fund activities, commonly known as the Volcker Rule.

Although these reforms have increased the Issuer's cost of regulatory compliance and have restricted its ability to engage in certain activities in the U.S. and elsewhere, the Issuer does not expect costs and restrictions associated with the new regulations to have a material impact on its financial results. The Issuer continues to devote the resources necessary to ensure that it implements the requirements in compliance with all applicable regulations under the Dodd-Frank Act. The Issuer continues to monitor developments in this area, including upcoming changes in laws or regulations that may be enacted by the new U.S. government administration.

No assurance can be given that the Dodd-Frank Act and related regulations, the proposed similar regulations in Canada, or any other new legislative changes enacted will not have a significant impact

on the Issuer, including on the amount of any Notes issued by the Issuer that may be issued in the future.

### ***U.K. and European Regulatory Reform***

The revised directive and regulation on Markets in Financial Instruments (“**MiFID II/MiFIR**”) became effective January 2018 and has a significant technological and procedural impact for certain businesses operating in the European Union (the “**EU**” or 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.

Other regulatory initiatives include: the extension of the Senior Managers Regime to all U.K. regulated firms which is effective December 2019; transaction reporting of securities financing transactions which is expected to take effect in the first calendar quarter of 2019; and the implementation of new settlement disciplines, including mandatory buy-ins, for participants in European Central Securities Depositories which is effective September 2020.

### ***United Kingdom Political Uncertainty***

On June 23, 2016 the United Kingdom held a referendum to decide on its membership in the EU. The resulting vote was to leave the EU. On March 29, 2017, the Prime Minister of the United Kingdom triggered Article 50 of the Lisbon Treaty by giving the European Council official notice of the United Kingdom’s intentions to leave the EU. There are a number of uncertainties in connection with the future of the United Kingdom and its relationship with the EU, including the terms of any agreement it reaches in relation to its withdrawal from the EU. The terms and timing of the United Kingdom’s withdrawal from the EU are not clear. Until they become clearer, it is not possible to determine the impact that the referendum, the United Kingdom’s departure from the EU and/or any related matters may have on the Issuer or any of the Issuer’s debt and derivatives securities, including the market value or the liquidity thereof in the secondary market, or on the other parties to the transaction documents. The U.K. will remain a European Union Member State, subject to all European Union legislation until the negotiations are concluded and the resulting changes are implemented.

### ***Changes to the Issuer’s credit ratings***

There is no assurance that a rating 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.

### ***Liquidity Risk Exposure***

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.

### ***Risk related to fair value adjustments***

The Issuer believes that it has made appropriate fair value adjustments and has taken appropriate write-downs to date. The establishment of fair value adjustments and the determination of the amount of write-downs involve estimates that are based on accounting processes and judgments by management. The Issuer evaluates the adequacy of the fair value adjustments and the amount of write-downs on an ongoing basis. The levels of fair value adjustments and the amount of the write-downs 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.

### ***Strategic Risk Exposure***

Strategic risk is the risk of ineffective or improper implementation of business strategies, including mergers and acquisitions. 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 Issuer's executive committee and its board of directors. At least annually, the Issuer's chief executive officer outlines the process and presents the strategic business plan to the board of directors for review and approval. The board of directors 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 economic capital against this risk. The Issuer's economic capital models include a strategic risk component for those businesses utilizing capital to fund an acquisition or a significant organic growth strategy. If the Issuer is unable to successfully implement selected strategies or related plans and decisions, if the Issuer makes inappropriate strategic choices or if the Issuer makes a change to its strategic goals, its financial results could be adversely affected.

### ***Insurance Risk Exposure***

Insurance risk is the risk of losses arising from the uncertainty of the timing and size of insurance claims. 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. The Issuer is exposed to insurance risk in its life insurance business and in its life reinsurance business within the respective subsidiaries. Senior management of the insurance and reinsurance subsidiaries have primary responsibility for managing insurance risk with oversight by the Issuer's risk management committee. The insurance and reinsurance subsidiaries also have their own boards of directors, as well as each having independent appointed actuaries who provide additional input to risk management oversight. Processes and oversight are in place to manage the risk to the Issuer'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. The Issuer's risk governance practices ensure strong independent oversight and control of risk within the insurance business. 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. While the Issuer's risk governance practices ensure strong independent oversight and control of risk within the insurance businesses, potential loss as a result of divergence between modelled and actual experience could adversely affect the Issuer's results.

### ***Reputation and Legal Risk Exposure***

The Issuer's reputation and financial soundness are of fundamental importance to it and to its clients, shareholders and employees. 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; (b) its failure to correctly document, enforce or comply with contractual obligations; (c) failure to comply with its legal obligations to customers, investors, employees, counterparties or other stakeholders; (d) failure to take appropriate legal measures to protect its assets or security interests; or (e) misconduct by its employees or agents.

The Issuer's risk management committee, together with its reputation risk committee (non-transactional reputation risk), reputation and legal risks committee (transactional reputation risk) and global risk committee provides oversight of the management of reputation and legal risks.

The identification, consideration and prudent, proactive management of potential reputation and legal risks is a key responsibility of the Issuer and all of its employees.

The Issuer's reputation risk management framework describes how the Issuer safeguards its non-transactional reputation through the pro-active identification, management, oversight and reporting of reputation risks, achieved primarily through the implementation of a number of corporate-wide policies and processes, including the Conduct Risk Framework, the Code of Conduct, Business Continuity and Crisis Management and Change Initiative Risk Assessment Process.

The Issuer's global reputation and legal risks policy sets standards for safeguarding its reputation through pro-active identification measurement and management of potential reputation and legal risks related to transactions. The policy is supplemented by business procedures for identifying and escalating transactions to the reputation and legal risks committee that could pose material reputation risk and/or legal risk. Even with these processes in place, there is no guarantee that the Issuer's reputation will not be harmed or legal or regulatory proceedings will not be commenced against it, which could adversely affect the Issuer's results.

### ***Environmental and social risk***

Environmental and social risk is the risk of financial loss or damage to reputation associated with environmental issues, including related social issues, whether arising from the Issuer's credit and investment activities or related to its own operations. The Issuer's Corporate Environmental Policy, originally approved by its board of directors in 1993, with the most recent biennial update and approval by the Issuer's chief risk officer in 2018, commits the Issuer to responsible conduct in all activities to protect and conserve the environment; safeguard the interests of all stakeholders from unacceptable levels of environmental risk; and support the principles of sustainable development.

Given the growing importance of environmental risk to the Issuer, on November 1, 2018, the Issuer aligned responsibility of its environmental policy and governance into its Senior Vice-President, Enterprise and Conduct Risk who reports into the Issuer's chief risk officer on environmental governance. The Issuer's environmental risk management team is responsible for developing environmental strategy, setting environmental performance standards and targets, and reporting on performance. There is also an enterprise-wide Environmental Management Committee, comprised of senior executives from the Issuer's strategic business units and functional groups, that meets quarterly and provides input into its environmental strategy and provides oversight of the Issuer's environmental initiatives.

The Issuer's Corporate Environmental Policy is addressed by an integrated corporate environmental management program that is under the overall management of the environmental risk management team. Environmental and related social evaluations are integrated into the Issuer's credit and investment risk assessment processes, with environmental and social risk management standards and procedures in place for all sectors. In addition, environmental and social risk assessments in project finance, project-related corporate and bridge loans are required, in accordance with the Issuer's commitment to the Equator Principles, which are a voluntary set of guidelines for financial institutions based on the screening criteria of the International Finance Corporation. The Issuer adopted the Equator Principles in 2003. An escalation process is in place for transactions with the potential to have significant environmental and related social risk, with escalation up to the Reputation

and Legal Risks Committee for senior executive review, if required. Two proposed transactions were escalated to the Reputation and Legal Risks Committee in 2018 through this process.

The Issuer also conducts ongoing research and benchmarking on environmental issues such as climate change as they may pertain to responsible lending practices. The Issuer is a participant in the CDP (formerly Carbon Disclosure Project) climate change program, which promotes corporate disclosure to the investment community on greenhouse gas emissions and climate change management.

The Issuer is also a supporter of the Task Force on Climate-related Financial Disclosures (“TCFD”), which aims to develop voluntary, consistent climate-related risk disclosures. The Issuer continues to evaluate the potential for further climate-related disclosures that align with the TCFD recommendations and to engage with peers in a variety of industries in an effort to ensure that any methodology developed to support such disclosures is reasonable and appropriate and can be applied on a consistent basis. In addition, the Issuer is a member of the United Nations Environment Programme-Finance Initiative (UNEP-FI), which has a mission to promote sustainable finance.

Even with these policies in place, there is no guarantee that the Issuer’s reputation will not be harmed or that financial loss will not occur should an environmental issue arise within the Issuer’s operations or those of its clients, which could adversely affect the Issuer’s results.

### ***Other risk factors***

Other factors that may affect future results of the Issuer include:

- changes to accounting standards, rules and interpretations may have a material impact on the Issuer’s financial results;
- changes in the Issuer’s estimates of reserves and allowances may have a material impact on the Issuer’s financial results;
- decisions, which lead to actions by management that are based on financial models, which construct a financial representation of some, or all, aspects of the Issuer’s business and produce recommendations and which either have market application or which have been developed specifically for the Issuer, that are poorly developed, implemented or used, or as a result of the modelling outcome being misunderstood or the use of such information for purposes for which it was not intended may have a material impact on the Issuer’s financial results;
- changes in tax laws may have a material impact on the Issuer’s financial results;
- fraudsters may target any of the Issuer’s products, services and delivery channels including lending, internet and mobile banking, payments, bank accounts and cards;
- the Issuer’s business may be adversely impacted by international conflicts and terrorism;
- the scale and profile of social media presents risks which could lead to brand and reputational damage, information leaks, non-compliance with regulatory requirements and other governance risks;
- natural disasters, disruptions in public infrastructure and public health emergencies may adversely affect the financial condition of the Issuer and the Issuer’s ability to make payments on the Notes issued by the Issuer;
- if the Issuer is unable to attract and retain key employees and executives, the Issuer’s business prospects may be adversely affected;
- changes in client spending habits may adversely affect the Issuer’s financial results; and
- the failure of third parties to comply with their obligations to the Issuer and its affiliates may adversely affect the Issuer’s financial results and financial condition.

If the Issuer is unable to anticipate and manage the risks associated with all of the above factors, there could be a material impact on the Issuer’s financial results and financial condition and the Issuer’s ability to anticipate and manage the risks associated with all of the above factors.

## **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

Each of the risks highlighted below could adversely affect the trading price of, or the ability to resell, any Notes or the rights of investors under any Notes and, as a result, investors could lose some or all of their investment. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay or deliver amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

### ***No interest or additional amounts may be payable under the Notes***

Prospective investors should note that the Conditions may provide that no interest may be paid on the Notes on or prior to their redemption date. An investor in such Notes, in the context of its own financial position, must be capable of holding such Notes to maturity with no income stream in the form of interest payments.

As there may be no periodic payment of interest to the Noteholders, any increase in the value of the underlying will not be crystallized until the Notes are redeemed and the Notes may fall in value at any time prior to redemption.

### **Risks related to the structure of a particular issue of 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 Offering Memorandum and, in particular, the considerations set forth herein, (ii) all the information contained in the documents incorporated by reference into this Offering Memorandum, and (iii) all the information set forth in the applicable Pricing Supplement. Prospective investors should make such enquiries as they deem necessary, including (without limitation) with their own financial, tax and legal advisers without relying on the Issuer or any Dealer.

The amount paid by the Issuer on redemption of the Notes may be less than the nominal amount of the Notes, together with any accrued interest, and may in certain circumstances be zero. Where the Notes are redeemed by the Issuer by delivery of Reference Item(s) the value of the Reference Item(s) may be less than the nominal amount of the Notes, together with any accrued interest, and may in certain circumstances be zero.

Certain Notes that may be issued under the Programme are complex financial instruments that are generally not purchased as stand-alone investments. Such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to an overall portfolio. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how such Notes will perform under changing conditions, the resulting effects on the value of such Notes, the impact this investment will have on the potential investor's overall investment portfolio and whether the potential investor can bear the loss of all or a part of its investment.

### ***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.

### ***Partly Paid Notes***

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure by an investor to pay any subsequent instalment of the Issue Price in respect of its Notes when required could result in such investor losing all of its investment.

### ***Variable Coupon Amount Notes with a multiplier or other leverage factor***

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

### ***Inverse Floating Rate Notes***

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### ***Fixed/Floating Rate Notes***

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

### ***Changes or uncertainty in respect of rates and indices that are deemed "benchmarks" may adversely affect the value or payment of interest under the Notes, including where such benchmarks, including LIBOR and/or EURIBOR, may not be available***

Various interest rates and other indices which are deemed to be "benchmarks" (including the London Inter-Bank Offered Rate ("**LIBOR**") and the Euro Interbank Offered Rate ("**EURIBOR**")) are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented, including the majority of the provisions of the EU Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**").

The sustainability of LIBOR has been questioned by the UK Financial Conduct Authority as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks.

Additionally, in March 2017, the European Money Markets Institute (formerly Euribor-EBF) (the "**EMMI**") published a position paper setting out the legal grounds for the proposed reforms to EURIBOR, which aims to clarify the EURIBOR specification, to continue to work towards a transaction-based methodology for EURIBOR and to align the methodology with the Benchmarks Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. The EMMI has since indicated that there has been a "change in market activity as a result of the current regulatory requirements and a negative interest rate environment" and "under the current market conditions it will not be feasible to evolve the current EURIBOR methodology to a fully

transaction-based methodology following a seamless transition path". EMMI's current intention is to develop a hybrid methodology. Accordingly, EURIBOR calculation and publication could be altered, suspended or discontinued.

These reforms and other pressures may cause such benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or contribute to certain benchmarks or have other consequences which cannot be predicted.

Most of the provisions of the Benchmarks Regulation apply from 1 January 2018 with the exception of certain provisions, mainly on critical benchmarks, that applied from 30 June 2016. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union and will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed). The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices, such as LIBOR or EURIBOR, applies to many interest rates, foreign exchange rate indices and other indices where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue (EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF)) or via a systematic internaliser, certain financial contracts and investment funds.

It is not possible to predict the further effect of any changes in the methods pursuant to which the LIBOR and/or EURIBOR rates are determined, or any other reforms to or other proposals affecting LIBOR, EURIBOR and any other relevant 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 LIBOR, EURIBOR and/or other relevant benchmark-based securities, including any Notes that bear interest at rates based on LIBOR and/or EURIBOR. In addition, any future changes in the method pursuant to which the LIBOR, EURIBOR and/or other 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, a delay in the publication of any such benchmark rates, 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 no longer being determined and published. Accordingly, in respect of a Note referencing LIBOR, EURIBOR or any other relevant benchmark, such proposals for reform and changes in applicable regulation could have a material adverse effect on the value of and return on such a Note (including potential rates of interest thereon).

The Conditions provide for certain fallback arrangements in the event that a published benchmark such as LIBOR or EURIBOR (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility under Condition 4(o) that the rate of interest could be 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.

Investors should be aware that:

- a) any of the reforms or pressures described above or any other changes to a relevant benchmark (including LIBOR and EURIBOR) 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) if LIBOR or EURIBOR or any other 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 Condition 4(o), then the rate of interest on the Notes will be determined for a period by the fallback provisions provided for under Condition 4(b), 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, to the extent that other fallback provisions under Condition 4(b) are not applicable, in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR or EURIBOR or any other relevant benchmark was available; and

- c) while an amendment may be made under Condition 4(o) to change the base rate on the Floating Rate Notes from LIBOR or EURIBOR or any other relevant benchmarks to an alternative base rate under certain circumstances broadly related to LIBOR or EURIBOR 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.

More generally, any of the above matters or any other significant change to the setting or existence of LIBOR, EURIBOR or any other 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 LIBOR, EURIBOR or any other 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.

***The market continues to develop in relation to Sterling Overnight Index Average (“SONIA”) as a reference rate for Floating Rate Notes***

Where the applicable Pricing Supplement for a Series of Floating Rate Notes specifies that the Reference Rate for such Notes is SONIA, the Interest Rate will be determined on the basis of Compounded Daily SONIA (as defined in the Conditions). Compounded Daily SONIA differs from Sterling LIBOR in a number of material respects, including (without limitation) that Compounded Daily SONIA is a backwards-looking, compounded, risk-free overnight rate, whereas Sterling LIBOR is expressed on the basis of a forward-looking term and includes a credit risk-element based on inter-bank lending. As such, investors should be aware that Sterling LIBOR and SONIA may behave materially differently as interest reference rates for Floating Rate Notes. The use of Compounded Daily SONIA as a reference rate for Eurobonds is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of notes referencing Compounded Daily SONIA.

Accordingly, prospective investors in any Floating Rate Notes referencing Compounded Daily SONIA should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. For example, in the context of backwards-looking SONIA rates, market participants and relevant working groups are currently assessing the differences between compounded rates and weighted average rates, and such groups are also exploring forward-looking ‘term’ SONIA Reference Rates (which seek to measure the market’s forward expectation of an average SONIA rate over a designated term). The adoption of SONIA may also see component inputs into swap rates or other composite rates transferring from Sterling LIBOR or another reference rate to SONIA.

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions as applicable to Floating Rate Notes referencing a SONIA rate that are issued under this Offering Memorandum. Furthermore, the Issuer may in the future issue Floating Rate Notes referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA referenced Floating Rate 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 rate for such markets and the market infrastructure for adopting such rate, 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, the Rate of Interest on Floating Rate Notes which reference Compounded Daily SONIA is only capable of being determined at the end of the relevant Observation Period and immediately or shortly prior to the relevant Interest Payment Date. It may be difficult for investors in the Floating Rate 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 information technology systems, both of which factors could adversely impact the liquidity of such Floating Rate Notes. Further, in contrast to LIBOR-based Notes, if Notes referencing Compounded Daily SONIA become due and payable under Condition 18 (Events of Default), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Floating Rate Notes shall only be determined immediately prior to the date on which the Floating Rate 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 Floating Rate Notes referencing Compounded Daily SONIA.

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

The issue price of Notes specified in the applicable Pricing Supplement may be more than the market value of such Notes as of the issue date, and the price, if any, at which a Dealer or any other person is willing to purchase the Notes in secondary market transactions may be lower than the issue price.

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

#### ***Definitive N Registered Notes***

Definitive N Registered Notes will not be listed, which may have a material effect on the ability of investors to resell the Definitive N Registered Notes in the secondary market.

#### ***Basel Capital Requirements Directive***

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 regulatory 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 institutions. While Basel III became effective in January 2013, the capital reform is ongoing as the BCBS continues to issue new 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 Notes 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.

#### ***Risks applicable 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*

Under Canadian bank resolution powers, the Canada Deposit Insurance Corporation (the “**CDIC**”) 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 of the Governor in Council (*Canada*) (each an “**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. As part of the Canadian bank resolution powers, 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 as domestic systemically important banks (“**D-SIBs**”), which include the Issuer. See the section entitled “*Canadian Bank Resolution Powers*” for a description of the Canadian bank resolution powers, including the bail-in regime.

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 the notes being exposed to losses and, in the case of Bail-inable Notes, conversion of the 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, (“**bail-in conversion**”). Subject to certain exceptions, including for certain structured notes, 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, is subject to bail-in conversion (such notes “**Bail-inable Notes**”). The applicable Pricing Supplement will indicate whether the Notes of a Series are Bail-inable Notes.

Upon a bail-in conversion, holders of Bail-inable Notes that are converted will be obligated to accept those common shares of the Issuer or any of its affiliates into which such Bail-inable Notes or a portion thereof are converted, even if such holders or beneficial owners do not at the time consider such common shares to be an appropriate investment for it, and despite any change in the Issuer or any of its affiliates, or the fact that such common shares may be 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.

As a result, investors should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest thereon, if the CDIC were to take action under the Canadian bank resolution powers, including the bail-in regime, and that any remaining outstanding Bail-inable 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 for the Bail-inable Notes and will include other provisions intended to qualify such Notes as TLAC*

In connection with the bail-in regime, the OSFI guideline (the “**TLAC Guideline**”) on total loss absorbing capacity (“**TLAC**”) applies to and establishes standards for D-SIBs, including the Issuer. Under the TLAC Guideline, beginning 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 or 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. See the section entitled “*Canadian Bank Resolution Powers*” for a description of the criteria.

In order to comply with the TLAC Guideline, the Conditions of Bail-inable Notes provide that acceleration will only be permitted (i) if the Issuer defaults in the payment of the principal of, or interest on, any Note of that Series and, in each case, the default continues for a period of 30 Business Days, or (ii) certain bankruptcy, insolvency or reorganization events occur.

Holders and beneficial owners of Bail-inable Notes may only exercise, or direct the exercise of, the right to accelerate repayment of principal or interest payments following an event of default 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 repaid in full.

The Conditions 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, netting, compensation or retention rights with respect to Bail-inable Notes. In addition, where an amendment, modification or other variance that can be made to the Conditions of the Bail-inable Notes would affect the recognition of those 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, holders or beneficial owners of Bail-inable Notes may be exposed to losses through the use of Canadian bank resolution powers other than bail-in conversion 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, whether or not the Issuer has ceased, or is about to cease, to be viable. Therefore, in those circumstances, holders or beneficial owners 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. 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 conversion, subject to parameters set out in the bail-in regime. See the section entitled “*Canadian Bank Resolution Powers*” for a description of the bail-in regime.

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 Note 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 from other issuances 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 the Noteholder, which could be significantly less than the principal amount of those 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*

*Bail-inable Notes that 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 holders of 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. Given the considerations involved in determining the amount of compensation, if any, that a holder that held Bail-inable Notes may be entitled to following an Order, it is not possible to anticipate what, if any, compensation would be payable in such circumstances. By acquiring an interest in any Bail-inable Note, 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 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. See the section entitled “*Canadian Bank Resolution Powers*” for a description of the compensation process under the CDIC Act.

*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.*

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 Pricing Supplement 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 Pricing Supplement, 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.

***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. It is therefore possible that resolution authorities in countries where the Issuer has branches or assets, including the United States and the United Kingdom, may adversely affect the rights of holders of the Notes, including by using any powers they may have to write down or convert the Notes.

### ***UK resolution risks applicable to the Notes***

*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 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.

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 Offering Memorandum, 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.

### ***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 recognised. 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.

### **Considerations relevant for Reference Item Linked Notes**

The Issuer may issue Notes ("**Reference Item Linked Notes**") with principal, premium or interest determined by reference to an index or formula, a single security, index or fund, to baskets of indices, securities or funds, to currency prices or commodity prices, to inflation, to preference shares, to movements in currency exchange rates or to other financial variables (each, a "**Reference Item**"). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. An investment in such Notes entails significant risks that are not associated with similar investments in a conventional fixed rate or

floating rate debt security and in some circumstances the value of the Notes may be less than the nominal amount of the Notes and may be zero in which case an investor may lose some or all of the amount it invested in the Notes. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile and the market price of the Notes at any time is likely to be affected primarily by changes in the level of the Reference Item to which the Notes are linked. It is impossible to predict how the level of the Reference Item will vary over time;
- (ii) investors may receive no interest or they may receive interest at a rate that is less than that payable on a conventional fixed rate or floating rate debt security issued at the same time;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal or investment;
- (v) if the principal of and/or premium on such a Note is so indexed, the amount of principal and/or premium payable in respect thereof may be less than the original purchase price of such Note and less than the nominal or face amount of such Note, and the amount of principal and/or premium payable may even be zero;
- (vi) investors should be willing to hold these Notes until the maturity date as the secondary market for such Notes may be limited or non-existent and if there is a limited secondary market then the lack of demand may reduce the market price at which Notes may be sold prior to maturity;
- (vii) the market price will be affected by a number of factors independent of the creditworthiness of the Issuer and will depend on the value of the applicable Reference Item(s) as well as the volatility of the applicable Reference Item(s), the time remaining to the maturity of such Notes, the amount outstanding of such Notes, market interest rates, yield rates and the market for other types of related and unrelated financial instruments and, where the Reference Item(s) are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (viii) a Reference Item may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other securities, funds or indices and may depend on a number of interrelated factors over which the Issuer has no control, including economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange on which any Reference Item or obligation of the issuer of the Reference Item may be traded. Additionally, if the formula used to determine the amount of principal, premium and/or interest payable with respect to such Notes contains a multiplier or leverage factor, the effect of any change in the Reference Item(s) will be increased (or decreased if the multiplier or relevant factor is less than one) and this increase (or decrease) may be significant;
- (ix) the timing of changes in a Reference Item(s) 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 Reference Item(s), the greater the effect on yield;
- (x) with respect to Equity Linked Notes, if such Notes are redeemable either by payment of a cash amount or by delivery of the underlying securities in lieu thereof, there is no assurance that the cash amount or value of the securities received will not be less than the purchase price of the Notes;
- (xi) Notes are of limited maturity and, unlike direct investments in a share, index, fund, security, commodity or other asset, investors are not able to hold them beyond the Maturity Date in the expectation of a recovery in the price of the underlying; and

- (xii) the price at which an investor will be able to sell Notes prior to the Maturity Date may be at a substantial discount to the market value of the Notes at the time they are issued depending on the performance of the Reference Item(s).

The historical experience of the relevant currencies, commodities, interest rates, equities, indices, funds or other financial variables should not be taken as an indication of future performance of such currencies, commodities, interest rates, equities, indices, funds or other financial variables during the term of any Note. Prospective investors should consult their own financial and legal advisers as to the risks entailed by an investment in such Notes and the suitability of such Notes in light of their particular circumstances.

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

As the amount of interest payable periodically and/or principal payable at maturity may be linked to the performance of the Reference Item(s), an investor in such a Reference Item Linked Note must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Reference Item(s).

Where the applicable Pricing Supplement specifies one or more Reference Item(s), the relevant Reference Item Linked Notes will represent an investment linked to the economic performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in such Reference Item Linked Notes will depend upon the performance of such Reference Item(s). Potential investors should also note that while the market value of Reference Item Linked Notes is linked to such Reference Item(s) and will be influenced (positively or negatively) by such Reference Item(s), any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the relevant Reference Item(s) will vary over time. In contrast to a direct investment in the relevant Reference Item(s), Reference Item Linked Notes represent the right to receive payment or delivery, as the case may be, of the relevant cash amount and/or asset amount on the relevant Maturity Date as well as periodic payments of interest (if specified in the applicable Pricing Supplement), all or some of which may be determined by reference to the performance of the relevant Reference Item(s). The applicable Pricing Supplement will set out the provisions for the determination of any cash amount and/or asset amount and of any periodic interest payments.

Reference Item Linked Notes may be principal protected or non-principal protected. Investors in Reference Item Linked Notes that are non-principal protected may risk losing their entire investment if the value of the relevant Reference Item(s) does not move in the anticipated direction. Whether or not a Note is principal protected, all payments on such Note are subject to the Issuer's credit risk and its ability to pay its obligations on the applicable payment dates.

**PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE PRICING SUPPLEMENT TO ASCERTAIN WHAT THE RELEVANT REFERENCE ITEM(S) ARE AND TO SEE HOW BOTH ANY CASH AMOUNTS AND/OR ASSET AMOUNTS ARE PAYABLE OR DELIVERABLE AND HOW ANY PERIODIC INTEREST PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED NOTES.**

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

There is no return on Reference Item Linked Notes other than the potential payment or delivery, as the case may be, of the relevant cash amount and/or asset amount on the Maturity Date and payment of any periodic interest payments.

**The amount paid or the value of the specified assets delivered by the Issuer on redemption of such Notes may be less than the nominal amount of the Notes, together with any accrued interest, and may in certain circumstances be zero.**

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

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

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

***Principal at risk Notes - Reference Item Linked Notes may not be Principal Protected***

**THE ISSUER MAY ISSUE CERTAIN REFERENCE ITEM LINKED NOTES THAT DO NOT GUARANTEE ANY POSITIVE RETURN OR REPAYMENT OF ALL OF THE PRINCIPAL AMOUNT AT MATURITY. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OF SUCH NOTES MAY BE LESS THAN THE PRINCIPAL AMOUNT OF THE NOTES OR THE INITIAL INVESTMENT AMOUNT AND MAY BE ZERO IN CERTAIN CIRCUMSTANCES. INVESTORS COULD LOSE ALL OR SUBSTANTIALLY ALL OF THEIR INVESTMENT IN THE NOTES AND THE REDEMPTION AMOUNT AT MATURITY MAY BE SUBJECT TO A MAXIMUM AMOUNT.**

**THERE CAN BE NO ASSURANCE THAT THE NOTES WILL PROVIDE ANY POSITIVE RETURN. THE VALUE OF THE NOTES WILL FLUCTUATE DURING THE TERM OF THE NOTES. FLUCTUATIONS IN THE VALUE OF ANY REFERENCE ITEM ARE UNPREDICTABLE AND WILL BE INFLUENCED BY FACTORS THAT ARE BEYOND THE CONTROL OF THE ISSUER. HISTORICAL VALUES OF ANY REFERENCE ITEM SHOULD NOT BE CONSIDERED AS ANY INDICATION OF THE FUTURE PERFORMANCE THEREOF.**

***Reference Item Linked Notes may have principal protection only on the Maturity Date***

Prospective investors should note that Reference Item Linked Notes may have a minimum redemption amount at the Maturity Date equal to the Protection Amount. There can be no assurance that the Notes will be redeemed on the Maturity Date at an amount above the Protection Amount set out in the applicable Pricing Supplement. The return on the Notes will depend on the performance of the Reference Item(s). If the value of Reference Item(s) does not increase over the term of the Notes, an investor in the Notes will not receive any return on its initial investment amount. Furthermore, such an investor will have lost the opportunity to earn the profit that it might have earned on a deposit or any investment in fixed income securities of the same amount and the same duration. If the Notes are redeemed prior to their stated Maturity Date by the Issuer, investors in the Notes may not be repaid the amount originally invested by them in the Notes.

***Physical Delivery***

Where the Notes provide for Physical Delivery, the Calculation Agent may determine that a Settlement Disruption Event is subsisting and/or where "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Pricing Supplement, that it is impossible or impracticable to deliver when

due some or all of the Asset Amount(s) due to be delivered due to illiquidity in the relevant market. A Settlement Disruption Event is an event beyond the control of the Issuer, as a result of which, in the opinion of the Calculation Agent, delivery of the specified Asset Amount(s) to be delivered by, or on behalf of, the Issuer in accordance with the Conditions and/or the applicable Pricing Supplement, is not practicable. Any such determination may affect the value of the Notes and/or may delay settlement in respect of the Notes and/or may lead to cash settlement rather than physical settlement in respect of the Notes.

### ***Expenses for Physical Delivery***

In the case of Notes which provide for Physical Delivery, all expenses arising from the delivery of the specified assets in respect of such Notes shall be for the account for the relevant Noteholders and no delivery of the Reference Item(s) shall be made until all expenses have been paid to the satisfaction of the Issuer and the relevant Noteholders. Physical Delivery may be delayed and this might affect the investor's ability to deal with the underlying asset.

### ***Asset Transfer Notices***

In the case of Notes which provide for Physical Delivery, the investor must deliver a duly completed Asset Transfer Notice within 90 calendar days of the Cut-Off Date or the Issuer will be discharged in respect of its obligations under the Notes. Failure to deliver a notice may affect the return for the investor.

### ***The Issuer may have the right to vary settlement***

In the case of Notes which provide for Physical Delivery, if so indicated in the applicable Pricing Supplement, the Issuer has an option to vary settlement in respect of such Notes. If exercised by the Issuer, this option will lead to Physical Delivery Notes being cash settled or Cash Settled Notes being physically settled. Exercise of such option may adversely affect the value of the Notes.

### ***No Claim against any Reference Item(s)***

Owning Notes with principal, premium or interest and/or delivery of specified assets determined by reference to a Reference Item(s) is not the same as owning the Reference Item(s). A Note will not represent a claim against any Reference Item(s) and, in the event that the amount paid on redemption of the Notes is less than the nominal amount of the Notes, a Noteholder will not have recourse under a Note to any Reference Item(s). Accordingly, the market value of such Notes may not have a direct relationship with the market price of the Reference Item(s) and changes in the market price of the Reference Item(s) may not result in a comparable change in the market value of the Notes. For example, the market value of such Notes may not increase even if the price of the Reference Item(s) increases. It is also possible for the price of the Reference Item(s) to increase while the market price of such Notes declines.

### ***Certain considerations regarding hedging***

Prospective investors intending to purchase Notes to hedge against the market risk associated with investing in one or more Reference Items should recognise the complexities of utilising the Notes in this manner. For example, the value of the Notes may not exactly correlate with the value of the Reference Item(s). Due to fluctuating supply and demand for the Notes, there is no assurance that their value will correlate with movements of the Reference Item(s).

### ***Potential conflicts of interest in relation to hedging and trading***

The Issuer or one or more of its affiliates may hedge the obligations under Reference Item Linked Notes by purchasing or selling the Reference Item(s) or other derivative instruments with returns linked to or related to changes in the value of the Reference Item(s) and may also adjust these hedges by, among other things, purchasing or selling the Reference Item(s) or other derivative instruments at any time and from time to time. Any of these hedging activities may affect the price of the Reference Item(s) and, therefore, the value of associated Reference Item Linked Notes. It is

possible that the Issuer or one or more of its affiliates could receive substantial returns from these hedging activities while the value of the Reference Item(s) may decline.

The Issuer or one or more of its affiliates may also engage in trading in the Reference Item(s) on a regular basis as part of general broker-dealer and other businesses of the Issuer or its affiliates, for proprietary accounts, for other accounts under management or to facilitate transactions for customers, including block transactions. Any of these activities could affect the price of the Reference Item(s) and, therefore, the value of the associated Reference Item Linked Notes. The Issuer or one or more of its affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the value of the Reference Item(s) and the availability of such competing products could adversely affect the value of the Reference Item Linked Notes.

The Calculation Agent for an issue of Notes is the agent of the Issuer and not an agent for the Noteholders. 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 the 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 or specified assets deliverable upon redemption of the Notes. The Calculation Agent will make such determinations and adjustments as it deems appropriate, in accordance with the Conditions. In making such determinations and adjustments, the Calculation Agent will be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion.

The Issuer and any relevant Dealer may, at the date hereof or any time hereafter, be in possession of information in relation to a Reference Item that is or may be material in the context of the Notes and may or may not be publicly available to Noteholders. There is no obligation on the Issuer or any Dealer(s) to disclose to Noteholders any such information.

Any additional conflicts of interest with respect to any Notes will be specified in the applicable Pricing Supplement.

#### ***Early redemption for Illegality***

In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under the Notes or that any arrangements made to hedge the Issuer's obligations under such Notes have or will become unlawful, illegal, or otherwise prohibited in whole or in part, as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or the interpretation thereof, the Issuer may redeem the Notes prior to their stated maturity at an amount equal to the fair market value of each Note taking into account hedge costs or at the Early Redemption Amount specified in the applicable Pricing Supplement, together if appropriate with accrued interest, and taking into account hedging losses by any affiliate of the Issuer.

#### ***No pledge or holding of Reference Item(s)***

Neither the Issuer nor any of its affiliates will pledge or otherwise hold the Reference Item(s) or other derivative instruments for the benefit of Noteholders in order to enable Noteholders to exchange Reference Item Linked Notes for the associated Reference Item(s) or other derivative commitments under any circumstances. Consequently, in the event of a bankruptcy, insolvency or liquidation of the Issuer, any of the Reference Item(s) or other derivative commitments owned by the Issuer or its affiliates will be subject to the claims of the Issuer's creditors generally and will not be available specifically for the benefit of Noteholders.

#### ***Market Disruption Event and Disrupted Day***

If an issue of Notes includes provisions dealing with the occurrence of a market disruption event or a failure to open of an exchange or related exchange on a Valuation Date, an Averaging Date, an Observation Date or a scheduled payment date and the Calculation Agent determines that a market disruption event or such failure has occurred or exists on a Valuation Date, an Averaging Date, an Observation Date or a scheduled payment date, any consequential postponement of the Valuation Date, Averaging Date, an Observation Date or a scheduled payment date or any alternative

provisions for valuation or payment provided in any Notes may have an adverse effect on the value of or payment received on such Notes.

### **Post-Issuance Information**

The Issuer will not provide post-issuance information in relation to the relevant Reference Item and the information relating to the relevant Reference Item will therefore not be up to date beyond the date of the applicable Pricing Supplement.

### **Tax Treatment**

The tax treatment of Reference Item Linked Notes is uncertain and the tax treatment applicable to such Notes may change before the maturity, exercise or redemption (as applicable) of the Notes. Prospective investors should consult their own independent tax advisors before making an investment in Reference Item Linked Notes.

***United States federal tax may be withheld from payments with respect to Notes that are treated as “dividend equivalents.” This may have an adverse effect on the value and liquidity of the Notes. In addition, if any payment with respect to Notes would be treated as a “dividend equivalent,” the Issuer would be entitled to redeem or cancel the Notes at any time prior to maturity.***

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 2021 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 asset 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 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.

### ***The Notes may redeem early following an ‘automatic redemption (autocall) event’***

The terms of the Notes may provide that they will be automatically redeemed prior to the scheduled redemption date if an automatic redemption (autocall) event occurs. An automatic redemption (autocall) event will occur if the level, price, value or performance of the Underlying Asset(s) breaches one or more specified thresholds on one or more specified dates. In the event that such an automatic redemption (autocall) event occurs, investors will be paid an early redemption amount equal to the Calculation Amount or such other amount specified in the Conditions. In such case, investors may not be able to reinvest the proceeds from an investment at a comparable return and/or with a comparable

interest rate for a similar level of risk. Potential investors should consider such reinvestment risk in light of other available investments before they purchase the Notes. In the event that an automatic redemption (autocall) event does not occur during the term of the Notes, investors may lose some or all of their investment at maturity, depending on the performance of the Underlying Asset(s) and the specific Conditions of their Notes.

## **Risks relating to Specific Reference Item Linked Notes**

### **Commodity Linked Notes**

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the price or changes in the price of a commodity or basket of commodities or where, depending on the price or change in the price of the commodity or basket of commodities, on maturity or redemption the Issuer may be obliged to deliver specified assets ("**Commodity Linked Notes**"). Potential investors in any such Notes should be aware that depending on the terms of the Commodity 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, the movements in the price of the commodity or commodities 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 commodity or basket of commodities may affect the actual yield to investors, even if the average level is consistent with their expectations. In particular, Commodity Linked Notes, which are related to the value of commodities, tend to be more volatile than traditional securities investments. The market values of commodities tend to be highly volatile. Commodity market values are not related to the value of a future income or earnings stream, as tends to be the case with fixed-income and equity investments, but are subject to variables of specific application to commodities markets. These variables include changes in supply and demand relationships, governmental programmes and policies, national and international monetary, trade, political, judicial and economic events, changes in interest and exchange rates, speculation and trading activities in commodities and related contracts, weather, and agricultural, trade, fiscal and exchange control policies. These factors may have a larger impact on commodity prices and commodity-linked instruments than on traditional fixed-income and equity securities. Further, in general, the earlier the change in the price or prices of the commodities, the greater the effect on yield.

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the commodity or commodities on principal, interest payable or the amount of specified assets deliverable will be magnified.

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 price of the commodities. The price of commodities may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any such commodities may be traded.

### **Index Linked Notes**

The Issuer may issue Notes where the amount of principal and/or interest payable is dependent upon the level, or changes in the level, of an index or a basket of indices ("**Index Linked Notes**").

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.

Potential investors in any such Notes 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/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 Pricing Supplement, 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 Pricing Supplement 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 Pricing Supplement.

The market price of such Notes may be volatile and may be affected by 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 the stock exchange(s) or quotation system(s) on which any assets comprising the index or indices may be traded.

### **Equity Linked Notes**

The Issuer may issue Notes where the amount of principal and/or interest payable is dependent upon the price of or changes in the price of an equity security or a basket of equity securities or where, depending on the price of or change in the price of an equity security or a basket of equity securities, on redemption the Issuer's obligation is to deliver specified assets ("**Equity Linked Notes**").

Potential investors in any such Notes should be aware that, depending on the terms of the Equity Linked Notes (i) they may receive no or a limited amount of interest, (ii) 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.

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.

***No issuer of the relevant equity security(ies) will have participated in the preparation of the applicable Pricing Supplement or in establishing the terms of the Equity Linked Notes***

No equity issuer will have participated in the preparation of the applicable Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement) 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.

***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.

***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.

***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 (subject to the provisions of the Belgian Securities Annex where the Belgian Securities Annex is specified as applying in the applicable Pricing Supplement). 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 Shares that are not fully paid, (d) a repurchase by the Share Company, or an affiliate thereof, of the Shares, (e) a separation of rights from the Shares or (f) any event having a dilutive or concentrative effect on the value of the Shares.

If Additional Disruption Events is specified as applying in the applicable Pricing Supplement, 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 Shares 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 Pricing Supplement.

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 Pricing Supplement to ascertain whether and how such provisions apply to the Notes.

#### ***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 Pricing Supplement 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.

#### ***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.

***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 Societas Europaea which, at the time when it falls to be determined whether the securities are chargeable securities, has its registered office in the United Kingdom.

***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. Unless the "Dividend Amount Provisions" are applicable for Equity Linked Notes, 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.

## **FX Linked Notes**

### ***Factors affecting the performance of the relevant foreign exchange rate may adversely affect the value of the Notes***

The Issuer may issue Notes where the amount of principal and/or interest payable is dependent upon foreign exchange rates or changes in foreign exchange rates. The foreign exchange rate(s) to which the Notes are linked will affect the nature and value of the investment return on the FX Linked Notes (or any other Notes which expose the investor to foreign exchange risks). The performance of foreign exchange rates is dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to international and domestic political factors, economic factors (including inflation rates in the countries concerned, interest rate differences between the respective countries), economic forecasts, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Measures taken by governments and central banks include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a Specified Currency that would affect exchange rates and the availability of a Specified Currency which would affect return on the FX Linked Note or ability of the Issuer to make delivery in the Specified Currency.

### ***The Issuer is an active foreign exchange dealer and is subject to conflicts of interest***

Investors should note that the Issuer and its affiliates are regular participants in the foreign exchange markets and in the ordinary course of their business may effect transactions for their own account or for the account of their customers and hold long and short positions in currencies and related derivatives, including in the currencies of the relevant foreign exchange rate(s). Such transactions may affect the relevant foreign exchange rate(s), the market price, liquidity or value of the Notes and could be adverse to the interests of holders. Neither the Issuer nor any of its Affiliates has any duty to enter into such transactions in a manner which is favourable to Noteholders.

### ***Currencies of emerging markets jurisdictions pose particular risks***

FX Linked Notes linked to emerging market currencies may experience greater volatility and less certainty as to the future levels of such emerging market currencies or their rate of exchange as against other currencies.

## **Fund Linked Notes**

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.

***A Fund may be subject to Fund Events which may adversely impact the value of Fund Linked Notes***

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.

***Risk from composition and changes to a fund***

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 may be subject to transfer restrictions and illiquidity***

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.

***Events which affect the value of a Fund will affect the value of Fund Linked Notes***

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 Societas Europaea which, at the time when it falls to be determined whether the securities are chargeable securities, has its registered office in the United Kingdom.

***As the shares of certain Funds may only be redeemable on certain dates, there is a risk of delays or defaults in payment***

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.

***Additional Risks related to Fund Linked Notes linked to Exchange Traded Funds***

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 Pricing Supplement 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 Pricing Supplement 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 (i) or (ii) below:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the relevant Conditions and/or the applicable Pricing Supplement 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
- (ii) 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.

### **Inflation Linked Notes**

The Issuer may issue Notes where the amounts payable are dependent upon changes in measures of inflation. A relevant consumer price index or other formula linked to a measure of inflation to which the Notes are linked may be subject to significant fluctuations that may not correlate with other indices. Any movement in the level of the index may result in a reduction of the interest payable on the Notes, and in the case of Notes with a settlement/redemption amount linked to inflation, in a reduction of the amount payable on settlement/redemption which in some cases could be less than the amount originally invested.

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

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

### ***FX Quanto Risk***

Notes may incorporate a "quanto" feature because the currency of the Reference Item(s) is different than the currency of the Notes. This feature means when calculating the return of the Notes, the performance of the Reference Item(s) in their base currency is not adjusted to account for the exchange rate between the currencies at such time. Investors should also be aware that movements in interest rates for deposits in such currencies will affect the valuation of a Note including this feature. This exposure to currency exchange fluctuations may come at a cost or benefit to the investor depending on how currency exchange rates move during the term of the Note. Currency exchange rates may be volatile and subject to unpredictable changes over the term of the Note.

### ***FX Adjustment Risk***

Notes may incorporate an exchange rate adjustment feature because the currency of the Reference Item(s) is different than the currency of the Notes. This feature provides an adjustment for the effect of exchange rate fluctuations on the return of the Notes. Hence when calculating the return of the Notes, the performance of the Reference Item(s) in their base currency is adjusted to account for the exchange rate between the currencies at such time. Investors should also be aware that movements in interest rates for deposits in such currencies will affect the valuation of a Note including this feature. This exposure to currency exchange fluctuations may come at a cost or benefit to the Investor depending on how currency exchange rates move during the term of the Notes. Currency exchange rates may be volatile and subject to unpredictable changes over the term of the Note.

### ***Additional Disruption Events***

If Additional Disruption Events are specified as applying in the applicable Pricing Supplement, the Notes will be subject to adjustment or may be redeemed upon the occurrence of any of the Additional Disruption Events specified as applying in the applicable Pricing Supplement.

### **Preference Share Linked Notes**

The Issuer may issue Notes (“**Preference Share Linked Notes**”) where the amounts payable are dependent upon the changes in the value of certain preference shares (the “**Preference Shares**”) issued by an issuer named in the applicable Pricing Supplement (the “**Preference Share Issuer**”) which may fluctuate up or down depending on the performance of the Preference Share Underlying (as that term is defined herein) as set out in the Terms of the Preference Shares (as that term is defined herein). If as a result of the performance of the Preference Share Underlying, the performance of the Preference Shares is negative the value of the Preference Share Linked Notes will be adversely affected. Purchasers of Preference Share Linked Notes risk losing all or a part of their investment if the value of the Preference Shares falls.

Potential Investors in any such Notes should be aware that an investment in Preference Share Linked Notes will entail significant risks not associated with a conventional debt or equity security. Potential Investors in Preference Share Linked Notes should conduct their own investigations and, in deciding whether or not to purchase the Preference Share Linked Notes, should form their own views of the merits of an investment linked to the Preference Shares in question based upon such investigations and not in reliance on any information given in this document.

The Preference Share Issuer will be independent of, and not related to or controlled by, the Issuer. As set out below, Preference Share Linked Notes will be subject to early redemption if an Extraordinary Event or, if applicable, an Additional Disruption Event occurs or if an Early Redemption Event occurs. In these circumstances the Issuer may redeem the Notes at the Early Redemption Amount. The Early Redemption Amount may be less (and in certain circumstances, significantly less) than investors’ initial investment.

### ***Exposure to the Preference Share Underlying***

The Preference Share Underlying may be a specified index or basket of indices, a specified equity or basket of equities, a specified currency or basket of currencies, a specified commodity or basket of commodities, a specified fund share or unit or basket of fund shares or units or such other underlying instruments, bases of reference or factors as may be determined by the Preference Share Issuer and specified in the relevant Terms of the Preference Shares. ***Consequently Potential Investors should also consider the risk factors set out on pages 44 to 50 in respect of the risks involved in investing in Notes (in this case the Preference Shares) linked to certain Reference Item(s).***

The Terms of the Preference Shares may provide that the Preference Shares will be redeemable on their final redemption date (or otherwise in accordance with the Terms of the Preference Shares). On redemption, the Preference Shares will carry preferred rights to receive an amount calculated by reference to the Preference Share Underlying.

Investors should review the Terms of the Preference Shares and consult with their own professional advisers.

### ***Credit and Fraud Risk of Preference Share Issuer***

Preference Share Linked Notes are linked to the performance of the relevant Preference Shares. Investors bear the risk of an investment in the Preference Share Issuer. The value of the Preference Share Linked Notes is dependent on the value of the Preference Shares, which will depend in part on the creditworthiness of the Preference Share Issuer, which may vary over the term of the Preference Share Linked Notes. The Preference Share Issuer may not be an operating company and may not have any trading assets or generate any significant net income. As its funds may be limited, any misappropriation of funds or other fraudulent action by the Preference Share Issuer or person acting

on its behalf could have a significant effect on the value of the preference shares and will affect the value of the Preference Share Linked Notes.

### ***Potential conflicts of interest***

Unless otherwise specified in the Pricing Supplement, an affiliate of the Issuer will act as the Calculation Agent in respect of Preference Share Linked Notes. As a result of this relationship, potential conflicts of interest may arise. Subject to any relevant regulatory obligations, the Issuer and the Calculation Agent owe no duty or responsibility to any Noteholder to avoid any conflict or to act in the interests of any Noteholder.

### ***Determination of Extraordinary Events and Additional Disruption Events***

The Calculation Agent may determine the occurrence of a Merger Event, Tender Offer, Insolvency 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, which may be less than the amount invested in the Preference Share Linked Notes. Noteholders will not benefit from any appreciation of the Preference Shares that may occur following such redemption.

### ***No ownership rights***

An investment in Preference Share Linked Notes is not the same as an investment in the Preference Shares and 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.

### ***Hedging activities of the Issuer and affiliates***

The Issuer or its affiliates may carry out hedging activities related to the Preference Share Linked Notes, including purchasing the Preference Shares and/or purchasing or entering into contracts relating to the Preference Share Underlying, but will not be obliged to do so. Certain of the Issuer's affiliates may also purchase and sell the Preference Shares and/or purchase and sell or enter into contracts relating to the Preference Share Underlying on a regular basis as part of their regular business. Any of these activities could adversely affect the value of the Preference Share Underlying and, accordingly, the value of the Preference Shares and the Preference Share Linked Notes. See also "*Potential conflicts of interest in relation to hedging and trading*" above.

### ***Noteholders may receive physical delivery of Preference Shares in lieu of payment of cash amounts***

Where the Preference Share Linked Notes include the right of the Issuer, subject to the fulfillment of a particular condition, to redeem the Preference Share Linked Notes at their maturity by delivering Preference Shares to the investor, the investors will receive such Preference Shares rather than a monetary amount upon maturity. Noteholders will, therefore, be exposed to the Preference Share Issuer and the risks associated with such Preference Shares. The investor should not assume that he or she will be able to sell such Preference Shares for a specific price after the redemption/settlement of the Notes, and in particular not for the purchase price of the Preference Share Linked Notes. Under certain circumstances the Preference 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 Preference Shares. Noteholders may be subject to United Kingdom stamp duty reserve tax if (a) the Preference 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 Preference 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 Preference Shares are paired with shares of a body corporate incorporated in the United Kingdom, or (c) the Preference Shares are issued or raised by a Societas Europaea which, at the time when it falls to be determined whether the securities are chargeable securities, has its registered office in the United Kingdom.

## **Additional Risks related to Notes to which the Belgian Securities Annex applies**

### ***Noteholders may receive a Monetisation Amount if they do not elect to receive the applicable Early Redemption Amount***

Where the applicable Pricing Supplement indicates the Belgian Securities Annex is applicable, such Pricing Supplement may specify that, in the event of an early redemption of the Notes, the Monetisation Option will apply. In that case, the notice of early redemption will specify the applicable Early Redemption Amount as well as the Monetisation Amount. Noteholders that do not elect to receive the Early Redemption Amount in accordance with the procedure set out in the notice of early redemption will not receive the Early Redemption Amount on the date fixed for redemption, but will receive the Monetisation Amount (on the original Maturity Date of the relevant Notes) and will not receive any interest or other amounts between the date fixed for redemption and the payment of the Monetisation Amount on the original Maturity Date.

## **Risks related to Notes generally**

Set out below is a brief description of material risks relating to the Notes generally:

### ***Modification, waivers and substitution***

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders (and to modify or waive certain Conditions 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. 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.

The Conditions also provide that the Agency Agreement, the Notes and any Receipts and Coupons attached to the Notes may be amended by the Issuer and the Agent without the consent of the holder of any Note, Receipt or Coupon (i) for the purpose of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein or to provide for substitution of the Issuer, (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), (iii) to give effect to the Benchmark Amendments in accordance with Condition 4(o), or (iv) in any manner which the Issuer and the 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.

In respect of Bail-inable Notes only, the Conditions provide that any amendment, modification, waiver or authorization that may affect the eligibility of the Bail-inable Notes to continue to be treated as TLAC under the TLAC Guideline shall require the prior approval of the Superintendent.

In relation to Definitive N Registered Notes the Issuer may, without the consent of any holder, correct any manifest, clerical or calculation errors or similar manifest incorrectness in the Conditions and, provided the amendment or supplement is reasonably acceptable to a holder having regard to their interests, may amend or supplement at its reasonable discretion any contradictory or incomplete provisions of the Conditions. The Issuer may also call the Definitive N Registered Notes for redemption in whole, but not in part, if the conditions for avoidance (*Anfechtung*) pursuant to §119 *et seq.* of the German Civil Code (broadly, mistake as to essential characteristics) are fulfilled.

## ***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.

Significant aspects of the tax treatment of Reference Item Linked Notes may be uncertain. In addition, tax treatment may change before the maturity or redemption of the Notes. Prospective investors should consult their tax advisers about their own tax situation. Additional aspects of the tax treatment of a specific series of Notes may be described in the applicable Pricing Supplement.

## ***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 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 expects to be 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 (the "**CRA**"). 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 CRA. The CRA 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.

No additional amounts will be paid in respect of any U.S. tax withheld under the FATCA rules from payments on the 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.

While the Notes are in global form and held within Euroclear, Clearstream, Luxembourg or DTC (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 – U.S. Alien Holders – 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 depository, common depository 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 – U.S. 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. 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 to report certain information concerning certain investors resident in participating countries to the Canada Revenue Agency and to follow certain due diligence procedures. The Canada Revenue Agency 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.

### **Canadian Usury Laws**

The *Criminal Code* (Canada) prohibits the receipt of “interest” at a “criminal rate” (namely, an effective annual rate of interest of 60%). Accordingly, 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 such provisions provide for the payment of “interest” (as calculated for the purposes of such statute) which is in excess of an effective annual rate of interest of 60%.

### ***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.

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

### ***No obligation to maintain listing***

Not all Notes will be listed on the Euro MTF and the Issuer may, in certain circumstances, seek to delist Notes which are listed on the Euro MTF 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 European Union) as agreed between the Issuer and the Dealers. These circumstances include any future law, rule of the Exchange or any other securities exchange or any EU 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 Exchange 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. 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 stock exchange or quotation system in the European Union, 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.

### ***Change of Law***

The Conditions are based on the laws of the Province of Ontario and the federal laws of Canada applicable therein ("**Ontario Law**") or (if the applicable Pricing Supplement 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.

### ***Integral multiples and Definitive Notes***

In relation to any issue of 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 Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, (i) 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 (ii) 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 against the Issuer under the Deed of Covenant.

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.

***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.

***Notes in New Global Note form***

The New Global Note form has been introduced to allow for the possibility of notes being issued and held in a manner which will permit them to be recognized as eligible collateral for monetary policy of the central banking system for the euro (the "Eurosystem") and intra-day credit operations by the Eurosystem either upon issue or at any or all items during their life. However, in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria.

***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.

***Additional issuances of Notes***

The Issuer may issue additional Notes with terms identical to those of a series of outstanding notes. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, may be treated as a separate series for Canadian income tax purposes and, in some cases may be treated as a separate series for U.S. federal income tax purposes. If the additional Notes are issued with original issue discount for U.S. federal income tax purposes where the original Notes had no original issue discount for U.S. federal income tax purposes, or the additional Notes have a greater amount of original issue discount for U.S. federal income tax purposes than the original Notes, these differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

***Risks related to the market generally***

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

***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 liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. 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 or are not admitted to trading on the Euro MTF or another established securities exchange. 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.

### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Specified Currency or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls or monetary policies that could adversely affect an applicable currency exchange rate or interest rate. As a result, investors may receive less interest or principal than expected, or no interest or principal or receive payments in a significantly devalued Specified Currency.

### ***Interest rate risks***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

### ***Market value of Notes***

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

- (i) the value and volatility of the Reference Item(s);
- (ii) where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (iii) market interest and yield rates;
- (iv) fluctuations in exchange rates;
- (v) liquidity of the Notes or any Reference Item(s) in the secondary market;
- (vi) the time remaining to any redemption date or the maturity date; and
- (vii) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item(s) may be traded.

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

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

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings 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 or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such credit ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and credit ratings will be disclosed in the Pricing Supplement.

### ***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.

## CANADIAN BANK RESOLUTION POWERS

Under Canadian bank resolution powers, the CDIC 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, 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 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 that recommendation, the Governor in Council (*Canada*) may make, one or more of the following Orders:

- 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 (whether or not such notes are Bail-inable Notes), that are not assumed by the bridge institution could receive only partial or no repayment in the ensuing wind-up of the Issuer.

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. Shares, 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.

Shares and liabilities which would otherwise be bail-inable but were issued before September 23, 2018 are not subject to a bail-in conversion unless, in the case of any such liability, including any notes, the terms of that liability are amended to increase the principal amount or to extend the term to maturity on or after September 23, 2018, and that liability, as amended, meets the requirements to be subject to a bail-in conversion. Covered bonds, certain 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. As a result, claims of some creditors whose claims would otherwise rank equally with those of the holders holding 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. The terms and conditions of the bail-in conversion will be determined by CDIC in accordance with and subject to certain requirements discussed below.

### ***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 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 at the same time;
- 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 holders of 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 those holders it does not apply to assignees or transferees of the holder 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 holders 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 holders that held Bail-inable Notes equal to, or in value estimated to be equal to, the amount of compensation to which such holders are entitled or provide a notice stating that such holders are not entitled to any compensation. In either case such offer or notice is required to include certain prescribed information, including important information regarding the rights of such holders 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 holders 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 the relevant holders 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, the holder does not notify CDIC of acceptance or objection to the offer or if 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 holder or beneficial owner of that note is deemed 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 TLAC Guideline applies to and establishes standards for D-SIBs, including the Issuer. Under the TLAC Guideline, beginning 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 or 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.

On August 21, 2018, the Superintendent issued an order requiring D-SIBs to maintain a minimum of 21.5% of TLAC-eligible instruments (the sum of a D-SIB's TLAC, subject to certain adjustments, including Tier 1 capital, Tier 2 capital, and prescribed shares and liabilities that are subject to conversion into common shares and meet the eligibility criteria set out in OSFI's TLAC guideline) relative to their RWAs plus a supervisory buffer and 6.75% relative to their leverage exposures. Liabilities that count towards TLAC must be bail-in eligible and have a residual maturity greater than 365 days, among other requirements. D-SIBs have until the first quarter of 2022 to meet the minimum TLAC requirements. Starting first quarter of 2019, D-SIBs began disclosing their TLAC ratios and main features of their TLAC instruments

In order to comply with the TLAC Guideline, the terms and conditions for the Bail-inable Notes have provisions 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 Note is not subject to set-off, netting, compensation or retention rights;
- the Bail-inable Note 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 continues to be subject to a bail-in conversion prior to its repayment;
- the Bail-inable Note may be redeemed or purchased for cancellation only at the initiative of the Issuer and, where the redemption or purchase would lead to a breach of the Issuer's TLAC requirements, that redemption or purchase would be subject to the prior approval of the Superintendent;
- the Bail-inable Note does 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 Note's terms and conditions would affect its recognition as TLAC, that amendment or variance will only be permitted with the prior approval of the Superintendent.

## TERMS AND CONDITIONS OF THE NOTES

*The following (except for the paragraphs in italics) is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the Global Note or Global Certificate, if applicable, and Part A of the applicable Pricing Supplement, shall be applicable to each Tranche of Notes issued under the Programme and shall be incorporated by reference into each Global Note or Global Certificate. For Notes in definitive form (if any) issued in exchange for the Global Note(s) or Global Certificate(s) representing each Series, either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the applicable Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and in either case subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. In addition, the terms and conditions applicable to Global Notes or Global Certificates are modified or supplemented by additional provisions. See “Summary of provisions relating to the Notes while in Global Form” below.*

*All capitalized terms that are not defined in these terms and conditions will have the meanings given to them in Part A of the applicable Pricing Supplement. Part A of the applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed on the Global or definitive Notes or Certificates, as the case may be. References in the terms and conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

*In construing the applicable Pricing Supplement (including, but not limited to, the application of any Business Day Conventions referred to therein) capitalized terms used in such Pricing Supplement shall have the same meanings given to them in these terms and conditions.*

The Notes are issued pursuant to an amended and restated agency agreement dated 3 May 2019 (as amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”), the “**Agency Agreement**”) among Canadian Imperial Bank of Commerce (“**CIBC**”), 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 3 May 2017 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**”. The Noteholders (as defined below), the holders of the interest coupons (the “**Coupons**”) appertaining to interest bearing Notes in bearer form (and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”)) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of and are bound by all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at CIBC’s registered head office at Commerce Court, 199 Bay St., Toronto, Canada M5L 1A2 and at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

The Notes are issued in series (each, a “**Series**”), and each Series may comprise one or more tranches (“**Tranches**” and each, a “**Tranche**”) of Notes. References in these terms and conditions (the “**Conditions**”), to a Tranche means Notes which are identical in all respects. References in these Conditions to Notes are to Notes of the relevant Series and any references to Coupons and Receipts are to Coupons and Receipts relating to Notes of the relevant Series.

This Note and other Notes issued in the same Tranche as this Note are subject to Part A of the applicable Pricing Supplement for the Tranche (the “**Pricing Supplement**”), a copy of which (or the relevant provisions thereof) is attached to or endorsed on the Note. The Pricing Supplement supplements these Conditions and these Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the applicable Pricing Supplement. The applicable Pricing Supplement in relation to such Series may specify other Conditions which shall, to the extent so

specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References to the “**applicable Pricing Supplement**” are to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on the Note.

## 1. Form, Denomination and Title

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 (i) in the case of any Notes (“**Rule 144A Notes**”) which are issued pursuant to Rule 144A (“**Rule 144A**”) under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), the minimum Specified Denomination shall not be less than US\$200,000 (or its equivalent in another currency at the date of issue of the Notes) and (ii) in the case of any Notes which are issued in the form of Registered Notes in definitive form made out in the name of a specific creditor governed by German law (the “**Definitive N Registered Notes**”) (*Namensschuldverschreibungen*) the minimum denomination shall not be less than €200,000 (or its equivalent in another currency at the date of issue of the Notes).

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same 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 Pricing Supplement and (unless otherwise specified in the applicable Pricing Supplement) higher integral multiples of at least 1,000 in the relevant currency as provided in the applicable Pricing Supplement (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.*

*Bearer Notes shall be issued in the new global note form if so specified in the applicable Pricing Supplement.*

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 issued on a non-interest bearing basis (“**Zero Coupon Note**”), a Note with respect to which interest or principal is calculated by reference to the level of a commodity index or a basket of such indices, or the price of a single commodity (such as gold, oil, aluminum, copper, lead or wheat) (“**Commodity Linked 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 (an “**Equity Linked Note**”), a Note with respect to which interest or principal is calculated by reference to a currency or basket of currencies (“**FX Linked Note**”), a Note with respect to which interest or principal is calculated by reference to a single fund or a basket of 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**”), a Note with respect to which interest or principal is calculated by reference to an inflation index and/or a formula (“**Inflation Linked Note**” and Commodity Linked Notes, Index Linked Notes, Equity Linked Notes, FX Linked Notes, Fund Linked Notes, Preference Share Linked Notes and Inflation Linked Notes, together “**Reference Item Linked Notes**”), a Note redeemable in instalments (“**Instalment Note**”), a Note with respect to which principal and/or interest is payable in one or more Specified Currencies other than the Specified Currency in which it is denominated (“**Dual Currency Note**”), a Note which is issued on a partly paid basis (“**Partly Paid Note**”), a variable rate Note whose coupon and value increases as a benchmark interest rate declines (“**Inverse Floating Rate Note**”), a Fixed/Floating Rate Note, or a combination of any of the foregoing or any other kind of Note, depending upon the Interest Basis and/or Redemption/Payment Basis specified in the applicable Pricing Supplement.

The Notes are denominated in the currency specified in the applicable Pricing Supplement.

(a) **Bearer Notes**

Bearer Notes are serially numbered and, if so specified in the applicable Pricing Supplement, have attached thereto at the time of their initial delivery Coupons, 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 Pricing Supplement, shall also have attached thereto at the time of their initial delivery a Talon for further coupons except that in the case of Zero Coupon Notes no Coupons or Talons shall be attached thereto and references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. 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.

(b) **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. Rule 144A Notes will initially be represented by one or more permanent restricted global certificates (each, a "**Restricted Global Certificate**"). Registered Notes, if specified in the applicable Pricing Supplement, will be issued in the form of one or more Restricted Global Certificates and may be registered in the name of, or in the name of a nominee for, The Depository Trust Company ("**DTC**").

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**").

(c) **Instalment Notes**

Instalment Notes, the principal amount of which is repayable by instalments in such amounts as may be specified in, or determined in accordance with, the provisions of the applicable Pricing Supplement (each an "**Instalment Amount**"), have endorsed thereon a grid for recording the repayment of Instalment Amounts or, if so specified in the applicable Pricing Supplement, have attached thereto, at the time of their initial delivery, payment Receipts in respect of the Instalment Amounts repaid. Bail-inable Notes will not be Instalment Notes.

(d) **Holders**

Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined below) of any Note, Receipt, 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, Receipt, 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 Pricing Supplement, 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.

## 2. **Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes**

(a) **Exchange of Exchangeable Bearer Notes**

Subject as provided in Condition 2(f), Notes which are designated in the applicable Pricing Supplement 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 unmaturing 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 (as defined in Condition 15(b)(ii)) 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.

(b) ***Transfer of Registered Notes***

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or such other form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

Prior to the 40th day after the later of the commencement of the offering of the particular Tranche of Notes and the issue date (such period through and including the 40th day, the “**Distribution Compliance Period**”), transfers by an owner of a beneficial interest in a permanent registered global certificate (an “**Unrestricted Global Certificate**”) to a transferee who takes delivery of such interest through a Restricted Global Certificate will be made only in accordance with the applicable procedures of DTC and upon receipt by the Registrar or any Transfer Agent of a written certification from Euroclear Bank SA/NV (“**Euroclear**”) or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) as the case may be (based on a written certificate from the transferor of such interest) to the effect that such transfer is being made to a person who the transferor reasonably believes is a qualified institutional buyer (“**QIB**”) within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities law of any State of the United States or any other jurisdiction and giving details of the account at Euroclear or Clearstream, Luxembourg, as the case may be, and/or DTC to be credited and debited, respectively, with an interest in the relevant Global Certificates. This certification will no longer be required after the expiration of the Distribution Compliance Period.

Transfers by an owner of a beneficial interest in a Restricted Global Certificate to a transferee who takes delivery of that interest through an Unrestricted Global Certificate, whether before or after the expiration of the Distribution Compliance Period, will be made only upon receipt by the Registrar or any Transfer Agent of a certification from the transferor to the effect that such transfer is being made in accordance with Regulation S under the Securities Act (“**Regulation S**”) or (if available) Rule 144A and that, if such transfer is being made prior to the expiration of the Distribution Compliance Period, the interest transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg and giving details of the account at Euroclear or Clearstream, Luxembourg, as the case may be, and/or DTC to be credited and debited, respectively, with an interest in the relevant Global Certificates.

Exchanges of beneficial interests in a Global Certificate for interests in another Global Certificate will be subject to the applicable rules and procedures of DTC, Euroclear and/or Clearstream, Luxembourg and their direct and indirect participants. Any beneficial interest in one of the Global Certificates that is transferred to a person who takes delivery in the form of an interest in another Global Certificate will, upon transfer, cease to be an interest in that Global Certificate and become an interest in the Global Certificate to which the beneficial interest is transferred and, accordingly,

will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in the Global Certificate to which the beneficial interest is transferred for as long as it remains an interest in that Global Certificate.

(c) **Exercise of Options and Puts or Partial Redemption in Respect of Registered Notes**

In the case of a Call Option or a Put Option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate 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 of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a Holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates**

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 5(e)) or surrender of the Certificate for exchange. Delivery of the new Certificate(s) 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 Certificate shall have been made or, at the option of the Holder 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 Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as such Holder may specify. In this Condition 2(d), “**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).

(e) **Exchange Free of Charge**

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of either a Call Option or Put Option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) **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, or payment of any Instalment Amount in respect 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 Condition 5(d), (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 Condition 15(b)(ii)). An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate 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 CIBC for purposes of the Bank Act (Canada) (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 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 CIBC specified as the Branch of Account in the applicable Pricing Supplement (or, if no Branch of Account is specified, by the main branch of CIBC 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***

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 Pricing Supplement.

Bail-inable Notes subject to an order under section 39.13(1)(d) of the CDIC Act (a “**Conversion Order**”) may be irrevocably converted, 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, which common shares will rank on par with all other common shares of the Issuer or such affiliate. Bail-inable Notes subject to a Conversion Order shall be cancelled to the extent of such conversion. Holders of such Bail-inable Notes that are converted to common shares of the Issuer or its affiliates pursuant to a Conversion Order shall have no further rights under such Bail-inable Notes and the Issuer shall have no further obligations to holders of such Bail-inable Notes.

#### **4. Interest and Other Calculations**

(a) ***Interest on Fixed Rate Notes***

Each Fixed Rate Note bears interest on its outstanding Nominal Amount (or, if it is a Partly Paid Note, the amount paid up) from the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Rate(s) of Interest, such interest being payable in arrear on each Interest Payment Date and on the Maturity Date. The amount of interest payable shall be calculated in accordance with Condition 4(j).

Unless otherwise specified in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on, but excluding, such date will amount to the Fixed Coupon Amount. Payments of Interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

(b) ***Interest on Floating Rate Notes and Reference Item Linked Notes***

(i) Interest Payment Dates

If so indicated in the applicable Pricing Supplement, each Floating Rate Note and each Commodity Linked, Index Linked, Equity Linked, FX Linked, Fund Linked and Inflation Linked Note bears interest on its outstanding Nominal Amount (or, if it is a Partly Paid Note, the amount paid-up) from and including the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Rate(s) of Interest determined in the manner specified in the applicable Pricing Supplement, such interest being payable in arrear on each Interest Payment Date in each year. Such Interest Payment Date(s) is/are either specified in the applicable Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, “**Interest Payment Date**” shall mean each date which falls the number of months or other period specified in the applicable Pricing Supplement as the Interest Period after the preceding

Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date, subject in each case to adjustment in accordance with the applicable Business Day Convention. The amount of interest payable shall be determined in accordance with Condition 4(j).

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from and including an Interest Payment Date (or the Interest Commencement Date or, if no Interest Commencement Date is indicated in the applicable Pricing Supplement, the Issue Date) to, but excluding, the next (or first) Interest Payment Date and on the Maturity Date).

(ii) Rate of Interest

The Rate of Interest in respect of Floating Rate Notes and Reference Item Linked Notes shall be determined in the manner specified in the applicable Pricing Supplement and, in the case of Floating Rate Notes, the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable Pricing Supplement.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate (adjusted as required by Condition 4(h)). For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction governed by an agreement in the form of an ISDA Agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (y) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (z) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London Interbank Offer Rate (LIBOR) or the Euro-zone Interbank Offer Rate (EURIBOR) for a currency, the first day of that Interest Accrual Period or (II) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

- (x) *Reference Rate other than SONIA*

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the Pricing Supplement as being a rate other than SONIA (as defined below), the Rate of Interest for each Interest Accrual Period will, subject as provided in paragraph (z) below and subject to Condition 4(o), be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (as specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the

Relevant Screen Page (as set forth in the applicable Pricing Supplement) as at the Relevant Time (as set forth in the applicable Pricing Supplement) on the Interest Determination Date (as defined below) in question as determined by the Calculation Agent (adjusted as required by Condition 4(h)). Unless otherwise specified in the applicable Pricing Supplement if five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations;

If the Relevant Screen Page is not available or if sub-paragraph (1) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, 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 Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent (adjusted as required by Condition 4(h)); and

If the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean 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 or more of them, at which such banks offered, at the Relevant Time on the relevant Interest Determination Date, loans in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such 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 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 the Relevant Time, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, (adjusted as required by Condition 4(h)) 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 Event (as defined in Condition 4(o)), 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 or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period). If the Reference Rate cannot be determined because of the occurrence of a Benchmark Event, the Reference Rate shall be calculated in accordance with the terms of Condition 4(o).

(y) *SONIA Reference Rate*

Where the Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Pricing Supplement as being SONIA, the Rate of Interest for each Interest Accrual Period shall, subject as provided below and subject to Condition 4(o), be Compounded Daily SONIA as determined by the Calculation Agent.

**“Compounded Daily SONIA”** 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 SONIA) 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:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{SONIA}_{i-p\text{LBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Interest Accrual Period;

“**d<sub>o</sub>**” is the number of London Banking Days in the relevant Interest Accrual Period;

“**i**” is a series of whole numbers from one to d<sub>o</sub>, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Accrual Period to, but excluding the last London Banking Day in such Interest Accrual Period;

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**n<sub>i</sub>**”, for any London Banking Day “**i**”, means the number of calendar days from and including such London Banking Day “**i**” up to but excluding the following London Banking Day;

“**Observation Look-Back Period**” is as specified in the applicable Pricing Supplement;

“**Observation Period**” means in respect of an Interest Accrual Period the period from and including the date falling “**p**” London Banking Days prior to the first day of the relevant Interest Accrual Period and ending on, but excluding, the date falling “**p**” London Banking Days prior to (a) the Interest Payment Date for such Interest Accrual Period or (b) such earlier date, if any, on which the Notes become due and payable;

“**p**”, for any Interest Accrual Period, is the number of London Banking Days included in the Observation Look-Back Period, as specified in the applicable Pricing Supplement, and which shall not be specified in the applicable Pricing Supplement as less than five without the prior agreement of the Calculation Agent;

“**SONIA Reference Rate**”, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day; and

“**SONIA<sub>i-pLBD</sub>**” means, in respect of any London Banking Day falling in the relevant Interest Accrual Period, the SONIA Reference Rate for the London Banking Day falling “**p**” London Banking Days prior to the relevant London Banking Day “**i**”.

If, in respect of any London Banking Day in the relevant Observation Period, the applicable SONIA Reference Rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorized distributors, then unless the Calculation Agent has been notified of any Successor Rate or Alternative Rate (and any related Adjustment Spread or Benchmark Amendments) pursuant to Condition 4(o), if applicable, the SONIA Reference Rate in respect of such London Banking Day shall be:

- (a) (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 Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a 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; and
- (b) if the Bank Rate is not published by the Bank of England as set out in sub-paragraph (a) above on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the immediately preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorized distributors).

Notwithstanding the paragraph above, and subject to Condition 4(o), in the event the Bank of England publishes guidance as to (i) how the SONIA Reference Rate is to be determined or (ii) any rate that is to replace the SONIA Reference Rate, the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, following consultation with the Issuer, follow such guidance in order to determine the SONIA Reference Rate for the purpose of the relevant Series of Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.

If the relevant Series of Notes become due and payable in accordance with Condition 18, the final Rate of Interest shall be calculated for the Interest Accrual Period to (but excluding) the date on which such Notes became due and payable and such Rate of Interest on such Notes shall apply for so long as any such Note remains outstanding.

(z) *Alternate Fallback Provisions*

The applicable Pricing Supplement may supplement or amend the procedures in paragraph (x) above, including the time at which such Reference Rate will be observed on the Relevant Screen Page and the location of the Reference Banks or set out other, alternative procedures which shall apply in place of the procedures set out in paragraph (x).

(c) ***Interest on Zero Coupon Notes***

As from the Maturity Date, the Rate of Interest for any overdue principal of a Zero Coupon Note shall be a rate per annum (expressed as a percentage) equal to the Amortization Yield (as defined in Condition 5(b)(i)(B)).

(d) ***Interest on Dual Currency Notes***

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(e) ***Interest on Partly Paid Notes***

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up Nominal Amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(f) ***Other Notes***

The Rate(s) of Interest or amount of interest in respect of Notes with other customized interest rate provisions for each Interest Period or Interest Accrual Period shall be determined in the manner

specified in the applicable Pricing Supplement and interest will accrue by reference to a price, index, formula and/or set of definitions as specified in the applicable Pricing Supplement. The applicable Pricing Supplement shall specify the dates on which interest shall be payable on such Note and the basis for calculation of each amount of interest payable in respect of such Note on each such date and on any other date on which interest becomes payable in respect of such Note. Interest Amounts may be calculated by reference to such price, index, formula and/or set of definitions as the Issuer and the relevant Dealer(s) agree, such price, index, formula and/or set of definitions to be specified, together with such other supplemental terms and conditions, in the applicable Pricing Supplement.

Wherever Notes with customized provisions relating to payment of principal are issued to bear interest on a fixed or floating rate basis or on a non-interest bearing basis, the provisions in these Conditions relating to Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes, respectively, shall where the context so permits, apply to such other Notes.

(g) ***Accrual of Interest***

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest (if any) shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 16(b)).

(h) ***Margin, Maximum/Minimum Rates of Interest, Interest Amounts, Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts***

- (i) If any Margin is specified in the applicable Pricing Supplement (either (A) generally, or (B) in relation to one or more Interest Periods or Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Periods or Interest Accrual Periods, in the case of (B), calculated in accordance with Condition 4(b) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next two paragraphs.
- (ii) If any Maximum/Minimum Rate of Interest, Interest Amount, Instalment Amount, Early Redemption Amount or Final Redemption Amount is specified in the applicable Pricing Supplement, then any Rate of Interest, Interest Amount, Instalment Amount, Early Redemption Amount or Final Redemption Amount shall be subject to such maximum or minimum, as the case may be, subject to the next paragraph. For greater certainty, “**Rate of Interest**” here means the rate of interest after adjustment for the applicable Margin. Unless otherwise provided in the applicable Pricing Supplement, the Minimum Rate of Interest and/or Minimum Interest Amount shall be zero.
- (iii) In the case of a Rate of Interest/Interest Amount determined in accordance with Condition 4(b)(ii)(B)(z), where a different Margin or Maximum or Minimum Rate/Interest Amount is to be applied to the next Interest Period from that which applied to the last preceding Interest Period, the relevant Margin or Maximum or Minimum Rate/Interest Amount shall be that for the next Interest Period.

(i) ***Linear Interpolation***

Where Linear Interpolation is specified as applicable in respect of an Interest Accrual Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant 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.

**“Designated Maturity”** means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(j) ***Calculations and Rounding***

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Period or Interest Accrual Period shall be equal to the product of the Rate of Interest (adjusted as required by Condition 4(h)), the Calculation Amount specified in the applicable Pricing Supplement and the Day Count Fraction for such Interest Period or Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, as specified in the applicable Pricing Supplement, 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.

For the purposes of any calculations required pursuant to these 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 halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest sub-unit of the relevant Specified Currency (with halves 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 sub-unit.

For these purposes “**sub-unit**” means with respect to any currency other than the 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 0.01 euro.

(k) ***Business Day Conventions***

If any date referred to in these Conditions or in the applicable Pricing Supplement that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

- (i) the **Floating Rate Business Day Convention**, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment,
- (ii) the **Following Business Day Convention**, such date shall be postponed to the next day that is a Business Day,
- (iii) the **Modified Following Business Day Convention**, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day, or
- (iv) the **Preceding Business Day Convention**, such date shall be brought forward to the immediately preceding Business Day.

(l) ***Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts***

The Calculation Agent shall as soon as practicable on each Interest Determination Date, or such other time on each such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quote or make any determination or calculation, determine such rates and calculate the Interest Amounts for the relevant Interest Period or Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Autocall Cash Settlement Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Autocall Cash Settlement Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) where the Reference Rate is SONIA, two London Banking Days after such determination, or (iii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date is subject to adjustment pursuant to Condition 4(j), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(m) ***Definitions***

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**“Business Day”** means:

- (i) in the case of a Specified Currency other than euro, a day (other than a Saturday or Sunday) 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 for such currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) and each other place (if any) specified in the applicable Pricing Supplement as a Business Centre; and/or
- (ii) in the case of euro, a TARGET2 Business Day and a day on which commercial banks are open for business in each place (if any) specified in the applicable Pricing Supplement as a Business Centre.

Unless otherwise provided in the applicable Pricing Supplement, the principal financial centre of any country for the purpose of these Conditions shall be as provided in the ISDA Definitions (except that if the Specified Currency is Australian dollars or New Zealand dollars, the principal financial centre shall be Sydney or Auckland, respectively).

**“Calculation Agent”** shall have the meaning specified in the applicable Pricing Supplement.

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period or Interest Accrual Period, the **“Calculation Period”**):

- (i) if **“Actual/Actual”** or **“Actual/Actual (ISDA)”** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days

in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (ii) if “**Actual/365 (Fixed)**” or is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/Actual(ICMA)**” is specified in the applicable Pricing Supplement:
  - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or
  - (B) if the Calculation Period is longer than the Determination Period, the sum of: (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year,
- (iv) if “**Actual/360**” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;
- (v) if “**Actual/365 Sterling**” is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 365, or in the case of an Interest Payment Date falling in a leap year, 366
- (vi) “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (viii) if “**30E/360 (ISDA)**” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>1</sub> will be 30;

- (ix) if “**30/360 (Fixed)**” is specified in the applicable Pricing Supplement, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days

being calculated on the basis of a year of 360 days consisting of twelve months of 30 days each) divided by 360; and

(x) if “1/1” is specified in the applicable Pricing Supplement, one.

“**Determination Date**” means such dates as specified in the applicable Pricing Supplement.

“**Determination Period**” means the period from and including a Determination Date in any year 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).

“**Euro-zone**” means the region comprised of member states of the European Union that participate in the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

“**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 and in respect of Notes where SONIA is specified as the Reference Rate in the applicable Pricing Supplement, also means such other period (if any) in respect of which interest is to be calculated being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, in the case of the scheduled final or early redemption of any Notes, shall be such redemption date, and in other cases where the relevant Floating Rate Notes become due and payable in accordance with Condition 18, shall be the date on which such Floating Rate Notes become due and payable).

“**Interest Amount**” means the amount of interest payable per Calculation Amount calculated in accordance with Condition 4(j) or as specified in the applicable Pricing Supplement, and in the case of Fixed Rate Notes, shall mean the Fixed Coupon Amount(s) and/or Broken Amount(s), if any, specified in the applicable Pricing Supplement.

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the applicable Pricing Supplement.

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Period or Interest Accrual Period, the date specified as such in the applicable Pricing Supplement or, if none is so specified, (i) the first day of such period if the Specified Currency is sterling and the Reference Rate is not SONIA or (ii) the day falling two Business Days in London prior to the first day of such period if the Specified Currency is not sterling or euro or (iii) the day falling two TARGET2 Business Days prior to the first day of such period if the Specified Currency is euro.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified in the applicable Pricing Supplement.

“**ISDA Definitions**” means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., as amended, supplemented and updated as at the Issue Date of the first Tranche of Notes of the relevant Series, unless otherwise specified in the applicable Pricing Supplement.

“**ISDA Agreement**” means the 2002 ISDA Master Agreement as published by the International Swaps and Derivatives Association, Inc., as amended, supplemented and updated as at the Issue Date of the first Tranche of Notes of the relevant Series, unless otherwise specified in the applicable Pricing Supplement.

**“Nominal Amount”** means the Nominal Amount specified in the applicable Pricing Supplement.

**“Principal Protected”** means the Notes will be redeemed at the Maturity Date at a Final Redemption Amount equal to 100 per cent. of the Calculation Amount. For the avoidance of doubt, the protection of principal does not apply if the Notes are redeemed prior to the stated Maturity Date or sold by an investor prior to the stated Maturity Date.

**“Protection Amount”** means, in respect of a Series to which a Protection Amount is specified as applicable in the applicable Pricing Supplement, that the Final Redemption Amount will, subject to the applicable Pricing Supplement, in no circumstances be repayable at the stated Maturity Date, at less than the Protection Amount specified in the applicable Pricing Supplement. For the avoidance of doubt, the Protection Amount will not apply in the event that Notes are redeemed prior to their stated Maturity Date or upon the occurrence of an early redemption for taxation reasons, an Index Adjustment Event, a Potential Adjustment Event, or an Event of Default.

**“Rate of Interest”** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the Conditions.

**“Reference Banks”** means, unless otherwise specified in the applicable Pricing Supplement, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, and in the case of a determination of any other Reference Rate, four leading banks in the relevant jurisdiction that are engaged in the relevant inter-bank market or debt securities market, in each case as selected by the Issuer, and, in each case, which are not affiliated with the Issuer.

**“Reference Rate”** means the rate specified as such in the applicable Pricing Supplement.

**“Relevant Determination Date”** means the day which is two relevant Business Days before the due date for any payment of the relevant amount under these Conditions.

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Pricing Supplement, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organization providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Reference Rate.

**“Specified Currency”** means the currency specified as such in the applicable Pricing Supplement or, if none is specified, the currency in which the Notes are denominated.

**“TARGET2”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on 19 November 2007.

**“TARGET2 Business Day”** means any day on which TARGET2 is open for the settlement of payments in euro.

(n) ***Calculation Agent***

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 Pricing Supplement and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount or the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Autocall Cash Settlement Amount (as the case may be) or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money,

swap, over-the-counter index options, commodities or commodities-related market or exchange) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other 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 as aforesaid.

The determination of each Rate of Interest, Interest Amount, Final Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

(o) **Benchmark Discontinuation**

(i) Independent Adviser

If a Benchmark 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 Condition 4(o)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(o)(iii)) and any Benchmark Amendments (in accordance with Condition 4(o)(iv)).

An Independent Adviser appointed pursuant to this Condition 4(o) 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 Condition 4(o).

(ii) 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 Condition 4(o)(iii)) 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 Condition 4(o)); 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 Condition 4(o)(iii)) 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 Condition 4(o)).

(iii) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and any applicable Adjustment Spread is determined in accordance with this Condition 4(o) 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 Condition 4(o)(v), 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 with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4(o)(iv), 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 Condition 4(o), 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.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(o) will be notified promptly by the Issuer to the Fiscal Agent and the Calculation Agent and, in accordance with Condition 22, 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:

- (A) confirming (i) that a Benchmark 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 Condition 4(o); and
- (B) 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.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4(o) (i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Conditions 4(b)(2)(B) 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 Condition 4(o)(v).

(vii) Definitions:

As used in this Condition 4(o):

**“Adjustment Spread”** means either a spread (which may be positive or negative), 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 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)
- (C) 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 Condition 4(o)(ii) 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 Condition 4(o)(iv).

**“Benchmark Event”** means:

- (A) the Original Reference Rate ceasing to 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 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 Condition 4(o)(i).

**“Original Reference Rate”** means the originally-specified Reference Rate used to determine the Rate of Interest (or any component part thereof) on the Notes.

**“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.

## **5. Redemption, Purchase, Options and Regulatory Conversion, Variation or Extinguishment**

### **(a) *Redemption by Instalments and Final Redemption***

- (i) Unless previously redeemed or purchased and cancelled as provided in this Condition 5, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the applicable Pricing Supplement. The outstanding Nominal Amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the Nominal Amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed or purchased and cancelled as provided below, each Note (unless it is a Reference Item Linked Note or if otherwise specified in the applicable Pricing Supplement) shall be finally redeemed on the Maturity Date specified in the applicable Pricing Supplement at its Final Redemption Amount or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount. The applicable Pricing Supplement may specify the basis for calculation of the amount payable upon redemption under this Condition 5(a), Condition 5(b) or Condition 5(c), or under Conditions 6 to 14 upon the Note becoming due and payable (such amount, the **“Redemption Amount”**), failing which the Final Redemption Amount of such Note shall be its Nominal Amount.
- (iii) In the case of Reference Item Linked Notes, if Protection Amount is specified as applicable in the applicable Pricing Supplement, the Final Redemption Amount paid on the Maturity Date of such Note shall not be less than the Protection Amount.

(b) **Early Redemption**

(i) *Zero Coupon Notes*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 18 shall be the Amortized Face Amount (as defined below) of such Note.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortized Face Amount of any such Note shall be equal to the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortization Yield (as specified in the applicable Pricing Supplement or if none is specified in the applicable Pricing Supplement, the Amortization Yield shall be such rate as would produce an Amortized Face Amount equal to the issue price of the Notes if the Final Redemption Amount were discounted back at such rate from the Maturity Date to the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 18 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortized Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date (as defined in Condition 16(b)). The calculation of the Amortized Face Amount in accordance with this subparagraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where any such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the applicable Pricing Supplement.

(ii) *Reference Item Linked Notes*

In the case of a Reference Item Linked Note, the Early Redemption Amount in respect of each nominal amount of such Notes equal to the Calculation Amount will be determined by reference to the provisions in the applicable Pricing Supplement.

(iii) *Other Notes*

The Early Redemption Amount payable in respect of any Note (other than the Notes described in (i) and (ii) above), upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 18 shall be the Final Redemption Amount unless otherwise specified in the applicable Pricing Supplement.

(c) **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 this Note is a Floating Rate Note, Index Linked Note, Equity Linked Note, Commodity Linked Note or other Reference Item Linked Note) or at any time (if this Note is not a Floating Rate Note, Index Linked Note, Equity Linked Note, Commodity Linked Note or other Reference Item Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders, at their Early Redemption Amount as described in Condition 5(b) above, together with interest accrued, if any, to (but excluding) the date fixed for redemption, if (x) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 16 as a result of (i)

any change in, or amendment to, the laws or regulations of Canada or, in the case of Notes issued by CIBC 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) 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 (y) 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 Condition 5(c) 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.

*Note: Prior to issuance of any Reference Item Linked Note the Issuer should obtain an opinion of counsel or otherwise obtain confirmation that the Issuer is not obliged to withhold or deduct amounts from payments of principal or interest on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Canada or, in addition, if CIBC'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. Condition 5(c) should not apply if there is any withholding or deduction required under the laws in existence at the time of issuance of the relevant Tranche of the Notes but Condition 5(c) would apply if the Issuer is obliged to withhold or deduct such amounts as a result of a change of law or administrative policy made in Canada (or, if CIBC's Branch of Account is located outside Canada, the country in which such Branch of Account is located) after the date on which agreement is reached to issue the relevant Tranche of the Notes.*

**(d) Redemption at the Option of the Issuer ("Call Option")**

If a Call Option is specified as applying in the applicable Pricing Supplement, 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 Pricing Supplement) in accordance with Condition 22 redeem all or, if so provided, some, of the Notes on any Optional Redemption Date, provided 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. Any such redemption of Notes shall be at their Optional Redemption Amount, as specified in the applicable Pricing Supplement, together with interest accrued, if any, to (but excluding) the date fixed for redemption.

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 Luxembourg Stock Exchange's Euro MTF 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.

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 Pricing Supplement and no greater than the Maximum Redemption Amount to be redeemed specified in the applicable Pricing Supplement.

Redemption of any Bail-inable Notes pursuant to this Condition 5(d) 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 Condition 5(d) 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.

(e) ***Redemption at the Option of Noteholders ("Put Option")***

This Condition 5(e) does not apply to Notes that are Bail-inable Notes.

If a Put Option is specified as applying in the applicable Pricing Supplement, the Issuer shall, at the option of the Holder of any such Note, upon the Holder of such Note 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 Pricing Supplement) (the "**Noteholders Option Period**") redeem such Note on the Option Redemption Date(s) at its Optional Redemption Amount, as specified in the applicable Pricing Supplement, together with interest accrued, if any, to (but excluding) the date fixed for redemption.

To exercise such option the Holder 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 Certificate 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 or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) ***Partly Paid Notes***

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 5 and the provisions specified in the applicable Pricing Supplement.

(g) ***Instalment Notes***

Any Instalment Note will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of definitive Bearer Notes, all instalments (other than the final instalment) will be paid against surrender of the relevant Receipt (which must be presented with the Note to which it appertains) and in the case of the final instalment against surrender of the relevant Note, all as more fully described in Condition 15.

(h) ***Purchases***

The Issuer and any of its Subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered

therewith) in the open market or otherwise at any price. 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.

(i) **Cancellation**

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 Certificate 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.

For the purposes of these Conditions, "**Subsidiary**" has the meaning provided in the Bank Act.

(j) **Automatic Redemption (Autocall)**

(i) **Application**

This Condition 5(j) applies to all Notes, other than Bail-inable Notes, where the applicable Pricing Supplement specifies 'Automatic Redemption (Autocall)' to be Applicable. This Condition 5(j) does not apply to Notes that are Bail-inable Notes.

(ii) **Autocall Cash Settlement Amount following an Automatic Redemption (Autocall) Event**

If an Automatic Redemption (Autocall) Event occurs on an Autocall Valuation Date, then, provided that no redemption or purchase and cancellation of the Notes has occurred prior to the relevant Autocall Redemption Date, each Note will be redeemed (in whole) on the Autocall Redemption Date corresponding to such Autocall Valuation Date at a cash amount per Calculation Amount in the Specified Currency, determined in accordance with the following (the "**Autocall Cash Settlement Amount**"):

$$\text{Autocall Redemption Percentage} \times \text{Calculation Amount}$$

(iii) **Relevant defined terms**

"**Autocall Barrier Percentage**" means, in relation to an Autocall Valuation Date, the percentage as specified in the Pricing Supplement.

"**Autocall Performance**" means, in relation to an Autocall Valuation Date:

- (a) if the Pricing Supplement specifies 'Autocall Observation Type' to be 'Discrete':
  - (i) if the Pricing Supplement specifies the 'Underlying Performance Type' to be 'Single Asset', then the Autocall Valuation Price divided by the Initial Price, each in relation to the sole Underlying Asset;
  - (ii) if the Pricing Supplement specifies the 'Underlying Performance Type' to be 'Worst-of', then the Autocall Valuation Price divided by the Initial Price, each in relation to the Worst Performing Underlying Asset as calculated on such Autocall Valuation Date;
  - (iii) if the Pricing Supplement specifies the 'Underlying Performance Type' to be 'Best-of', then the Autocall Valuation Price divided by the Initial Price, each in relation to the Best Performing Underlying Asset as calculated on such Autocall Valuation Date;
  - (iv) if the Pricing Supplement specifies the 'Underlying Performance Type' to be 'Basket', then the sum of the Weighted Modified Autocall Performance in respect of each Underlying Asset in the Basket;

- (b) if the Pricing Supplement specifies 'Autocall Observation Type' to be 'Continuous':
- (i) if the Pricing Supplement specifies the 'Underlying Performance Type' to be 'Single Asset', then the Autocall Valuation Price divided by the Initial Price, each in relation to the sole Underlying Asset;
  - (ii) if the Pricing Supplement specifies the 'Underlying Performance Type' to be 'Worst-of', then the Autocall Valuation Price divided by the Initial Price, each in relation to the Worst Performing Underlying Asset as calculated on such Autocall Valuation Date;
  - (iii) if the Pricing Supplement specifies the 'Underlying Performance Type' to be 'Best-of', then the Autocall Valuation Price divided by the Initial Price, each in relation to the Best Performing Underlying Asset as calculated on such Autocall Valuation Date;
  - (iv) if the Pricing Supplement specifies the 'Underlying Performance Type' to be 'Basket', then the sum of the Weighted Asset Performance in respect of each Underlying Asset in the Basket;

**"Autocall Redemption Date"** means, in relation to an Autocall Valuation Date, the date as specified in the Pricing Supplement.

**"Autocall Redemption Percentage"** means, in relation to an Autocall Valuation Date, the percentage as specified in the Pricing Supplement.

**"Autocall Valuation Date"** means:

- (a) if the Pricing Supplement specifies the 'Autocall Observation Type' to be 'Discrete' each date as specified in the Pricing Supplement; or
- (b) if the Pricing Supplement specifies the 'Autocall Observation Type' to be 'Continuous', each date as specified in the Pricing Supplement and each Scheduled Trading Day from (and including) the Continuous Autocall Start Date to (and including) the Continuous Autocall End Date, each as specified in the Pricing Supplement.

**"Autocall Valuation Price"** means, in relation to an Underlying Asset and an Autocall Valuation Date:

- (a) if the Pricing Supplement specifies 'Averaging-out' to be 'Applicable', the arithmetic average of the Valuation Price on each of the Averaging-out Dates corresponding to the Autocall Valuation Date;
- (b) if the Pricing Supplement specifies 'Min Lookback-out' to be 'Applicable', the lowest Valuation Price observed on each of the Lookback-out Dates corresponding to the Autocall Valuation Date;
- (c) if the Pricing Supplement specifies 'Max Lookback-out' to be 'Applicable', the maximum Valuation Price observed on each of the Lookback-out Dates corresponding to the Autocall Valuation Date; or
- (d) if none of items (a) to (c) applies, the Valuation Price of the Underlying Asset on the Autocall Valuation Date.

**"Automatic Redemption (Autocall) Event"** shall occur if, in relation to an Autocall Valuation Date, the Autocall Performance is greater than or equal to the relevant Autocall Barrier Percentage.

**"Best Performing Underlying Asset"** means, in relation to a Scheduled Trading Day, the Underlying Asset with the highest Performance on such day, provided that, in each case, where more than one Underlying Asset has the same highest Performance, the Calculation Agent shall select which of the Underlying Assets with the same highest Performance shall be the Best Performing Underlying Asset.

**“Initial Price”** means, in respect of an Underlying Asset:

- (a) if the Pricing Supplement specifies ‘Averaging-out’ to be ‘Applicable’, the arithmetic average of the Valuation Price of such Underlying Asset on each of the Averaging-out Dates; or
- (b) if the Pricing Supplement specifies ‘Min Lookback-in’ to be ‘Applicable’, the lowest Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
- (c) if the Pricing Supplement specifies ‘Max Lookback-in’ to be ‘Applicable’, the highest Valuation Price of such Underlying Asset observed on each of the Lookback-in Dates; or
- (d) if a price or level for such Underlying Asset is specified in the Pricing Supplement, such price or level; or
- (e) if none of items (a) to (d) (inclusive) applies, the Valuation Price of such Underlying Asset on the Initial Valuation Date.

**“Performance”** means:

- (a) if the Pricing Supplement specifies the ‘Underlying Performance Type’ to be ‘Single Asset’, then, in relation to a Scheduled Trading Day, the Valuation Price, as applicable, divided by the Initial Price, each in relation to the sole Underlying Asset;
- (b) if the Pricing Supplement specifies the ‘Underlying Performance Type’ to be ‘Worst-of’ then, in relation to a Scheduled Trading Day, the Valuation Price, as applicable, divided by the Initial Price, each in relation to the Worst Performing Underlying Asset as calculated on such Scheduled Trading Day;
- (c) if the Pricing Supplement specifies the ‘Underlying Performance Type’ to be ‘Best-of’ then, in relation to a Scheduled Trading Day, the Valuation Price, as applicable, divided by the Initial Price, each in relation to the Best Performing Underlying Asset as calculated on such Scheduled Trading Day; or
- (d) if the Pricing Supplement 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.

**“Underlying Asset”** means, in relation to a Series, as appropriate, each Equity, Commodity, Fund Interest, Fund Share or Index as specified in the Pricing Supplement.

**“Valuation Price”** means, in respect of:

- (a) an Underlying Asset that is an Equity, Commodity, Fund Interest or Fund Share and any relevant day, the price of such Underlying Asset at the Valuation Time on such day;
- (b) an Underlying Asset that is an Index and any relevant day, the level of such Underlying Asset at the Valuation Time on such day.

**“Weighted Asset Performance”** means, in relation to an Underlying Asset and any Scheduled Trading Day,  $\text{Weighting} \times (\text{Autocall Valuation Price}/\text{Initial Price})$ .

**“Weighted Modified Autocall Performance”** means, in relation to an Underlying Asset and Autocall Valuation Date,  $\text{Weighting} \times (\text{Autocall Valuation Price}/\text{Initial Price})$ .

**“Worst Performing Underlying Asset”** means, in relation to a Scheduled Trading Day, the Underlying Asset with the lowest Performance on such day, provided that, in each case, where more

than one Underlying Asset has the same lowest Performance, the Calculation Agent shall select which of the Underlying Assets with the same lowest Performance shall be the Worst Performing Underlying Asset.

(k) **Regulatory Conversion, Variation or Extinguishment**

By its acquisition of an interest in Bail-inable Notes, each Noteholder (which, for the purposes of this Condition 5(k), 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 in respect of the operation of the CDIC Act;
- (iii) acknowledges and agrees that the terms referred to in paragraphs (i) and (ii), of this Condition 5(k), are binding on such Noteholder despite any other provisions in these 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 Condition 18; 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 acknowledgement and agreement to be bound by and consent 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 Condition 5(k) 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.

(l) **Early Redemption of Bail-inable Notes upon TLAC Disqualification Event**

Where the applicable Pricing Supplement for a Series of Notes 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 Condition 22, 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 as described in Condition 5(b) above, 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 Condition 5(l):

**"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.

**6. Commodity Linked Notes**

Provisions relating to Commodity Linked Notes will be set out in the applicable Pricing Supplement.

**7. Index Linked Notes**

(a) **Definitions**

For the purposes of this Condition 7:

**"Disrupted Day"** means:

- (i) where the Index is not specified in the applicable Pricing Supplement as being a Designated Multi-Exchange Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; or
- (ii) where the Index is specified in the applicable Pricing Supplement as being a Designated Multi-Exchange Index, any Scheduled Trading Day on which (A) the Index Sponsor fails to publish the level of the Index, (B) any Related Exchange fails to open for trading during its regular trading session or (C) a Market Disruption Event has occurred.

**"Exchange"** means:

- (i) where the Index is not specified in the applicable Pricing Supplement as being a Designated Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Pricing Supplement, 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

- (ii) where the Index is specified in the applicable Pricing Supplement as being a Designated Multi-Exchange Index, in relation to each component security of that Index (each a **“Component Security”**), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

**“Exchange Business Day”** means:

- (i) where the Index is not specified in the applicable Pricing Supplement as being a Designated Multi-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or
- (ii) where the Index is specified in the applicable Pricing Supplement as being a Designated Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index and (ii) each Related Exchange is open for trading during its regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

**“Indices”** and **“Index”** mean, subject to adjustment in accordance with Condition 7(c), the indices or index specified in the applicable Pricing Supplement and related expressions shall be construed accordingly.

**“Index Sponsor”** means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Pricing Supplement.

**“Market Disruption Event”** means:

- (i) in respect of an Index other than a Designated Multi-Exchange Index:
  - (A) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
    - (x) 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) on any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index; or
      - (2) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
    - (y) 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, 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

- (B) 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

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

As used above:

**“Early Closure”** means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (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.

**“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.

**“Trading Disruption”** means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (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.

For the purposes of determining whether a Market Disruption Event in respect of an Index or a Component Security exists at any time, if a Market Disruption Event occurs in respect of a security/commodity included in the Index or such Component Security at that time, then the relevant

percentage contribution of that security/commodity or Component Security, as the case may be, to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security/commodity or Component Security, as the case may be, and (ii) the overall level of the Index, in each case either (a) except where the Index is a Designated Multi-Exchange Index, immediately before the occurrence of such Market Disruption Event or (b) where the Index is a Designated Multi-Exchange Index, using the official opening weightings as published by the Index Sponsor as part of the market “**opening data**”.

“**Redemption Amount**” means, in relation to an Index Linked Note, the Redemption Amount specified in the applicable Pricing Supplement or, if no such amount is specified in the applicable Pricing Supplement, an amount equal to:

- (i) in the case of a Call Index Linked Note:
  - (A) if the Reference Price, in relation to the Valuation Date specified for such Index Linked Note in the applicable Pricing Supplement, is greater than the Strike Price:

$$\frac{\text{Reference Price} \times \text{Specified Amount}}{\text{Strike Price}}$$

- (B) if the Reference Price, in relation to the Valuation Date specified for such Index Linked Note in the applicable Pricing Supplement, is equal to or less than the Strike Price:

$$100 \text{ per cent.} \times \text{Specified Amount; or}$$

- (ii) in the case of a Put Index Linked Note:

- (A) if the Reference Price, in relation to the Valuation Date specified for such Index Linked Note in the applicable Pricing Supplement, is less than the Strike Price:

$$100 \text{ per cent.} + \frac{\text{Strike Price} - \text{Reference Price}}{\text{Strike Price}} \times \text{Specified Amount; or}$$

- (B) if the Reference Price, in relation to the Valuation Date specified for such Index Linked Note in the applicable Pricing Supplement, is equal to or greater than the Strike Price:

$$100 \text{ per cent.} \times \text{Specified Amount,}$$

provided always that the Redemption Amount shall in no event be less than zero. The Redemption Amount will be rounded to the nearest two decimal places (or, in the case of Yen, the nearest whole unit) in the Specified Currency, 0.005 (or, in the case of Yen, half of one unit) being rounded upwards.

“**Reference Price**” means, in relation to a Valuation Date:

- (i) where the Notes are specified in the applicable Pricing Supplement 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 Pricing Supplement, the level of the Index determined by the Calculation Agent at such Valuation Time) on that Valuation Date (as defined below), without regard to any subsequently published correction; and
- (ii) where the Notes are specified in the applicable Pricing Supplement 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 Pricing Supplement, 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 Pricing Supplement.

**“Related Exchange”** means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such 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 Pricing Supplement, **“Related Exchange”** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.

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

**“Scheduled Trading Day”** means:

- (i) where the Index is not specified in the applicable Pricing Supplement as being a Designated Multi-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions; or
- (ii) where the Index is specified in the applicable Pricing Supplement as being a Designated Multi-Exchange Index, (i) any day on which the Index Sponsor is scheduled to publish the level of that Index and (ii) each Related Exchange is scheduled to be open for trading for its regular trading session.

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

**“Strike Price”** means the amount specified as such in the applicable Pricing Supplement.

**“Valuation Date”** means the date or, in the case of Index Linked Notes, each date specified as such in the applicable Pricing Supplement 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 then:

- (i) where the Notes are specified in the applicable Pricing Supplement to relate to a single Index, 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) that 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 Pricing Supplement or, if not set out or not so practicable, determine the Reference Price by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in the 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); or
- (ii) where the Notes are specified in the applicable Pricing Supplement to relate to a Basket of Indices, that Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and that Valuation Date for each Index affected by the

occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the 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, the level of that Index determined in the manner set out in the applicable Pricing Supplement 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 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).

“**Valuation Time**” means:

- (i) where the Index is not specified in the applicable Pricing Supplement as being a Designated Multi-Exchange Index, the Valuation Time specified in the applicable Pricing Supplement or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or
  - (ii) where the Index is specified in the applicable Pricing Supplement as being a Designated Multi-Exchange Index, the Valuation Time specified in the applicable Pricing Supplement or, if no Valuation Time is specified, (i) for the purposes of determining whether a Market Disruption Event has occurred: (A) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange and (B) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (i) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.
- (b) ***Redemption of Index Linked Notes***

Unless previously redeemed or purchased and cancelled, each nominal amount (the “**Specified Amount**”) of the Notes equal to the Calculation Amount set out in the applicable Pricing Supplement will be redeemed by the Issuer at its Final Redemption Amount (as set out in the applicable Pricing Supplement) on the Maturity Date.

(c) ***Adjustments to an Index***

- (i) *Successor Index Sponsor Calculates and Reports an Index*

If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (a “**Successor Index Sponsor**”) acceptable to the Calculation Agent or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then, in each case, that index (the “**Successor Index**”) will be deemed to be the Index.

- (ii) *Modification and Cessation of Calculation of an Index*

If (x) on or prior to a Valuation Date the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way

materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and 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 (y) on a Valuation Date the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an “**Index Disruption**” and, together with an Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”), then the Issuer may take the action described in (A) or (B) below:

- (A) require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the 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 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 Noteholders in accordance with Condition 22 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.

(iii) *Correction of an Index*

If Correction of Index Levels is specified as applying in the applicable Pricing Supplement 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 Pricing Supplement, 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.

(iv) *Notice*

Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 22 giving details of the action proposed to be taken in relation thereto.

## 8. **Equity Linked Notes**

(a) **Definitions**

For the purposes of this Condition 8:

“**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, in relation to an Underlying Equity, the issuer of such Underlying Equity.

“**Exchange**” means, in respect of an Underlying Equity, each exchange or quotation system specified as such for such Underlying Equity in the applicable Pricing Supplement, 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:

- (i) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
  - (A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
    - (x) relating to the Underlying Equity on the Exchange; or
    - (y) in futures or options contracts relating to the Underlying Equity on any relevant Related Exchange; or
  - (B) any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Underlying Equities on the Exchange, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Underlying Equity on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

- (ii) the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

**“Redemption Amount”** means, in relation to an Equity Linked Note, the Redemption Amount specified in the applicable Pricing Supplement or, if no such amount is specified in the applicable Pricing Supplement, an amount calculated by the Calculation Agent equal to:

- (i) in the case of a Call Equity Linked Note:
  - (A) if the Reference Price, in relation to the Valuation Date specified for such Equity Linked Note in the applicable Pricing Supplement, is greater than the Strike Price:
$$\frac{\text{Reference Price}}{\text{Strike Price}} \times \text{Specified Amount}; \text{ or}$$
  - (B) if the Reference Price, in relation to the Valuation Date specified for such Equity Linked Note in the applicable Pricing Supplement, is equal to or less than the Strike Price:
$$100 \text{ per cent.} \times \text{Specified Amount}; \text{ or}$$
- (ii) in the case of a Put Equity Linked Note:
  - (A) if the Reference Price, in relation to the Valuation Date specified for such Equity Linked Note in the applicable Pricing Supplement, is less than the Strike Price:
$$100 \text{ per cent.} + \frac{\text{Strike Price} - \text{Reference Price}}{\text{Strike Price}} \times \text{Specified Amount}; \text{ or}$$

- (B) if the Reference Price, in relation to the Valuation Date specified for such Equity Linked Note in the applicable Pricing Supplement, is equal to or greater than the Strike Price:

100 per cent. x Specified Amount,

provided always that the Redemption Amount shall in no event be less than zero. The Redemption Amount will be rounded to the nearest two decimal places (or, in the case of Yen, the nearest whole unit) in the Specified Currency, 0.005 (or, in the case of Yen, half of one unit) being rounded upwards.

**“Reference Price”** means, in relation to a Valuation Date:

- (i) where the Notes are specified in the applicable Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement and that Valuation Date is not a Disrupted Day or if Disrupted Day is specified as not applying in the applicable Pricing Supplement, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the fair market buying price at the Valuation Time on that Valuation Date and the fair market selling price at the Valuation Time on that Valuation Date for the Underlying Equity based, at the Calculation Agent’s discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Equity or on such other factors as the Calculation Agent shall decide). The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applying in the applicable Pricing Supplement, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and
- (ii) where the Notes are specified in the applicable Pricing Supplement 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 Pricing Supplement, 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 Pricing Supplement, and that Valuation Date is not a Disrupted Day or if Disrupted Day is specified as not applying in the applicable Pricing Supplement, 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 Pricing Supplement. Each value determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applying in the applicable Pricing Supplement, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

**“Related Exchange”** means, in relation to an Underlying Equity, each exchange or quotation system specified as such in relation to such Underlying Equity in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such 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 Pricing Supplement, “Related Exchange” shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such 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 Pricing Supplement.

“**Underlying Equities**” and “**Underlying Equity**” mean, subject to adjustment in accordance with Condition 8(c), the equity securities or equity security specified as such in the applicable Pricing Supplement and related expressions shall be construed accordingly.

“**Valuation Date**” means the date or, in the case of Equity Linked Notes, each date specified as such in the applicable Pricing Supplement 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:

- (i) where the Notes are specified in the applicable Pricing Supplement 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 Pricing Supplement 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
- (ii) where the Notes are specified in the applicable Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date in relation to each Underlying Equity to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

(b) **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 Pricing Supplement will be redeemed by the Issuer (A) if Cash Settlement is specified as applying in the applicable Pricing Supplement, by payment of the Redemption Amount on the Maturity Date or (B) if Physical Delivery is specified as applying in the applicable Pricing Supplement, 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 Pricing Supplement, by payment of the Redemption Amount and/or by delivery of the Asset Amount on the terms set out in the applicable Pricing Supplement, in each case on the Maturity Date, in each case subject as provided below.

(c) **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**

- (i) If Potential Adjustment Events are specified as applying in the applicable Pricing Supplement, 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 (a) make the corresponding adjustment, if any, to any one or more of the relevant Interest Amount and/or the Redemption Amount and/or the 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 Pricing Supplement 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 (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 Equities traded on that options exchange.

Upon making any such adjustment, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 22, 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 Pricing Supplement and giving brief details of the Potential Adjustment Event.

For the purposes of this Condition 8(c)(i):

“**Potential Adjustment Event**” means any of the following:

- (A) 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;
- (B) 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;
- (C) an extraordinary dividend as determined by the Calculation Agent;
- (D) a call by an Equity Issuer in respect of relevant Underlying Equities that are not fully paid;

- (E) 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;
  - (F) 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
  - (G) any other event that has or may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Underlying Equities.
- (ii) If (x) De-listing, Merger Event, Nationalization and Insolvency is specified as applying in the applicable Pricing Supplement and/or (y) if Tender Offer is specified as applying in the applicable Pricing Supplement 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:
- (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the 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 Pricing Supplement 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
  - (B) give notice to the Noteholders in accordance with Condition 22 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 Condition 8(c)(ii)(A) apply the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Delisting, 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 Condition 22 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 8(c)(ii):

**“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.

- (iii) If Correction of Share Prices is specified as applying in the applicable Pricing Supplement 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 Pricing Supplement, 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.
- (iv) In respect of Equity Linked Notes relating to Underlying Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty establishing the European Community, as amended, if such Underlying Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, then the Calculation Agent will adjust any one or more of the relevant Interest Amount and/or the 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 Pricing Supplement 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 Condition 8(b)(iv) will affect the currency denomination of any payments in respect of the Notes.

## 9. FX Linked Notes

### (a) Definitions

For the purpose of this Condition 9:

**“Averaging Cut-Off Date”** means, in respect of an Averaging Date, the fifth FX Business Day immediately following the original date on which the final Averaging Date was scheduled to fall, or, if earlier, the FX Business 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 Averaging Date, provided that the Averaging Cut-Off Date shall not fall prior to the original date on which such final Averaging Date was scheduled to fall.

**“Averaging Date”** means each Averaging Date specified in the applicable Pricing Supplement, or, if that is not an FX Business Day the first following day which is an FX Business Day, or, if earlier the Averaging Cut-Off Date (such day, the **“Scheduled Averaging Date”** corresponding to such Averaging Date). If an Averaging Date falls on the Averaging Cut-Off Date, then, subject to the applicable Pricing Supplement, the next applicable Disruption Fallback specified as a consequence of an FX Market Disruption Event shall apply (as if an FX Market Disruption Event had occurred), or, if none is specified, Calculation Agent Calculation shall be deemed to apply.

**“Base Currency”** means the currency specified as such in the applicable Pricing Supplement.

**“Calculation Agent Determination”** means, in respect of a Currency Price and any relevant day, that such Currency Price for such relevant day (or a method for determining such Currency Price) will be determined by the Calculation Agent taking into consideration all available information that in good faith it deems relevant.

**“Currency Price”** means, in relation to each Note, as the case may be, the Currency Price specified in the applicable Pricing Supplement, or if not so specified in the applicable Pricing Supplement, in respect of each Subject Currency, an amount equal to the spot rate of exchange appearing on the FX Price Source at the Valuation Time on (a) if Averaging is not specified in the applicable Pricing Supplement, the Valuation Date or (b) if Averaging is specified in the applicable Pricing Supplement, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged).

**“Currency-Reference Dealers”** means, in respect of any relevant day, that the Calculation Agent will request each of the Reference Dealers to provide a quotation of its rate at which it will buy one unit of the Base Currency in units of the Subject Currency at the applicable Valuation Time on such relevant day. If, for any such rate, at least two quotations are provided, the relevant rate will be the arithmetic mean of the quotations. If fewer than two quotations are provided for any such rate, the relevant rate will be the arithmetic mean of the relevant rates quoted by major banks in the relevant market, selected by the Calculation Agent at or around the applicable Valuation Time on such relevant day.

**“Disruption Fallback”** means, in respect of a Currency Price, Calculation Agent Determination, Currency-Reference Dealers, EM Fallback Valuation Postponement, EM Valuation Postponement, Fallback Reference Price, Other Published Sources, Postponement and/or such other sources or methods specified as such or otherwise determined as an alternative basis for determining such Currency Price as may be provided in the applicable Pricing Supplement. The applicable Disruption Fallback in respect of a Currency Price shall be as specified in the applicable Pricing Supplement, and if two or more Disruption Fallbacks are specified, unless otherwise provided in the applicable Pricing Supplement, such Disruption Fallbacks shall apply in the order specified in the applicable

Pricing Supplement, such that if the Calculation Agent determines that the Currency Price cannot be determined by applying one Disruption Fallback, then the next Disruption Fallback specified shall apply.

**“Fallback Reference Price(s)”** means, in respect of a Currency Price, that the Currency Price for the relevant date will be the alternate price source(s) specified in the applicable Pricing Supplement for such Currency Price, applied in the order specified in the applicable Pricing Supplement.

**“FX Business Day”** means, in respect of a Currency Price, 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), or but for the occurrence of an FX Market Disruption Event in respect of such Currency Price would have settled payments and been open for general business, in each of the Specified Financial Centers for such Currency Price, as specified in the applicable Pricing Supplement.

**“FX Disrupted Day”** means any FX Business Day on which a FX Market Disruption Event occurs.

**“FX Market Disruption Event”** means:

- (i) in respect of a Currency Price, the occurrence or existence, as determined by the Calculation Agent in its sole and absolute discretion, of any FX Price Source Disruption and/or any FX Trading Suspension or Limitation and/or, if specified as applicable in the Pricing Supplement, any Inconvertibility Event and/or any other event specified as applicable in the applicable Pricing Supplement; and
- (ii) if the applicable Pricing Supplement provides that the EM Currency Provisions shall apply to a Currency Price, in respect of such Currency Price, the occurrence or existence, as determined by the Calculation Agent in its sole and absolute discretion, of any FX Price Source Disruption, Price Materiality Event and/or, if specified as applicable in the applicable Pricing Supplement, any Inconvertibility Event and/or Non-Transferability Event and/or any other event specified as applicable in the applicable Pricing Supplement.

**“FX Price Source(s)”** means, in respect of a Currency Price, the price source(s) specified in the applicable Pricing Supplement for such Currency Price, or if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

**“FX Price Source Disruption”** means it becomes impossible or otherwise impracticable to obtain and/or execute the relevant rate(s) required to calculate the Currency Price on the Averaging Date or Valuation Date or other relevant date, or, if different, the day on which rates for that Averaging Date or Valuation Date or other relevant date, as the case may be, would in the ordinary course be published or announced by the relevant FX Price Source.

**“FX Trading Suspension or Limitation”** means the suspension of and/or limitation of trading in the rate(s) required to calculate the relevant Currency Price in the Interbank Market provided that such suspension or limitation of trading is material in the opinion of the Calculation Agent.

**“Inconvertibility Event”** means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any action, event or circumstance whatsoever which, from a legal or practical perspective:

- (i) has the direct or indirect effect of hindering, limiting or restricting (i) the convertibility of the relevant Subject Currency into the Base Currency, or (ii) the transfer of the Subject Currency or the Base Currency to countries other than the countries for which the Subject Currency or the Base Currency, as the case may be, is the lawful currency(including without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions); and/or

- (ii) results in the unavailability of any relevant Base Currency or Subject Currency in the interbank foreign exchange market in any Specified Financial Centre(s) in accordance with normal commercial practice.

**“Interbank Market”** means the over-the-counter foreign exchange spot market open continuously from and including 5.00 a.m., Sydney time, on a Monday in any week to and including 5.00 p.m., New York time, on the Friday of such week.

**“Maximum Days of Postponement”** means five (5) FX Business Days or such other number of FX Business Days (or other type of days) as specified in the applicable Pricing Supplement.

**“Non-Transferability Event”** means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any event that generally makes it impossible to deliver (a) the Base Currency from accounts inside the Subject Currency Jurisdiction to accounts outside the Subject Currency Jurisdiction or (b) the Subject Currency between accounts inside the Subject Currency Jurisdiction or to a party that is a non-resident of the Subject Currency Jurisdiction.

**“Other Published Sources”** means, in respect of any relevant day, that the Calculation Agent will determine the Currency Price on such relevant day on the basis of the exchange rate for one unit of the Base Currency in terms of the Subject Currency published by available recognized financial information vendors (as selected by the Calculation Agent) other than the applicable FX Price Source, at or around the applicable Valuation Time on such relevant day.

**“Postponement”** means, in respect of a Valuation Date or an Averaging Date, if such day (or, if applicable, if the original day on which such Valuation Date or an Averaging Date, as the case may be, is scheduled to fall (as specified in the applicable Pricing Supplement) is postponed on account of such original day not being an FX Business Day, such postponed day) is an FX Disrupted Day, then:

- (i) where the FX Linked Notes relate to a single Currency Price, such Valuation Date or Averaging Date, as the case may be, shall be the first succeeding FX Business Day that is not an FX Disrupted Day, unless the Calculation Agent determines that each of the consecutive FX Business Days equal in number to the Maximum Days of Postponement immediately following such Scheduled Valuation Date or Scheduled Averaging Date, as the case may be, is an FX Disrupted Day. In that case, (i) that last consecutive FX Business Day shall be deemed to be the Valuation Date or the Averaging Date, as the case may be (notwithstanding the fact that such day may be an FX Disrupted Day) and (ii) the next applicable Disruption Fallback shall apply; or
- (ii) where the FX Linked Notes relate to a Basket of Currency Prices, such Valuation Date or Averaging Date, as the case may be, for each Currency Price not affected by the occurrence of an FX Disrupted Day shall be the Scheduled Valuation Date or Scheduled Averaging Date, as the case may be, and the Valuation Date for each Currency Price affected (each an **“Affected Currency Price”**) by the occurrence of an FX Disrupted Day shall be the first succeeding FX Business Day that is not an FX Disrupted Day relating to the Affected Currency Price, unless the Calculation Agent determines that each of the consecutive FX Business Days equal in number to the Maximum Days of Postponement immediately following such Scheduled Valuation Date or Scheduled Averaging Date, as the case may be, is an FX Disrupted Day. In that case for each Affected Currency Price, (i) that last consecutive FX Business Day shall be deemed to be the Valuation Date or the Averaging Date, as the case may be (notwithstanding the fact that such day may be an FX Disrupted Day) and (ii) the next applicable Disruption Fallback shall apply.

**“Price Materiality Event”** means, in respect of a Currency Price and a Valuation Date, Averaging Date or other relevant date, that the FX Price Source differs from the Fallback Reference Price by at least the Price Materiality Percentage (and if both an FX Price Source Disruption and a Price Materiality Event occur or exist on any day, it shall be deemed that an FX Price Source Disruption and not a Price Materiality Event occurred or existed on such day).

**“Price Materiality Percentage”** means the percentage specified as such in the applicable Pricing Supplement.

**“Reference Dealers”** means, in respect of each Subject Currency, four leading dealers in the relevant foreign exchange market, as determined by the Calculation Agent (or any other number of dealers as specified in the applicable Pricing Supplement).

**“Specified Financial Centre(s)”** means the financial centre(s) specified in the applicable Pricing Supplement.

**“Subject Currency”** means the currency specified as such in the applicable Pricing Supplement.

**“Subject Currency Jurisdiction”** means the country for which the Subject Currency is the lawful currency.

**“Valuation Cut-Off Date”** means, in respect of a Valuation Date, the fifth FX Business Day immediately following the original date on which such Valuation Date was scheduled to fall, or, if earlier, the FX Business 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:

- (i) if the applicable Pricing Supplement specifies that the EM Currency Provisions shall not apply to a Currency Price, each Valuation Date specified in the applicable Pricing Supplement or if that is not an FX Business Day the first following day which is an FX Business Day, or, if earlier the Valuation Cut-Off Date (such day, the **“Scheduled Valuation Date”** corresponding to such Valuation Date). If a Valuation Date falls on the Valuation Cut-Off Date, then, subject to the applicable Pricing Supplement, the first applicable Disruption Fallback specified as a consequence of an FX Market Disruption Event shall apply (as if an FX Market Disruption Event had occurred), or, if none is specified, Calculation Agent Determination shall be deemed to apply; or
- (ii) if the applicable Pricing Supplement specifies that the EM Currency Provisions shall apply to a Currency Price, each Valuation Date specified in the applicable Pricing Supplement (the **“Scheduled Valuation Date”** in respect of such Currency Price, if such day is an FX Business Day for such Currency Price, or if such day is not an FX Business Day only by reason of being an Unscheduled Holiday for such Currency Price), or the immediately preceding FX Business Day for such Currency Price, as determined by the Calculation Agent (the **“Scheduled Valuation Date”** in respect of such Currency Price, if such day is not an FX Business Day and is not an Unscheduled Holiday for such Currency Price), provided that such Valuation Date shall be subject to adjustment in accordance with Condition 9(c) and Condition 9(d).

**“Valuation Time”** means the Valuation Time specified in the applicable Pricing Supplement.

(b) ***Consequences of an FX Disrupted Day***

If the Calculation Agent determines that any Valuation Date or Averaging Date is an FX Disrupted Day, then the Currency Price for such Valuation Date or Averaging Date will be determined in accordance with the terms of the first applicable Disruption Fallback. The applicable Pricing Supplement may provide that one or more Disruption Fallbacks may apply to any Valuation Date or Averaging Date and that such applicable Disruption Fallbacks may apply concurrently or sequentially, in such manner as specified in the applicable Pricing Supplement.

(c) ***EM Currency Provisions: Unscheduled Holiday***

- (i) If the applicable Pricing Supplement provides that the EM Currency Provisions shall apply to a Currency Price or Fallback Reference Price, as applicable, and any Valuation Date or Averaging Date, and that Unscheduled Holidays shall be applicable, then, if the Calculation

Agent determines that the relevant Scheduled Valuation Date or Scheduled Averaging Date, as applicable (each, a “**Scheduled Reference Date**”), is an Unscheduled Holiday for such Currency Price or Fallback Reference Price, then the Valuation Date or Averaging Date shall be postponed to the first FX Business Day falling after the Scheduled Reference Date (the “**Adjusted Scheduled Reference Date**”), provided that if such first FX Business Day has not occurred on or before the last day of the Maximum Days of Deferral, then the next day after the Last Deferred Day that would have been an FX Business Day but for a Unscheduled Holiday shall be deemed to be the Adjusted Scheduled Reference Date.

(ii) The following terms and expressions shall have the following meanings:

“**Last Deferred Day**” means, in respect of any postponement by a number of days equal to the Maximum Days of Deferral, the last day to which such day is postponed.

“**Maximum Days of Deferral**” means such number of calendar days (or other type of days) as specified in the applicable Pricing Supplement.

“**Unscheduled Holiday**” means, in respect of a Currency Price or Fallback Reference Price, as applicable, a day that is not an FX Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9.00 a.m., local time in the Specified Financial Centre in respect of such Currency Price or Fallback Reference Price, two FX Business Days prior to such day.

(d) ***EM Currency Provisions: EM Valuation Postponement***

If the applicable Pricing Supplement provides that the EM Currency Provisions shall apply to a Currency Price (which term shall include, where the Pricing Supplement provides that the prior applicable Disruption Fallback is “Fallback Reference Price”, the Currency Price determined using the applicable Fallback Reference Price) and any Valuation Date or Averaging Date, and that EM Valuation Postponement shall be applicable, then, if the Calculation Agent determines that the relevant Scheduled Reference Date (if the Scheduled Reference Date is not an Unscheduled Holiday for the Currency Price) or the Adjusted Scheduled Reference Date (if the Scheduled Reference Date is an Unscheduled Holiday for the Currency Price) is an FX Disrupted Day, then such Valuation Date or Averaging Date shall be the first FX Business Day which is not an FX Disrupted Day unless an FX Market Disruption Event continues to exist (measured from such Scheduled Reference Date or Adjusted Scheduled Reference Rate, as applicable) for a consecutive number of calendar days equal to the Maximum Days of EM Valuation Postponement. In that case, the Currency Price will be determined on the next FX Business Day after the Maximum Days of EM Valuation Postponement in accordance with the next applicable Disruption Fallback as specified in the applicable Pricing Supplement.

Where “**Maximum Days of EM Valuation Postponement**” means such number of calendar days (or other type of days) as specified in the applicable Pricing Supplement.

(e) ***EM Currency Provisions: EM Fallback Valuation Postponement***

If the applicable Pricing Supplement provides that the EM Currency Provisions shall apply and that EM Fallback Valuation Postponement shall be applicable and where the Pricing Supplement provides that the prior applicable Disruption Fallback is “Fallback Reference Price”, if the Calculation Agent determines that the Currency Price (as determined by reference to the applicable Fallback Reference Price) is not available on (a) the first FX Business Day following the end of the Maximum Days of EM Valuation Postponement (where an FX Market Disruption Event has occurred or exists in respect of the Currency Price throughout the Maximum Days of EM Valuation Postponement) or (b) on the Adjusted Scheduled Reference Date (where the Adjusted Scheduled Reference Date falls after the Last Deferred Day) then the Valuation Date or Averaging Date shall be the first succeeding FX Business Day which is not an FX Disrupted Day in respect of the Currency Price unless an FX Market Disruption Event continues to exist throughout the Fallback Maximum Period of Postponement. In that case, the Currency Price will be determined on the Last Fallback Postponement Date in accordance with the next applicable Disruption Fallback.

Where:

**“Fallback Maximum Period of Postponement”** means the period commencing on, and including:

- (i) if an FX Market Disruption Event has occurred or exists in respect of the Currency Price throughout the Maximum Days of EM Valuation Postponement, the first FX Business Day following the end of the Maximum Days of EM Valuation Postponement; or
- (ii) if the Adjusted Scheduled Reference Date falls after the Last Deferred Day, the Adjusted Scheduled Reference Date,

and ending on, and including, the third FX Business Day (or such other day as specified in the applicable Pricing Supplement) following such date as specified in paragraphs (a) and (b) above, as applicable (such date, the **“Last Fallback Postponement Date”**).

(f) ***EM Currency Provisions: Cumulative Events***

If the applicable Pricing Supplement provides that the EM Currency Provisions shall apply to a Currency Price and any Valuation Date or Averaging Date, and that Cumulative Events shall be applicable, then the total number of consecutive calendar days during which (a) such Valuation Date or Averaging Date is deferred due to an Unscheduled Holiday, (b) an EM Valuation Postponement shall occur in respect of such Valuation Date or Averaging Date, or (c) an EM Fallback Valuation Postponement shall occur in respect of such Valuation Date or Averaging Date (or any combination of (a), (b) and (c)), shall not exceed the Maximum Days of Cumulative Postponement in the aggregate. Accordingly, (i) if such Valuation Date or Averaging Date is postponed by the number of calendar days equal to the Maximum Days of Cumulative Postponement owing to an EM Valuation Postponement or EM Fallback Valuation Postponement (or both), and an Unscheduled Holiday shall have occurred or be continuing on the day following the relevant Last Postponed Day that otherwise would have been an FX Business Day, then such day shall be deemed to be such Valuation Date or Averaging Date and (ii) if such Valuation Date or Averaging Date is postponed by the number of calendar days equal to the Maximum Days of Cumulative Postponement owing to Unscheduled Holidays, and on the first day after the Last Postponed Day, an applicable FX Market Disruption Event shall have occurred or be continuing, then the Currency Price in respect of such Valuation Date or Averaging Date or other relevant date shall be determined in accordance with the next applicable Disruption Fallback.

Where:

**“Last Postponed Day”** means, in respect of any postponement by a number of days equal to the Maximum Days of Cumulative Postponement, the last day to which such day is postponed; and

**“Maximum Days of Cumulative Postponement”** means such number of calendar days (or other type of days) as specified in the applicable Pricing Supplement.

(g) ***Corrections to Published and Displayed Rates***

- (i) In any case where a Currency Price is based on information obtained from the Reuters Monitor Money Rates Service, or any other financial information service, the Currency Price will be subject to the corrections, if any, to that information subsequently displayed by that source within one hour of the time when such rate is first displayed by such source, unless the Calculation Agent determines in its sole and absolute discretion that it is not practicable to take into account such correction.
- (ii) Notwithstanding Condition 9(g)(i), in any case where the Currency Price is based on information published or announced by any governmental authority in a relevant country, the Currency Price will be subject to the corrections, if any, to that information subsequently published or announced by that source within five calendar days of the relevant date, unless the Calculation Agent determines in its sole and absolute discretion that it is not practicable to take into account such correction.

(h) **Successor Currency**

Where the applicable Pricing Supplement specifies that “Successor Currency” is applicable in respect of a Currency Price, then:

- (i) each Subject Currency and Base Currency will be deemed to include any lawful successor currency to the Subject Currency or Base Currency (the “**Successor Currency**”);
- (ii) if the Calculation Agent determines that on or after the Issue Date (or such other date as specified in the applicable Pricing Supplement) but on or before any relevant date under the Notes on which an amount may be payable, a country has lawfully eliminated, converted, redenominated or exchanged its currency in effect on the Issue Date or any Successor Currency, as the case may be (the “**Original Currency**”) for a Successor Currency, then for the purposes of calculating any amounts of the Original Currency or effecting settlement thereof, any Original Currency amounts will be converted to the Successor Currency by multiplying the amount of Original Currency by a ratio of Successor Currency to Original Currency, which ratio will be calculated on the basis of the exchange rate set forth by the relevant country of the Original Currency for converting the Original Currency into the Successor Currency on the date on which the elimination, conversion, redenomination or exchange took place, as determined by the Calculation Agent. If there is more than one such date, the date closest to such relevant date will be selected (or such other date as may be selected by the Calculation Agent in its sole and absolute discretion);
- (iii) notwithstanding paragraph (ii) above but subject to paragraph (iv) below, the Calculation Agent may (to the extent permitted by the applicable law), in good faith and in its sole and absolute discretion, select such other exchange rate or other basis for the conversion of an amount of the Original Currency to the Successor Currency and, will make such adjustment(s) that it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Notes to account for such elimination, conversion, redenomination or exchange of the Subject Currency or Base Currency, as the case may be; and
- (iv) notwithstanding the foregoing provisions, with respect to any Subject Currency or Base Currency that is substituted or replaced by the Euro, the consequences of such substitution or replacement will be determined in accordance with applicable law.

(i) **Rebasing of Notes**

If the applicable Pricing Supplement specifies that “Rebasing” is applicable, then if, on or prior to any Valuation Date or Averaging Date or any other relevant date, the Calculation Agent is unable to obtain a value for a Subject Currency (because the Subject Currency and/or Base Currency ceases to exist, or for any other reason other than a temporary disruption, as determined by the Calculation Agent), the Calculation Agent may rebase the Notes against another foreign exchange rate determined by the Calculation Agent, in its sole and absolute discretion, to be a comparable foreign exchange rate. If the Calculation Agent determines in its sole and absolute discretion that there is no such a comparable foreign exchange rate, the Issuer may give notice to Holders in accordance with Condition 22 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.

**10. Fund Linked Notes**

(a) **General Definitions**

“**Averaging Date**” means, in respect of an Actual Exercise Date, each date specified as an Averaging Date in the applicable Pricing Supplement.

“**Valuation Date**” means each Valuation Date specified in the applicable Pricing Supplement.

(b) **Provisions relating to Funds other than Exchange Traded Funds**

Conditions 10(c), (d) and (e) apply in respect of Funds other than Exchange Traded Funds.

(c) **Definitions (Funds other than Exchange Traded Funds)**

**“Basket of Funds”** means a basket composed of Funds in the relative proportions or number of Funds, as specified in the applicable Pricing Supplement.

**“Fund”** means, subject to adjustment in accordance with these Conditions, each fund specified in the applicable Pricing Supplement 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 Pricing Supplement and related expressions shall be construed accordingly.

**“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.

(d) **Fund Events**

**“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 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.

Following the occurrence of a Fund Event, the Issuer may take the action described in (i) or (ii) below such 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 Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement, and thereafter determining to fix any determination date (including any Valuation 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 Condition 22, 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 Condition 22, 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.

(e) ***Fund Potential Adjustment Events***

“**Fund Potential Adjustment Event**” means any of the following:

- (a) 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;
- (b) 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;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) 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
- (e) 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 Pricing Supplement 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 Condition 22 stating the adjustment to any of the Conditions, and/or the applicable Pricing Supplement 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.

(f) **Provisions relating to Exchange Traded Funds**

The following provisions apply to Exchange Traded Funds:

**“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 Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement 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 applying in the applicable Pricing Supplement, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant price; provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of “Valuation Date” will apply for purposes of determining the relevant price on the final Averaging Date, as if such final Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if **“Postponement”** is specified as applying in the applicable Pricing Supplement, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the relevant price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if **“Modified Postponement”** is specified as applying in the applicable Pricing Supplement then:
  - (i) where the 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 subparagraph (a)(ii) of the definition of “Valuation Date” below;
  - (ii) where the Fund Linked Notes relate to a Basket of Funds and the applicable Pricing Supplement provides that “Common Scheduled Trading Days” shall not be 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 Pricing Supplement provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be 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 Pricing Supplement 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 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 Pricing Supplement provides that the Barrier Event (intraday) provisions shall apply, unless otherwise specified in the applicable Pricing Supplement, 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 Pricing Supplement provides that the Barrier Event (closing) provisions shall apply each day specified as such in the applicable Pricing Supplement.

**“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 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 Pricing Supplement.

**“Basket of Funds”** means a basket composed of Fund Shares in their relative proportions or number of Fund Shares, as specified in the applicable Pricing Supplement.

**“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 Pricing Supplement, 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 Pricing Supplement, 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.

**“Final Price”** means, in respect of a Fund Share, unless otherwise specified in the applicable Pricing Supplement, the Fund Share Closing Price of such Fund Share on the Valuation Date, subject to adjustment in accordance with these Conditions.

**“Fund Performance”** means unless otherwise specified in the applicable Pricing Supplement, 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 Pricing Supplement, 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 Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement, 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 Pricing Supplement 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 Pricing Supplement or, if not set out or if not practicable, determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Observation Cut-Off Date;
- (b) where the Fund Linked Notes relate to a Basket of Funds and the applicable Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement 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 Period**” means, in respect of a Fund Share:

- (a) if the consequence of “**Extension**” is specified in the applicable Pricing Supplement 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 Pricing Supplement, if applicable (and including or excluding such Observation Period Start Date, as specified in the applicable Pricing Supplement) 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 Pricing Supplement, if applicable (and including or excluding such Observation Period End Date, as specified in the applicable Pricing Supplement); or
- (b) if the consequence of “**No Extension**” is specified in the applicable Pricing Supplement 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 Pricing Supplement, if applicable (and including or excluding such Observation Period Start Date, as specified in the applicable Pricing Supplement) 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 Pricing Supplement, if applicable (and including or excluding such Observation Period End Date, as specified in the applicable Pricing Supplement).

“**Observation Period End Date**” means, in respect of a Fund Share, each date specified as such in the applicable Pricing Supplement, subject to adjustment in accordance with the provisions of

“Observation Date”, “Valuation Date” or otherwise as specified in the applicable Pricing Supplement, if applicable.

“**Observation Period Start Date**” means, in respect of a Fund Share, each date specified as such in the applicable Pricing Supplement, subject to adjustment in accordance with the provisions of “Observation Date”, “Valuation Date” or otherwise as specified in the applicable Pricing Supplement, if applicable.

“**Pricing Date**” means the date specified as such in the Pricing Supplement.

“**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 Pricing Supplement, 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 Pricing Supplement, “**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 Pricing Supplement.

“**Underlying Index**” means the underlying index specified in the applicable Pricing Supplement.

“**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 Pricing Supplement 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 Pricing Supplement 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 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 Pricing Supplement, 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 Pricing Supplement provides that “Common Scheduled Trading Days” shall be 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 Pricing Supplement or, if not set out or if not practicable, determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date;

- (b) where the Fund Linked Notes relate to a Basket of Funds and the applicable Pricing Supplement provides that “Common Scheduled Trading Days” shall not 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 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 Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement 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.

**“Worst Performing Fund Share”** means, in respect of a Basket of Funds and the Valuation Date (unless otherwise specified in the applicable Pricing Supplement), the Fund Share with the lowest Fund Performance on such day, as determined by the Calculation Agent (provided that if two or more Fund Shares have the same lowest Fund Performance on such day, the Calculation Agent shall determine which Fund Share shall be the Worst Performing Fund Share in its sole and absolute discretion, and such Fund Share shall be the Worst Performing Fund Share).

(g) ***Barrier Event***

**“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 specified in Condition 10(h) 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 (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.

(h) ***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 (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

- (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 Condition 22 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.

(i) **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 Pricing Supplement 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 Condition 22 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.

- (j) ***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 Pricing Supplement).

“**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 Pricing Supplement 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 Condition 22, 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 Pricing Supplement, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the 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 Pricing Supplement as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, 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 Condition 22 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.

## **11. Inflation Linked Notes**

### **(a) Definitions**

For the purpose of this Condition 11:

**“Cut-Off Date”** means, in respect of a Determination Date, five Business Days prior to such Determination Date, unless otherwise stated in the applicable Pricing Supplement.

**“Delayed Index Level Event”** means, in respect of any Determination Date and an Inflation Index, that the relevant Inflation Index Sponsor fails to publish or announce the level of such Inflation Index (the **“Relevant Level”**) in respect of any Reference Month which is to be utilized in any calculation or determination to be made by the Issuer in respect of such Determination Date, at any time on or prior to the Cut-Off Date.

**“Determination Date”** means each date specified as such in the applicable Pricing Supplement.

**“End Date”** means each date specified as such in the applicable Pricing Supplement.

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

**“Inflation Index”** means each inflation index specified in the applicable Pricing Supplement and related expressions shall be construed accordingly.

**“Inflation Index Sponsor”** means, in relation to an Inflation Index, the entity that publishes or announces (directly or through an agent) the level of such Inflation Index which, as of the Issue Date, is the Inflation Index Sponsor specified in the applicable Pricing Supplement.

**“Reference Month”** means the calendar month for which the level of the Inflation Index was reported, regardless of when this information is published or announced. If the period for which the level of the Inflation Index was reported is a period other than a month, the Reference Month shall be the period for which the level of the Inflation Index was reported.

**“Related Bond”** means, in respect of an Inflation Index, the bond specified as such in the applicable Pricing Supplement. If the Related Bond specified in the applicable Pricing Supplement is “Fallback Bond”, then, for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Pricing Supplement as the Related Bond and “Fallback Bond: Not Applicable” is specified in the applicable Pricing Supplement there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Pricing Supplement and that bond redeems or matures before the End Date, unless “Fallback Bond: Not Applicable” is specified in the applicable Pricing Supplement, the Calculation Agent shall use the Fallback Bond for any Related Bond determination.

(b) ***Inflation Index Adjustments***

(i) Delay in Publication

Subject to Condition 11(b)(ii), if the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Determination Date, then the Relevant Level for such Inflation Index the subject of such Delayed Index Level Event (the **“Substitute Index Level”**) shall be determined by the Calculation Agent as follows:

- (a) if Related Bond is specified as applicable for such Inflation Index in the applicable Pricing Supplement, the Calculation Agent shall determine the Substitute Index Level by reference to the corresponding index level determined under the terms and conditions of the relevant Related Bond; or
- (b) if (A) Related Bond is not specified as applicable for such Inflation Index in the applicable Pricing Supplement, or (B) the Calculation Agent is not able to determine a Substitute Index Level under (i) above, the Calculation Agent shall determine the Substitute Index Level by reference to the following formula:

$$\text{Substitute Index Level} = \text{Base Level} \times (\text{Latest Level}/\text{Reference Level})$$

where:

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

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

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

The Issuer shall give notice to Holders in accordance with Condition 22 of any Substitute Index Level calculated pursuant to this Condition 11.

(ii) Cessation of Publication

If a level for the Inflation Index has not been published or announced for two consecutive months or the Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index then the Calculation Agent shall determine a successor index (in lieu of any previously

applicable Inflation Index) for the purposes of the Inflation Linked Notes by using the following methodology:

- (a) if, at any time, a successor index has been designated by the Calculation Agent pursuant to the terms and conditions of the Related Bond, such successor index shall be designated a "Successor Index" notwithstanding that any other Successor Index may previously have been determined under paragraphs (b), (c) or (d) below; or
  - (b) if a Successor Index has not been determined pursuant to Condition 11(b)(ii)(a) and a notice has been given or an announcement has been made by the Inflation Index Sponsor, specifying that the Inflation Index will be superseded by a replacement Inflation Index specified by the Inflation Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, such replacement index shall be the Inflation Index for purposes of the Inflation Linked Notes from the date that such replacement Inflation Index comes into effect; or
  - (c) if a Successor Index has not been determined pursuant to paragraph (a) or paragraph (b) above, the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index". If three responses are received, and two or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index". If fewer than three responses are received, the Calculation Agent will proceed to paragraph (d) below; or
  - (d) if no replacement index or Successor Inflation Index has been deemed under paragraphs (a), (b) or (c) above, by the next occurring Cut-Off Date the Calculation Agent will determine an appropriate alternative index from such Cut-Off Date, and such index will be deemed a "**Successor Inflation Index**"; or
  - (e) if the Calculation Agent determines that there is no appropriate alternative index, the Issuer shall give notice to the Holders in accordance with Condition 22 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; or
- (iii) Rebasing of the Inflation Index

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the level of the Inflation Index from the date of such rebasing; provided, however, that the Calculation Agent shall make adjustments as are made by the calculation agent pursuant to the terms and conditions of the Related Bond, if Related Bond is specified as applicable in the applicable Pricing Supplement, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased, or, if Related Bond is not specified as applicable in the applicable Pricing Supplement the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased.

- (iv) Material Modification Prior to Last Occurring Cut-Off

If, on or prior to the last occurring Cut-Off Date, the Inflation Index Sponsor announces that it will make a material change to the Inflation Index then the Calculation Agent shall make any such adjustments, if Related Bond is specified as applicable in the applicable Pricing Supplement, consistent with adjustments made to the Related Bond, or, if Related Bond is not specified as applicable in the applicable Pricing Supplement, only those adjustments to the Inflation Index necessary for the modified Inflation Index to continue as the Inflation Index.

## 12. Preference Share Linked Notes

### (a) Definitions

For the purposes of this Condition 12:

**“Early Redemption Amount”** means, in respect of a 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 Pricing Supplement, except that the definition of Preference Share Value<sub>final</sub> shall be the Preference Share Value on the Early Redemption Valuation Date.

**“Early Redemption Event”** means that the Issuer or any of its affiliates has received notice from the Preference Share Issuer that the Preference Shares are to be redeemed early.

**“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 Note 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 Notice”** means a notice from the Preference Share Issuer that the Preference Shares are to be redeemed early.

**“Early Redemption Valuation Date”** means the second Business Day immediately preceding the date for early redemption of the Preference Share-Linked Notes.

**“Extraordinary Event”** means a Merger Event, Nationalization, a Tender Offer and/or Insolvency or such other event specified as such in the applicable Pricing Supplement.

**“Final Valuation Date”** means the date specified as such in the applicable Pricing Supplement or, if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Final Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent.

**“Initial Valuation Date”** means the Issue Date or, if the date for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Initial Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent.

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Preference Share Issuer (A) all the Preference Shares are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Preference Shares 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 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 of 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 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 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 other 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 Maturity Date.

**“Nationalization”** means that all the Preference Shares or all or substantially all the assets of the Preference Share Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**“Preference Share Issuer”** has the meaning specified in the applicable Pricing Supplement.

**“Preference Shares”** means the preference shares of the Preference Share Issuer, each as specified in the applicable Pricing Supplement.

**“Preference Share Value”** means, in respect of any day, the market value of Preference Share at the Valuation Time on such day as determined by the Calculation Agent.

**“Preference Share Value<sub>early</sub>”** means the Preference Share Value on the Early Redemption Valuation Date.”

**“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 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.

**“Valuation Time”** has the meaning given to it in the applicable Pricing Supplement or if not set out in the applicable Pricing Supplement, immediately following the time at which the final preference share redemption amount in respect of the Preference Shares is determined.

(b) ***Redemption of Preference Share-Linked Notes***

Unless previously redeemed or purchased and cancelled, each Preference Share Linked Note will be redeemed by the Issuer on the Maturity Date by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

(c) ***Early Redemption for Taxation Reasons***

If the Preference Share Linked Notes are redeemed pursuant to Condition 5(c), each Preference Share Linked Note shall be redeemed at the Early Redemption Amount.

(d) ***Call Option***

If Call Option is specified in the applicable Pricing Supplement as being applicable the provisions of Condition 5(d) shall apply to the Preference Share Linked Notes as if the words “in whole or, if so specified in the applicable Pricing Supplement, in part” in the second and third lines were replaced with the words “in whole (but not in part)”.

(e) **Early Redemption of Preference Share-Linked Notes**

Upon the occurrence of an Early Redemption Event, the Issuer may give notice to the Noteholders in accordance with Condition 22 and will redeem all (but not some only) of the Preference Share Linked Notes on the tenth Business Day immediately preceding the Early Preference Share Redemption Date (as specified in the Early Preference Share Redemption Notice), each Preference Share Linked Note to be redeemed by payment of the Early Preference Share Redemption Note Amount.

(f) **Extraordinary Events**

If, in the determination of the Calculation Agent, an Extraordinary Event occurs, the Issuer may (but is not obliged to) give notice to the Noteholders in accordance with Condition 22 and redeem all, but not some only, of the Preference Share-Linked Notes, each Preference Share-Linked Note being redeemed at the Early Redemption Amount on the tenth Business Day immediately following the date on which such determination is made by the Calculation Agent.

(g) **Additional Disruption Events**

If, in the determination of the Calculation Agent, an Additional Disruption Event occurs, the Issuer may (but is not obliged to) give notice to Noteholders in accordance with Condition 22 and redeem all, but not some only, of the Preference Share Linked Notes, each Preference Share Linked Note being redeemed at the Early Redemption Amount on the tenth Business Day immediately following the date on which such determination is made by the Calculation Agent.

(h) **Payments – General Provisions**

Condition 15(f) shall not apply to the Preference Share-Linked Notes.

(i) **Calculations and Determinations**

The Calculation Agent will make the calculations and determinations as described in this Condition 12 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 in respect of the Preference Share Linked Notes).

Notwithstanding that certain calculations, determinations and adjustments in this Condition 12 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 this Condition 12 the Calculation Agent has a number of discretions. These are necessary since in certain circumstances it is not reasonably practicable or otherwise not appropriate for certain valuations to be carried out in relation to relevant reference assets and, in these circumstances, the Calculation Agent also may exercise certain discretions.

(j) **Rounding:** The second paragraph of Condition 4(j) shall not apply to the Preference Share-Linked Notes.

**13. Additional Disruption Events**

(a) **Additional Disruption Events**

If Additional Disruption Events are specified as applicable in the applicable Pricing Supplement, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may:

(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 Pricing Supplement to account for the Additional Disruption Event and determine the effective date of that adjustment; or

- (ii) give notice to the Noteholders in accordance with Condition 22 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 on the tenth Business Day immediately following the date on which such determination is made by the Calculation Agent.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 22 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

(b) ***Consequences of an Additional Disruption Event***

If the applicable Pricing Supplement specifies that Additional Disruption Events shall be applicable, then:

- (a) following the determination by the Calculation Agent that an Additional Disruption Event has occurred, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
  - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of the Conditions and/or the applicable Pricing Supplement to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) give notice to Holders in accordance with Condition 22 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; or
- (b) upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 22 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; and

If the Notes are Commodity Linked Notes and Additional Disruption Events are specified as applicable in the applicable Pricing Supplement, the action to be taken if an Additional Disruption Event occurs will be specified in the applicable Pricing Supplement.

(c) ***Definitions applicable to Additional Disruption Events***

“**Additional Disruption Event**” means with respect to any Series of Notes any of (i) Change in Law, (ii) (in the case of Fund Linked Notes) Fund Hedging Disruption, (iii) Hedging Disruption, (iv) Increased Cost of Hedging, (v) (in the case of Equity Linked Notes and Preference Share Linked Notes only) Insolvency Filing, and/or (vi) (in the case of Equity Linked Notes or Index Linked Notes) Increased Cost of Stock Borrow and/or Loss of Stock Borrow, and any further event of events as may be specified in the applicable Pricing Supplement, in each case if specified as applicable in the applicable Pricing Supplement.

“**Change in Law**” means that, on or after the Trade Date (or such other date as specified in the applicable Pricing Supplement) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of any relevant Underlying Equity (in the case of Equity Linked Notes) or any relevant security/commodity comprised in an Index (in the case of Index Linked Notes), Fund Share or Fund Interest (in the case of Fund Linked Notes), currency (in the case of FX Linked Notes) or asset or any Preference Share or (Y) the Issuer or any Affiliate(s) of the Issuer will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due

to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates).

**“Fund 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).

**“Hedging Disruption”** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity, currency (in the case of FX Linked Notes) 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).

**“Hedging Shares”** means the number of Underlying Equities (in the case of Equity Linked Notes) or securities/commodities comprised in an Index (in the case of Index Linked Notes) that the Calculation Agent deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes.

**“Increased Cost of Hedging”** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity, currency (in the case of FX Linked Notes), the risk of entering into and performing its obligations with respect to the Preference Share (in the case of Preference Share Linked Notes), price risk relating to any Fund Interest of the Issuer (in the case of Fund Linked Notes) 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.

**“Increased Cost of Stock Borrow”** means that the Issuer and/or any of its Affiliates would incur a rate to borrow any Underlying Equity (in the case of Equity Linked Notes) or any security/commodity comprised in an Index (in the case of Index Linked Notes) that is greater than the Initial Stock Loan Rate.

**“Initial Stock Loan Rate”** means, in respect of an Underlying Equity (in the case of Equity Linked Notes) or a security/commodity comprised in an Index (in the case of Index Linked Notes), the Initial Stock Loan Rate specified in relation to such Underlying Equity, security or commodity in the applicable Pricing Supplement.

**“Insolvency Filing”** means that an Equity Issuer or Preference Share Issuer, as applicable, 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 or the Preference Share Issuer, as applicable, shall not be deemed an Insolvency Filing.

**“Loss of Stock Borrow”** means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Underlying Equity (in the case of Equity Linked Notes) or any securities/commodities comprised in an Index (in the case of Index Linked Notes) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

**“Maximum Stock Loan Rate”** means, in respect of an Underlying Equity (in the case of Equity Linked Notes) or a security/commodity comprised in an Index (in the case of Index Linked Notes), the Maximum Stock Loan Rate specified in the applicable Pricing Supplement.

#### **14. Physical Delivery**

##### **(a) Interpretation**

The following provisions apply to Notes where Physical Delivery is specified in the applicable Pricing Supplement.

##### **(b) 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 Pricing Supplement 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 Condition 22.

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 Pricing Supplement 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 Pricing Supplement;

- (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 Pricing Supplement 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 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 this Condition, 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 this Condition, 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 90<sup>th</sup> 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).

(c) **Settlement Disruption Event**

If, prior to the delivery of the Asset Amount in accordance with this Condition, 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 Condition 22. 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 Condition 14. Where delivery of the Asset Amount has been postponed as provided in this paragraph the Issuer shall not be in breach of these 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 settlement 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 Condition 22. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 22.

For the purposes of this Condition 14(c):

**"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 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 Conditions and/or the applicable Pricing Supplement is not practicable.

(d) **Failure to Deliver due to Illiquidity**

If Failure to Deliver due to Illiquidity is specified as applying in the applicable Pricing Supplement and, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets comprising the 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 Conditions and/or the applicable Pricing Supplement, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Delivery Date in accordance with this Condition 14; 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 Condition 22. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 22. The Issuer shall give notice (such notice a “**Failure to Deliver Notice**”) as soon as reasonably practicable to the Noteholders in accordance with Condition 22 that the provisions of this Condition 14(d) apply.

(e) **Option to Vary Settlement**

If the applicable Pricing Supplement 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 Condition 22.

In these 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.

## 15. **Payments and Talons**

(a) **Bearer Notes**

- (i) Payments of principal (or, as the case may be, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts or Autocall Cash Settlement Amounts) and interest in respect of Bearer Notes (other than Dual Currency Notes) shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 15(h)(v)) or Coupons (in the case of interest, save as specified in Condition 15(h)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the Holder, by credit or transfer to an account denominated in that currency maintained by or as directed by the Holder with, a bank in the principal financial centre of that currency, provided that:
  - a. payments in a currency other than euro or U.S. dollars will be made by credit or transfer to an account in the relevant currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or at the option of the payee by a cheque in such currency drawn on, a bank in the principal financial centre of the country of such

currency (which, if the 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 euro cheque; and
  - c. payments in U.S. dollars, except as provided by Condition 15(c), shall be made by credit or transfer to a U.S. dollar account outside the United States specified by the payee.
- (ii) The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of a Note without the relevant Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.
  - (iii) A cheque may not be delivered to an address in, and an amount may not be transferred to an account at a bank located in, the United States of America or its possessions by any office or agency of the Issuer, the Fiscal Agent or any Paying Agent except as provided by Condition 15(c).

(b) **Registered Notes**

- (i) Payments of principal (which for the purposes of this Condition 15(b) shall include final Instalment Amounts but not other Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts or Autocall Cash Settlement Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 15(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register (i) in relation to Registered Notes in global form, at the close of business on the first Business Day before the due date for payment thereof or (ii) in relation to Registered Notes in definitive form at the close of business on the 15th day before the due date for payment thereof or (iii) in the case of Registered Notes to be cleared through DTC, on the 15th DTC Business Day before the due date for payment thereof (each the “**Record Date**”). “**DTC Business Day**” means any day on which DTC is open for business.
- (iii) Save as provided in paragraph (iv) below, payments of interest and principal on each Registered Note, will be made in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned (which, if the currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) and mailed to the Holder (or to the first named of joint Holders) of such Note at its address appearing in the Register. Upon application by the Holder to the specified office of the Registrar or any Transfer Agent before the Record Date:
  - a. payments in a currency other than euro may be made by credit or transfer to an account in the relevant currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by or as directed by the Holder with a bank in the principal financial centre of the country of such currency (which, if the currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively); and
  - b. payments in euro may be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

- (iv) Payments of principal and interest in respect of Registered Notes registered in the name of, or in the name of a nominee for, DTC and payable in a currency other than U.S. dollars will be made or procured to be made by the Fiscal Agent in such currency in accordance with the following provisions. The amounts in such currency payable by the Fiscal Agent or its agent to DTC or DTC's nominee with respect to Registered Notes held by DTC or DTC's nominee will be received from the Issuer by the Fiscal Agent who will make payments in such currency by wire transfer of same day funds to, in the case of Notes registered in the name of DTC's nominee, to such nominee, or otherwise to the designated bank account in such currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third DTC Business Day after the Record Date for the relevant payment of interest and, in the case of payments or principal, at least 12 DTC Business Days prior to the relevant payment date, to receive that payment in such currency. The Fiscal Agent, after an exchange agent has converted amounts in such currency into U.S. dollars, will cause such exchange agent to deliver such U.S. dollar amount in same day funds to DTC's nominee for payment through the DTC settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such currency. The Agency Agreement sets out the manner in which such conversions are to be made.

(c) ***Payments in the United States***

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) ***Payments Subject to Fiscal Laws***

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 16 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code or otherwise imposed pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 16 (*Taxation*)) any law implementing an intergovernmental approach thereto.

(e) ***Unavailable Currency***

This Condition 15(e) does not apply to FX Linked Notes. Unless specified otherwise in the applicable Pricing Supplement, 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.

(f) ***Appointment of Agents***

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agents initially appointed by the Issuer and their respective specified offices are indicated in the applicable Pricing Supplement. 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 reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agents and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least one major continental European city (which shall be Luxembourg so long as the Notes are admitted to trading on the Euro MTF and, if the Notes are listed on another stock exchange, in the city where such stock exchange is located), and (vi) such other agents as may be required by the rules of any stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change in the identity of the Fiscal Agent, other Paying Agent, Registrar, Transfer Agents or Calculation Agent or any change of any specified office of any such persons shall promptly be given to the Noteholders in accordance with Condition 22.

(g) ***Unmatured Coupons and Receipts and unexchanged Talons***

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes, Reference Item Linked Notes or Notes with customized interest rate provisions and as specified in the applicable Pricing Supplement), the Bearer Note should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of two years (in the case where the relevant Notes are governed by Ontario Law (as defined in Condition 25) or five years (in the case where the relevant Notes are governed by English law) from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 17).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note, Reference Item Linked Note or a Note with customized interest rate provisions and as specified in the applicable Pricing Supplement, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iv) Where any Bearer Note that provides that the related unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons and any unexpired Talon relating to it, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement

Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be (together with, if applicable, unmatured Coupons pursuant to Condition 15(h)(i)). Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

- (vi) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(h) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 17).

(i) **Non-Business Days**

Unless otherwise provided in the applicable Pricing Supplement, if any date for payment in respect of any Note, Receipt or Coupon is not a business day, the Holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) 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 relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” in the applicable Pricing Supplement and:

- (i) in the case of a payment in a Specified Currency other than euro, where payment is to be made by transfer to an account maintained with a bank in the Specified Currency, on which foreign exchange transactions may be carried on in the Specified Currency in the principal financial centre of the country of such currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively), or
- (ii) in the case of a payment in euro, which is a TARGET2 Business Day.

(j) **Interpretation of Principal and Interest**

Any reference in these Conditions to “**principal**” in respect of the Notes shall be deemed to include, as applicable:

- (i) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes;
- (ii) any additional amounts which may be payable with respect to principal under Condition 16(a);
- (iii) all Instalment Amounts (in relation to Notes redeemable in instalments), Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Autocall Cash Settlement Amounts, Amortized Face Amounts (in relation to Zero Coupon Notes) and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it;
- (iv) in relation to Equity Linked Notes, the Failure to Deliver Settlement Price (if any); and
- (v) in relation to Equity Linked Notes, the Disruption Cash Settlement Price (if any).

Any reference in these Conditions to “**interest**” in respect of the Notes shall be deemed to include, as applicable, all Interest Amounts and all other amounts payable pursuant to Condition 4 or any

amendment or supplement to it and any additional amounts which may be payable with respect to interest under Condition 16(a).

(k) **Set-off**

Any payments under or pursuant to the Definitive N Registered Notes shall be made by the Issuer free of set-off and withholding if and to the extent so specified in the applicable Pricing Supplement.

**16. Taxation**

- (a) 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:
- (i) to, or to a third party on behalf of, a Holder who is liable to 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
  - (ii) 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 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
  - (iii) 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 with whom CIBC is not dealing at arm's length (within the meaning of the Income Tax Act (Canada)); or
  - (iv) 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 30<sup>th</sup> such day, assuming that day to have been a Payment Date; or
  - (v) in respect of a debt or other obligation to pay an amount to a person with whom the applicable payor is not dealing at arm's length within the meaning of the Income Tax Act (Canada); or
  - (vi) 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.
- (b) 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.

- (c) If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to Canada or the country in which the relevant Branch of Account is located, references in these Conditions to Canada or the country in which the relevant Branch of Account is located shall be read and construed as references to Canada or the country in which such branch is located and/or to such other jurisdiction(s).

## 17. 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 or German law) or (c) five years (in the case of claims in respect of interest where the relevant Notes are governed by English or German law) from the appropriate Relevant Date in respect of them.

## 18. 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, 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 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 CIBC which issued such Note.

Holder may only exercise, or direct the exercise of, their rights under this Condition 18 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 Condition 18 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.

## 19. Meetings of Noteholders and Modifications

### (a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders of a Series 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 Nominal 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 Nominal Amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the Nominal 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, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the Nominal Amount of, or any Instalment 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, Instalment Amount, Early Redemption Amount or Redemption Amount is specified in the applicable Pricing Supplement, 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, Optional Redemption Amounts or Autocall Cash Settlement Amounts, including the method of calculating the Amortized Face Amount, (vi) subject to any applicable redenomination provisions specified in the applicable Pricing Supplement, 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 Nominal 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 Nominal 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 consent or approval of the Noteholders shall not be required in the case of amendments to the Conditions pursuant to Condition 4(o) 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 Condition 4(o), where the Issuer has delivered to the Fiscal Agent a certificate pursuant to Condition 4(o)(v).

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.

**(b) 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 Condition 19(c), (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.

**(c) 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 minimum TLAC, 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, Couponholder and Receiptholder 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 Condition 18 to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and the events listed in Condition 18 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 Condition 19(c) “**Subsidiary**” has the meaning provided in the Bank Act.

(d) **Branch of Account**

CIBC 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:

- (i) if this Note is denominated in Yen, the Branch of Account shall not be in Japan;
- (ii) CIBC shall indemnify each Noteholder, Couponholder and Receiptholder 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
- (iii) notwithstanding (ii) above, no change of the Branch of Account may be made unless immediately after giving effect to such change (a) 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 (b) 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 CIBC, 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.

## **20. Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **21. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes or the same in all respects save for the Issue Date and amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

## **22. Notices**

Notices to the Holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the seventh weekday (being a day other than a Saturday or a Sunday) after the date of mailing and, if and for so long as the Notes are listed on the Luxembourg Stock Exchange, such notices shall also be published in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Luxembourger Wort*) or on the Luxembourg Stock Exchange’s website at [www.bourse.lu](http://www.bourse.lu).

Notices to the Holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Luxembourger Wort*) or on the Luxembourg Stock Exchange’s website at [www.bourse.lu](http://www.bourse.lu). The Issuer shall also ensure that notices are duly published in the manner which complies with the rules and regulations of any other stock exchange on which the Notes are, for the time being, listed or other applicable authority to which it is subject. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes in accordance with this Condition.

## **23. Currency Indemnity**

Save as provided in Condition 9 and Condition 15, 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.

#### **24. 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.

#### **25. Governing Law and Jurisdiction**

- (a) Other than in relation to Definitive N Registered Notes, unless otherwise specified in the applicable Pricing Supplement, the Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, Ontario Law.
- (b) Definitive N Registered Notes will be governed by, and shall be construed in accordance with German law, as specified in the applicable Pricing Supplement except that the provisions of Condition 3(b) are governed by, and shall be construed in accordance with, Ontario Law.
- (c) If specified in the applicable Pricing Supplement, 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 Condition 3(b) are governed by, and shall be construed in accordance with, Ontario Law.
- (d) 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 Pricing Supplement 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 CIBC World Markets plc 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 Condition 22. Nothing shall affect the right to serve process in any manner permitted by law.

#### **26. 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.

## 27. Terms and Conditions of Definitive N Registered Notes

- (a) *Generally.* If in the applicable Pricing Supplement it is specified that Definitive N Registered Notes are issued, then the following terms and conditions shall apply in addition to the terms and conditions set out in Conditions 1 until and including Condition 25 above. In the event of any inconsistency between Conditions 1 until and including Condition 25 and this Condition 26, this Condition 26 will prevail with regard to Definitive N Registered Notes.
- (b) *Interpretation.* For the purposes of this Condition 26, “**Holder**” means the registered holder of a Definitive N Registered Note. Any reference herein to Holder in plural form shall constitute a reference to Holder in singular form. Any reference herein to Definitive N Registered Notes includes, unless the context otherwise requires, any new Definitive N Registered Note that has been issued upon transfer of a Definitive N Registered Note. With respect to Definitive N Registered Notes, any applicable reference herein to Notes, Definitive Note, or Definitive N Registered Notes in plural form shall constitute a reference to Note, Definitive Note or Definitive N Registered Note in singular form. All grammatical and other changes required by the use of the singular form shall be deemed to have been made herein and the provisions hereof shall be applied so as to give effect to such change.
- (c) *Currency and Principal Amount.* Definitive N Registered Notes may be issued by the Issuer in a specified currency and in a principal amount as specified in the applicable Pricing Supplement.
- (d) *Form.* Each Definitive N Registered Note will be issued in registered form and signed manually by one authorized signatory of the Issuer and authenticated manually by or on behalf of the Registrar.
- (e) *Payment.* Payment of principal and interest in respect of a Definitive N Registered Note shall be made on the respective due date thereof to the person shown on the Register as Holder of such Definitive N Registered Note at the close of business on the fifteenth (15<sup>th</sup>) calendar day before such date (the “**N Note Record Date**”). Payments of principal and interest on each Definitive N Registered Note shall be made in the Specified Currency in which such payments are due by transfer to an account in the Specified Currency maintained by the payee with a bank in the principal financial centre of the country of that currency. The Holder shall surrender the Definitive N Registered Certificate to the Issuer upon payment of principal and interest in full.
- (f) *Transfer.*
  - (i) Any transfer of the Holder claims evidenced by a Definitive N Registered Certificate and title to a Definitive N Registered Note shall be in the form of an assignment (*Abtretung*) in written form and registration in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, any applicable Agents and the Registrar shall deem and treat the registered Holder of a Definitive N Registered Note as the absolute Holder thereof and of the rights evidenced thereby for all purposes.
  - (ii) The rights of the Holder evidenced by a Definitive N Registered Certificate and title to a Definitive N Registered Note itself may be transferred in whole or in part upon the surrender of a Definitive N Registered Certificate, together with the form of assignment and notification endorsed on it duly completed and executed, at the specified office of the Registrar. In the case of a transfer of a Definitive N Registered Note in whole and upon surrender of the relevant Definitive N Registered Certificate, a new Definitive N Registered Certificate will be issued to the transferee upon request of the transferee. In the case of a transfer of part only of a Definitive N Registered Note and upon surrender of the relevant Definitive N Registered Certificate, a new

Definitive N Registered Certificate in respect of the amount transferred will be issued to the transferee and a new Definitive N Registered Certificate in respect of the remaining amount will be issued to the transferor. Any transfer of part only of a Definitive N Registered Note is permitted only for a minimum nominal amount or an integral multiple thereof if so specified in the relevant Pricing Supplement.

- (iii) Each new Definitive N Registered Certificate to be issued upon transfer of a Definitive N Registered Note will, within seven business days (being a day other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar) of delivery of such Definitive N Registered Certificate and the duly completed and executed form of assignment and notification, be available for collection at the specified office of the Registrar or, at the request of the Holder making such delivery and as specified in the relevant form of assignment, be mailed at the risk of the new Holder entitled to the new Definitive N Registered Certificate to such address as may be specified in the form of assignment.
- (iv) Transfers will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment (or the giving of such indemnity as may be required from the Issuer, any applicable Agents or the Registrar) in respect of any tax, duty or other charges which may be imposed in relation to it.
- (v) The Holder may not require the transfer of a Definitive N Registered Note to be registered (i) during the period from and including the 15<sup>th</sup> Business Day prior to the due date for any payment of principal (for the purposes of this subparagraph only, the “**Due Date**”) to, and including, the Due Date, (ii) during the period from and including the 15<sup>th</sup> Business Day prior to any date on which a Definitive N Registered Note may be redeemed at the option of the Issuer (for the purposes of this subparagraph only, the “**Redemption Day**”) to, and including, the Redemption Day or (iii) after the Definitive N Registered Note has been called for redemption in whole or in part.

(g) *Applicable Law. Place of Jurisdiction. Process Agent.*

Unless otherwise specified in the applicable Pricing Supplement:

- (i) the Definitive N Registered Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law; and
- (ii) the District Court (*Landgericht*) in Frankfurt am Main shall have nonexclusive jurisdiction for any Proceedings arising out of or in connection with the Definitive N Registered Notes.

For any Proceedings before German courts, the Issuer has appointed Wilmington Trust SP Services (Frankfurt) GmbH, as its authorized agent for service of process in Germany.

(h) *Modification of Definitive N Registered Note without Holders' consent:*

- (i) The Issuer may, without the consent of the Holders, correct any manifest, clerical or calculation errors or similar manifest incorrectness in the Conditions (in particular in the Pricing Supplement). A clerical or calculation error or similar incorrectness shall be deemed manifest if a Holder who is well-informed in the relevant type of securities is able to perceive such error, especially when taking into account the issue price and the further factors that determine the value of the Definitive N Registered Notes. Any corrections within the meaning of this paragraph h(i) shall be effective and binding upon notification to the Holders in accordance with Condition 22 (*Notices*).
- (ii) In addition, the Issuer may, without the consent of the Holders, amend or supplement at its reasonable discretion (*billiges Ermessen*, § 315 of the German Civil Code (“**BGB**”)) any contradictory or incomplete provisions of the Conditions, provided that only amendments and supplements which are reasonably acceptable to the Holder having regard to their interests shall be permitted, namely those which do not

materially prejudice the interests of the Holders or which when read together with the other information included in the Offering Memorandum and the relevant Pricing Supplement are manifest within the meaning of paragraph (i). Any corrections within the meaning of this paragraph (ii) shall be effective and binding upon notification to the Holders in accordance with Condition 22 (*Notices*).

- (iii) In the event of a correction pursuant to paragraph (i) or an amendment or supplement pursuant to paragraph (ii), that adversely affects a Holder, such Holder may terminate its Definitive N Registered Notes with immediate effect by written termination notice to the Fiscal Agent at any time during the period of six weeks following notification of such correction, amendment or supplement. In the notice pursuant to paragraph (a) or paragraph (b), as applicable, the issuer shall advise the Holder of its potential termination right at the Early Redemption Amount. The termination by the Holder requires the following to be effective:
  - (a) the receipt of a termination notice bearing a legally binding signature and
    - (A) the transfer of the Definitive N Registered Notes to the account of the Fiscal Agent; or
    - (B) the irrevocable instruction to the Fiscal Agent to withdraw the Definitive N Registered Notes from a securities account maintained with the Fiscal Agent (by transfer posting or assignment), in each case within such six-week period,
  - (b) the termination notice must contain the following information:
    - (A) the name of the Holder, as applicable,
    - (B) the designation and number of the Definitive N Registered Notes terminated, and
    - (C) a specification of the bank account to which the Early Redemption Amount shall be credited.

The termination date for the purposes of this paragraph (iii) shall be the day on which the termination notice or the Definitive N Registered Notes is/are received by the Fiscal Agent, whichever occurs later.

- (iv) In addition, the Issuer may call the Definitive N Registered Notes for redemption in whole, but not in part, by giving notice in accordance with Condition 22 (*Notices*) if the conditions for avoidance (*Anfechtung*) pursuant to § 119 et seq. BGB are fulfilled in relation to the Holders. The termination date for the purposes of this paragraph (iv) shall be the day on which the notice is given. Notice of termination must be given immediately after the Issuer has gained knowledge of the reason for termination.
- (v) If an effective termination pursuant to paragraphs (iii) or (iv) has been made, the Issuer will pay the Early Redemption Amount per Definitive N Registered Note to the Holders. The provisions regarding payments shall apply mutatis mutandis to the payment of such Early Redemption Amount. Upon payment of the Early Redemption Amount, all rights arising from the surrendered Definitive N Registered Notes shall be extinguished. The foregoing shall not affect any rights of the Holder to claim damages (*Ersatz eines Vertrauensschadens*) pursuant to § 122 para. 1 BGB unless such claims are excluded due to knowledge or negligent lack of knowledge of the reason of termination on the part of the Holder pursuant to § 122 para. 2 BGB.
- (vi) The provisions of the BGB on the interpretation (*Auslegung*) and avoidance (*Anfechtung*) of declarations of intent shall remain unaffected.

This condition shall be without prejudice to any avoidance rights which a Holder may have under general provisions of law.

(i) *Modification of Definitive N Registered Note with Holders' consent*

The applicable Pricing Supplement will specify whether the provisions of Condition 19(a) or other provisions regarding Noteholder meetings shall apply.

## BELGIAN SECURITIES ANNEX

### ADDITIONAL PROVISIONS FOR BELGIAN SECURITIES

#### TERMS AND CONDITIONS OF THE NOTES

Where “Belgian Securities Annex” is specified as applicable in the Pricing Supplement, then the Terms and Conditions of the Notes are amended as follows:

#### 1. General

Where, in the term Terms and Conditions (and this Belgian Securities Annex), reference is made to the Issuer making a determination “in its sole and absolute discretion”, this should not be read as allowing the Issuer to act other than in good faith and in a commercially reasonable manner, and should be read as requiring the Issuer to exercise such discretion with a view to replicating as closely as possible the economic position that existed prior to the occurrence of the event giving rise to the exercise of such discretion.

Where, in the Terms and Conditions (and this Belgian Securities Annex), reference is made to the Calculation Agent making a determination “in its sole and absolute discretion”, this should be read as requiring the Calculation Agent to act in accordance with Condition 4(m), as supplemented and amended by this Belgian Securities Annex.

#### 2. Condition 4 (*Interest and Other Calculations*)

2.1 Condition 4(c) is deleted in its entirety and replaced with the following:

“(c) Interest on Zero Coupon Notes

As from the Maturity Date or the date set for early redemption (in circumstances where Condition 5(b)(i) does not apply), the Rate of Interest for any overdue principal of a Zero Coupon Note shall be a rate per annum (expressed as a percentage) equal to the Amortization Yield (as defined in Condition 5(b)(i)(B)).

2.2 The definition “**Principal Protected**” included in Condition 4(m) is deleted.

2.3 The definition “**Protection Amount**” included in Condition 4(m) is deleted in its entirety and replaced with the following new definition:

““**Protection Amount**” means, in respect of a Series to which a Protection Amount is specified as applicable in the applicable Pricing Supplement, that the Final Redemption Amount will, subject to the applicable Pricing Supplement, in no circumstances be repayable at the stated Maturity Date, at less than the percentage of the principal amount of such Notes specified in the applicable Pricing Supplement.

2.4 The following definitions are inserted in Condition 4(m):

““**Derivative Component**” means the option component or embedded derivative in respect of the nominal amount of the Notes or the interest amount due under the Notes.”

““**Derivative Component Market Value**” means the market value of the Derivative Component (which can be positive or negative), as of the Early Redemption Valuation Date, as determined by the Calculation Agent by reference to the mark-to-market value of such Derivative Component taking into account the time remaining until the scheduled maturity date of the Notes and calculated in accordance with generally accepted valuation methods for such instrument in the financial markets, provided that any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements (excluding, for the avoidance of doubt, any negative value of the Derivative Component

Market Value), shall not be taken into account when determining the Derivative Component Market Value.”

“**Early Redemption Amount**” means, in relation to each Note or Calculation Amount (as applicable):

- (i) where the event giving rise to the early redemption does not constitute Force Majeure,
  - (A) its Market Value 1;
  - (B) its Market Value 2;
  - (C) its Highest Value (Structured);
  - (D) its Highest Value (Vanilla);
  - (E) its Protected Principal Amount; or
  - (F) an amount per Note or Calculation Amount;

in each case (i) as specified in the relevant Pricing Supplement and (ii) without prejudice to Condition 5(j) if “Monetisation Option” is specified as being applicable in the relevant Pricing Supplement; or

- (ii) where the event giving rise to the early redemption constitutes Force Majeure, an amount determined by the Calculation Agent, as of the Early Redemption Valuation Date, equal to the fair market value of such Note determined by reference to:
  - (A) if the Note is actively traded on a regulated market, multilateral trading facility or over-the-counter market and where recent observable bid and ask prices are available, by reference to such prices;
  - (B) if the Note is not traded on a regulated market, multilateral trading facility or over-the-counter market, or where, in the reasonable determination of the Calculation Agent, no recent observable bid and ask prices that represent the market value of such Notes are available, by reference to a generally accepted valuation method for such instrument in the financial markets,

and provided that any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements (excluding, for the avoidance of doubt, any negative mark-to-market value of the Derivative Component, if applicable), shall not be taken into account when determining such amount.”

“**Early Redemption Valuation Date**” means the date on which the Issuer decides that it will exercise its option to redeem the Notes early, such date being notified to Noteholders in the relevant notice of early redemption.”

“**Fee Component**” means any costs, as notified by the Issuer to the Calculation Agent (including but not limited to any structuring costs) which were included in the issue price of the relevant Note in an amount equal to the amount of such costs multiplied by the number of days from the Early Redemption Valuation Date to the Maturity Date and divided by the number of days from the Issue Date until the Maturity Date of such Notes.”

“**Force Majeure**” means any force majeure, act of state, or other event or circumstance occurring after the Issue Date as a consequence of which the fulfilment of the obligations of the Issuer under the Notes has become impossible through the occurrence of an external event that is not attributable to the Issuer.”

“**Highest Value (Structured)**” means the higher of Market Value 2 and the Protected Principal Amount, provided that:

- (i) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements, shall not be taken into account when determining Highest Value (Structured); and
- (ii) where Highest Value (Structured) is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Highest Value (Structured).”

“**Highest Value (Vanilla)**” means the higher of Market Value 1 and the Protected Principal Amount, provided that:

- (i) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements, shall not be taken into account when determining Highest Value (Vanilla); and
- (ii) where Highest Value (Vanilla) is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Highest Value (Vanilla).”

“**Market Value 1**” means an amount determined by the Calculation Agent, as of the Early Redemption Valuation Date, equal to the fair market value of such Note (including, if so specified in the applicable Pricing Supplement, amounts in respect of accrued interest) determined:

- (i) if the Note is actively traded on a regulated market, multilateral trading facility or over-the-counter market and where recent observable bid and ask prices are available, by reference to such prices;
- (ii) if the Note is not traded on a regulated market, multilateral trading facility or over-the-counter market and where recent observable bid and ask prices are not available, by reference to a generally accepted valuation method for such instrument in the financial markets,

provided that,

- (a) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements, shall not be taken into account when determining Market Value 1;
- (b) where Market Value 1 is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Market Value 1; and
- (c) where used for the purposes of calculating Market Value 1, following an Event of Default pursuant to Condition 18 (*Events of Defaults*) only, in determining the fair market value of the Notes, no account shall be taken of the creditworthiness of the Issuer, who shall be deemed to be able to perform fully obligations in respect of the Notes.”

“**Market Value 2**” means an amount determined by the Calculation Agent, as of the Early Redemption Valuation Date, equal to the fair market value of such Note (including, if so specified in the applicable Pricing Supplement, amounts in respect of accrued interest), which shall be the aggregate of (i) the present value of the savings component of the Notes on the Early Redemption Valuation Date (as calculated by the Calculation Agent by reference to a generally accepted valuation method for such instruments in the financial markets) and (ii) the Derivative Component Market Value, provided that,

- (a) any costs incurred by the Issuer in relation to the early redemption of the Notes or the termination of any hedging arrangements (excluding, for the avoidance of doubt, any negative value of the Derivative Component Market Value), shall not be taken into account when determining Market Value 2;
- (b) where Market Value 2 is specified as the relevant Early Redemption Amount in the relevant Pricing Supplement, the Fee Component shall be added to Market Value 2; and
- (c) where used for the purposes of calculating Market Value 2, following an Event of Default pursuant to Condition 18 (*Events of Defaults*) only, in determining the fair market value of the Notes, no account shall be taken of the creditworthiness of the Issuer, who shall be deemed to be able to perform fully obligations in respect of the Notes.”

“**Monetisation Amount**” means, in respect of a Note, the higher of (i) the Protected Principal Amount and (ii) the amount calculated by the Calculation Agent as follows:

$$(S + D) \times (1 + r)^n$$

Where:

“**S**” is the present value of the Protected Principal Amount of the Notes on the Early Redemption Valuation Date (calculated by the Calculation Agent by reference to a generally accepted valuation method for such instrument in the financial markets);

“**D**” is the Derivative Component Market Value on the Early Redemption Valuation Date;

“**r**” is a hypothetical annual interest rate that would be applied on an equivalent hypothetical debt instrument issued by the Issuer with the same maturity as the remaining maturing on the Notes from the date of early redemption until the scheduled maturity date of the Notes; and

“**n**” is the time remaining until the scheduled maturity date of the Notes, expressed as a number of years.”

“**Protected Principal Amount**” means an amount, if any, specified as such in the relevant Pricing Supplement in respect of Notes.”

2.5 The following new paragraph is added after the last paragraph of Condition 4(m):

“All calculations and determinations made by the Calculation Agent pursuant to the conditions for the purposes of the Notes (including any determinations by the Calculation Agent as to the exercise or non-exercise by it of its powers, duties and discretions for such purposes) shall be made in good faith and a commercially reasonable manner and where such discretion has an impact on the terms of any Notes, the Calculation Agent shall exercise such discretion with a view to replicate as closely as possible the economic position that existed prior to the occurrence of the event giving rise to the exercise of such discretion”.

### 3. **Condition 5 (Redemption, Purchase and Options)**

3.1 Condition 5(b)(i) is deleted in its entirety and replaced with the following:

“(i) *Zero Coupon Notes*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 5(c) shall be the higher of (i) Market Value 2 and (ii) the Amortized Face Amount (as defined below). The Early Redemption Amount payable in respect of any Zero Coupon Note,

upon it becoming due and payable as provided in Condition 18, save where the early redemption amount for such event is linked to an index or formula, shall be the Amortized Face Amount (as defined below).

- (B) Subject to the provisions of sub-paragraph (C) below, the Amortized Face Amount of any such Note shall be equal to the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortization Yield (as specified in the applicable Pricing Supplement or if none is specified in the applicable Pricing Supplement, the Amortization Yield shall be such rate as would produce an Amortized Face Amount equal to the issue price of the Notes if the Final Redemption Amount were discounted back at such rate from the Maturity Date to the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon it becoming due and payable as provided in Condition 18 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortized Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date (as defined in Condition 16(b)). The calculation of the Amortized Face Amount in accordance with this subparagraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where any such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the applicable Pricing Supplement.”

3.2 Condition 5(b)(iii) is deleted in its entirety and replaced with the following:

“(iii) *Other Notes*

The Early Redemption Amount payable in respect of any Note (other than the Notes described in (i) and (ii) above), upon it becoming due and payable as provided in Condition 18 shall be the Final Redemption Amount unless otherwise specified in the applicable Pricing Supplement. The Early Redemption Amount payable in respect of any Note (other than the Notes described in (i) and (ii) above) upon redemption of such Note pursuant to Condition 5(c) shall be the Early Redemption Amount as specified in the applicable Pricing Supplement for such event.”

3.3 A new Condition 5(j) is added as follows:

“(j) ***Monetisation Option***

If “Monetisation Option” is specified in the relevant Pricing Supplement as being applicable, and an event occurs as a consequence of which the Issuer exercises its right to redeem the Notes at the applicable Early Redemption Amount:

- (i) the Noteholder shall receive, on the Maturity Date (and notwithstanding the early redemption notice) the Monetisation Amount, unless the Noteholder elects, in accordance with this Condition 5(j), to receive the Early Redemption Amount on the date fixed for early redemption of the Notes; and
- (ii) the Issuer’s notice of early redemption must include the following:

- (A) the cut-off date and time for each Noteholder to elect to receive the Early Redemption Amount on the date fixed for early redemption of the Notes;
- (B) the instructions to allow such Noteholder to make such election, substantially in accordance with the paragraph below; and
- (C) the Early Redemption Amount Valuation Date;
- (D) the Early Redemption Amount;
- (E) the amount calculated by the Calculation Agent as the Monetisation Amount; and
- (F) a confirmation that, in the absence of making an election to receive the Early Redemption Amount, such Noteholder will receive the Monetisation Amount on the Maturity Date.

In order to elect to receive the Early Redemption Amount on the date fixed for early redemption of the Notes, a Noteholder must no later than the cut-off date and time set out in the Issuer's notice of early redemption, give notice to the Issuer with a copy to the Principal Paying Agent in accordance with Condition 22 (*Notices*), and, on or prior to the date on which such notice is given, deposit the Note or Notes in respect of which such notice is given (together, in the case of an interest bearing Definitive Note, with any unmatured Coupons appertaining thereto) with, in the case of a Bearer Note, any Paying Agent, or, in the case of a Registered Note, the Registrar.

#### 4. **Condition 7 (*Index Linked Notes*)**

- 4.1 Condition 7(c)(ii)(B) is deleted in its entirety and replaced with the following new Condition 7(c)(ii)(B):

“(B) provided any such Index Adjustment Event (after taking into account any action of the Calculation Agent possible, if any, pursuant to paragraph (A) above) renders the continuation of the Notes impossible, or alters the economics of the Notes compared to those at the Issue Date significantly, give notice to the Noteholders in accordance with Condition 22 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.”

#### 5. **Condition 8 (*Equity Linked Notes*)**

- 5.1 The first paragraph of Condition 8(c)(i) is deleted in its entirety and replaced by the following new first paragraph of Condition 8(c)(i):

“(i) If Potential Adjustment Events are specified as applying in the applicable Pricing Supplement, 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 (a) make the corresponding adjustment, if any, to any one or more of the relevant Interest Amount and/or the Redemption Amount and/or the 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 Pricing Supplement as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting, concentrative or other effect with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant 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 (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 Equities traded on that options exchange.”

5.2 Paragraphs (A) and (B) of Condition 8(c)(ii) are deleted in their entirety and replaced by the following new paragraphs (A) and (B):

- “(A) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the relevant Interest Amount and/or the Redemption Amount and/or the 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 Pricing Supplement to account for that De-listing, Merger Event, Tender Offer, Nationalization or Insolvency, as the case may be, with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant De-listing, Merger Event, Tender Offer, Nationalization or Insolvency, and determine the effective date of any such modification or 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
- (B) provided any such De-listing, Merger Event, Nationalization, Insolvency or Tender Offer, if specified as applying in the applicable Pricing Supplement, and as the case may be, (after taking into account any determination of the Calculation Agent, if any, pursuant to paragraph (A) above) renders the continuation of the Notes impossible, or alters the economics of the Notes compared to those at the Issue Date significantly, give notice to the Noteholders in accordance with Condition 22 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.”

## 6. **Condition 9 (FX Linked Notes)**

6.1 In Condition 9(a):

- (a) the definition of “FX Price Source Disruption” is deleted in its entirety and replaced with the following new definition:

“**FX Price Source Disruption**” means it becomes unlawful or impossible using commercially reasonable efforts, for reasons outside the control of the Issuer and/or the Calculation Agent, to obtain and/or execute the relevant rate(s) required to calculate the Currency Price on the Averaging Date or Valuation Date or other relevant date, or, if different, the day on which rates for Averaging Date or Valuation Date or other relevant date, as the case may be, would in the ordinary course be published or announced by the relevant FX Price Source”.

- (b) the definition of “Inconvertibility Event” is deleted in its entirety and replaced with the following new definition:

“**Inconvertibility Event**” means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any action, event or circumstance whatsoever which, from a legal or practical perspective:

- (i) makes it impossible for the Issuer (i) to convert the relevant Subject Currency into the Base Currency, or (ii) transfer the Subject Currency or the Base Currency to countries other than the countries for which the Subject Currency or the Base Currency, as the case may be, is the lawful currency other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with

such law, rule or regulation); and /or

- (ii) results in the unavailability of any relevant Base Currency or Subject Currency in the interbank foreign exchange market in any Specified Financial Centre(s) in accordance with normal commercial practice.”
- (c) the definition of “Non-Transferability Event” is deleted in its entirety and replaced with the following new definition:

“**Non-Transferability Event**” means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any event that makes it impossible for the Issuer to deliver (a) the Base Currency from accounts inside the Subject Currency Jurisdiction to accounts outside the Subject Currency Jurisdiction or (b) the Subject Currency between accounts inside the Subject Currency Jurisdiction or to a party that is non-resident of the Subject Currency jurisdiction, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).”

- 6.2 Condition 9(h)(iii) is deleted in its entirety and replaced with the following new Condition 9(h)(iii):

- “(iii) Notwithstanding paragraph (ii) above but subject to paragraph (iv) below, the Calculation Agent may (to the extent permitted by applicable law), in good faith and in its sole and absolute discretion select such other exchange rate or other basis for the conversion of an amount of the Original Currency to the Successor Currency and will make such adjustment(s) that it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Notes to account for such elimination, conversion, redenomination or exchange of the Subject Currency or Base Currency; and”

- 6.3 Condition 9(i) is deleted in its entirety and replaced with the following new Condition 9(i):

“(i) **Rebasing of Notes**

If the applicable Pricing Supplement specify that “Rebasing” is applicable, then if, on or prior to any Valuation Date or Averaging Date or any other relevant date, the Calculation Agent is unable to obtain a value for a Subject Currency (because the Subject Currency and/or Base currency ceases to exist, or for any other reason other than a temporary disruption, as determined by the Calculation Agent), the Calculation Agent may rebase the Notes against another foreign exchange rate determined by the Calculation Agent (acting in a commercially reasonable matter and by reference to the overall practice in the market at such time) to be a comparable foreign exchange rate. If no comparable foreign exchange rate has been identified within 10 Business Days from the time where the Calculation Agent was unable to obtain a value for a Subject Currency, the Issuer may give notice to Holders in accordance with Condition 22 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.”

7. **Condition 10 (Fund Linked Notes)**

- 7.1 In Condition 10(d)(i) the following proviso

“require the Calculation Agent to make such determinations and/or adjustments to the Conditions and/or the applicable Pricing Supplement as it determines appropriate to account for the Fund Event, which may include, without limitation”

is deleted and replaced by the following new proviso:

“(i) require the Calculation Agent to make such determinations and/or adjustments to the Conditions and/or the applicable Pricing Supplement as it determines appropriate to account for that Fund Event with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant Fund Event, which may include, without limitation:”

7.2 Condition 10(d)(ii) is deleted in its entirety and replaced with the following

“provided any that if any such Fund Event (after taking into account any determinations and/or adjustments to the Conditions and/or the applicable Pricing Supplement by the Calculation Agent, if any, pursuant to paragraph (i) above) renders the continuation of the Notes impossible, or alters the economics of the Notes compared to those at the Issue Date significantly, give notice to the Noteholders in accordance with Condition 22 and redeem all (but not less than all) of the Notes, each Note being redeemed at the Early Redemption Amount.”

7.3 In Condition 10(e), the following proviso:

“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 Pricing Supplement 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.”

is deleted and replaced by the following new proviso:

“Following the declaration by a Fund of the terms of any Fund Potential Adjustment Event, the Calculation Agent will 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 Pricing Supplement 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) with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to that diluting, concentrative or other effect, and determine the effective date of that adjustment.”

7.4 In Condition 10(i) the following proviso:

“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 Pricing Supplement 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.”

is deleted in its entirety and replaced with the following new proviso:

“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 or more of any or more of the terms of the Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines appropriate to account for that diluting or concentrative effect with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant 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.”

7.5 In the definition of “Material Underlying Event” in Condition 10(j), paragraph (c) is deleted in its entirety.

7.6 In the definition of “Material Underlying Event” in Condition 10(j), paragraph (d) is deleted in its entirety and replaced by the following new paragraph (d):

“(d) any other event occurs in relation to the ETF and/or the Fund Shares which is materially prejudicial in connection with the continuation of the issue of the Notes,”

7.7 In Condition 10(j), the following proviso:

“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:”

is deleted and replaced by the following new proviso:

“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) or (b) below:”

and the paragraphs (a) and (b) below such proviso are replaced by the following new paragraphs (a) and (b):

“(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 Pricing Supplement to account for the De-Listing, Merger Event, Tender Offer, Nationalization, Insolvency or Material Underlying Event, as the case may be, with a view to produce a commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic position as prior to the relevant De-Listing, Merger Event, Tender Offer, Nationalization, Insolvency or Material Underlying Event, 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, and determine the effective date of any such modification or adjustment; or

(b) provided any such De-Listing, Merger Event, Tender Offer, Nationalization, Insolvency or Material Underlying Event, as the case may be (after taking into account any adjustments by the Calculation Agent, if any, pursuant to paragraph (a) above) renders the continuation of the Notes impossible, or alters the economics of the Notes compared to those at the Issue Date significantly, give notice to the Noteholders in accordance with Condition 22, 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, all as determined by the Calculation Agent in its sole and absolute discretion.”

and the paragraph (c) below such paragraphs is deleted in its entirety.

8. **Condition 11 (*Inflation Linked Notes*)**

8.1 Paragraph (d) of Condition 11(b)(ii) is deleted in its entirety and replaced by the following new paragraph (d):

“(d) if no replacement index or Successor Inflation Index has been deemed under paragraphs (a), (b) or (c) above, by the next occurring Cut-Off Date the Calculation Agent will determine an appropriate alternative index from such Cut-Off Date with a view to produce commercially reasonable result which will put the Issuer and the Noteholder in substantially the same economic situation as prior to the relevant cessation of publication, and such index will be deemed a “**Successor Inflation Index**”; or”

9. **Condition 13 (*Additional Disruption Event*)**

9.1 Condition 13(a) is deleted in its entirety and replaced with the following new Condition 13(a):

“(a) **Additional Disruption Events**

If Additional Disruption Events are specified as applicable in the applicable Pricing Supplement, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may:

- (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 Pricing Supplement to account for the Additional Disruption Event with a view to restore the economic balance to that which would have existed had such Additional Disruption Event not occurred, and determine the effective date of that adjustment; or
- (ii) provided such Additional Disruption Event renders the continuation of the Notes impossible, or alters the economics of the Notes compared to those at the Issue Date significantly, give notice to the Noteholders in accordance with Condition 22 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 on the tenth Business Day immediately following the date on which such determination is made by the Calculation Agent.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 22 stating the occurrence of the Additional Disruption Event as the case may be, giving details thereof and the action proposed to be taken in relation thereto.”

9.2 In Condition 13(c),

- (a) the definition of “Additional Disruption Event” is deleted in its entirety and replaced with the following new definition:

“**Additional Disruption Event**” means with respect to any Series of Notes any of (i) Change in Law, (ii) (in the case of Equity Linked Notes and Preference Share Linked Notes only) Insolvency Filing, and/or (iii) any further event of events as may be specified in the applicable Pricing Supplement, in each case if specified as applicable in the applicable Pricing Supplement.

Notwithstanding anything else in the Conditions, no event(s) shall constitute an Additional Disruption Event unless (i) such event or combination of events has had, or can be expected to have, a material adverse effect on the Notes by significantly altering the economic objective and rationale of the Notes from those that existed on the Issue Date and (ii) the Issuer is not responsible for the occurrence of such event(s).”

- (b) the definition of “**Fund Hedging Disruption**”, “**Hedging Disruption**”, “**Hedging Shares**”, “**Increased cost of Hedging**”, “**Increased Cost of Stock Borrow**”, “**Loss of Stock Borrow**” and “**Maximum Stock Loan Rate**” are deleted in their entirety.

10. **Condition 14 (*Physical Delivery*)**

- 10.1 Condition 14 (e) (but not the definition of “Affiliate” and “Failure to Deliver Settlement Price”) is deleted in its entirety.

## FORMS OF NOTES

The Notes of each Series will be in either bearer form or registered form. Bearer Notes will only be issued outside the United States in reliance on Regulation S and Registered Notes may be issued outside the United States in reliance on Regulation S and/or within the United States in reliance on Rule 144A.

### Form of the Notes

#### **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 Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement (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 Pricing Supplement, 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 Pricing Supplement) 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

### 1. *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 Pricing Supplement, 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 Pricing Supplement);

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.

### 2. *Permanent Global Notes*

The applicable Pricing Supplement 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 2(b) below, Registered Notes:

- (a) where the applicable Pricing Supplement 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.

### **3. 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 (i) on the occurrence of an Exchange Event or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the applicable Pricing Supplement) relating to Partly Paid Notes.

#### **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.

Definitive Notes will be security printed and Certificates 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, or (ii) 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 or in reliance on Rule 144A. Registered Notes offered and sold in reliance on Regulation S may only be offered and sold to non-U.S. persons outside the United States and will initially be represented by a global note in registered form, without receipts, interest coupons or talons (an **“Unrestricted Global Certificate”**) 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 Issuer and the relevant Dealer and specified in the Pricing Supplement. 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 an Unrestricted Global Certificate may not be offered or sold to, or for the account or benefit of, a U.S. person save as

otherwise provided in Condition 2 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 Pricing Supplement) and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

Registered Notes offered and sold in reliance on Rule 144A may only be offered and sold to QIBs and will be represented by a global note in registered form, without receipts, interest coupons or talons (a “**Restricted Global Certificate**”) and, together with an Unrestricted Global Certificate, the “**Global Certificates**”) which will be deposited with a custodian for, and registered in the name of a nominee of, DTC.

Individual Certificates will only be available, in the case of Notes initially represented by an Unrestricted Global Certificate, in amounts specified in the applicable Pricing Supplement, and, in the case of Notes initially represented by a Restricted Global Certificate, in amounts of US\$200,000 (or its equivalent in another currency as at the date of issue of the Notes) rounded upwards as agreed between the Issuer and the relevant Dealer(s), or integral multiples of US\$1,000 in excess thereof, in certain limited circumstances. The minimum denomination of each Definitive N Registered Note will be not less than €200,000 (or its equivalent in another currency as at the date of issue of the Notes) as stated in the applicable Pricing Supplement.

### **Unrestricted Global Certificates**

If the applicable Pricing Supplement states that the Notes are to be represented by a permanent Unrestricted Global Certificate on issue, transfers of the holding of Notes represented by any Unrestricted Global Certificate pursuant to Condition 2(b) may only be made in part for Individual Certificates:

- (a) if the Notes represented by the Unrestricted Global Certificate 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.

### **Restricted Global Certificates**

If the applicable Pricing Supplement states that the Notes are to be represented by a permanent Restricted Global Certificate on issue, transfers of the holding of Notes represented by any Restricted Global Certificate pursuant to Condition 2(b) may only be made in part for Individual Certificates:

- (a) if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to that Restricted Global Certificate or DTC ceases to be a “clearing agency” registered under the Exchange Act or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or
- (b) an Event of Default (as defined in the Conditions) has occurred and is continuing; or
- (c) with the consent of the Issuer; or
  - (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual Certificates; and

- (ii) in the case of a Restricted Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made to a qualified institutional buyer in compliance with the provisions of Rule 144A. Individual Certificates issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A,

provided that, in the case of the first transfer of part of a holding pursuant to (a) and (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. Individual Certificates issued in exchange for a beneficial interest in a Restricted Global Certificate shall bear the legend applicable to such Notes as set out in "*Subscription and Sale*".

Whenever the Global Registered Note is to be exchanged for Individual Certificates, the Issuer shall procure that Individual Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate within five Business Days of the delivery by or on behalf of the registered holder of the Global Certificate to the Registrar of such information as is required to complete and deliver such Individual Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

(a) Individual Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth calendar day after they are due to be issued and delivered in accordance with the terms of the Global Certificate; or

(b) any of the Notes represented by a Global Certificate (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Certificate in accordance with the terms of the Global Certificate on the due date for payment,

then the Global Certificate (including the obligation to deliver Individual Certificates) will become void at 5.00 p.m. (London time) on such thirtieth calendar day (in the case of (a) immediately above) or at 5.00 p.m. (London time) on such due date (in the case of (b) immediately above) and the holder of the Global Certificate will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Certificate or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Certificate will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Certificate became void, they had been the holders of Individual Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### **Definitive N Registered Notes**

Definitive N Registered Notes will be issued to each holder (unless otherwise specified in the applicable Pricing Supplement) by a Definitive N Registered Notes Deed.

## Transfers of Registered Notes

Transfers of interests in Global Certificates within Euroclear, Clearstream, Luxembourg and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some States in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Restricted Global Certificate to such persons may be limited.

Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Restricted Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Beneficial interests in an Unrestricted Global Certificate may only be held through Euroclear or Clearstream, Luxembourg. In the case of Registered Notes to be cleared through Euroclear, Clearstream, Luxembourg and/or DTC, transfers may be made at any time by a holder of an interest in an Unrestricted Global Certificate to a transferee who wishes to take delivery of such interest through the Restricted Global Certificate for the same Series of Notes provided that any such transfer made on or prior to the expiration of the Distribution Compliance Period (as used in "*Subscription and Sale*") relating to the Notes represented by such Unrestricted Global Certificate will only be made upon receipt by the Registrar or any Transfer Agent of a written certificate from Euroclear or Clearstream, Luxembourg, as the case may be (based on a written certificate from the transferor of such interest), to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities law of any State of the United States or any other jurisdiction. Any such transfer made thereafter of the Notes represented by such Unrestricted Global Certificate will only be made upon request through Euroclear or Clearstream, Luxembourg by the holder of an interest in the Unrestricted Global Certificate to the Fiscal Agent of details of that account at either Euroclear or Clearstream, Luxembourg or DTC to be credited with the relevant interest in the Restricted Global Certificate.

Transfers at any time by a holder of any interest in the Restricted Global Certificate to a transferee who takes delivery of such interest through an Unrestricted Global Certificate will only be made upon delivery to the Registrar or any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear or Clearstream, Luxembourg, as the case may be, and/or DTC to be credited and debited, respectively, with an interest in the relevant Global Certificates.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Memorandum. The following is a summary of certain of those provisions:

### **(a) Payments**

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.

All payments in respect of Notes represented by a Global Note which is not in NGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. 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. Conditions 15(g), 15(h) and 16(a)(vi) will apply to Definitive Notes only. 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 by the aggregate amount of such instalment so paid. 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.

The amount of interest payable in respect of each Global Note and Global Certificate shall be the amount of interest payable calculated in accordance with Condition 4(j), without further rounding, together with such other sums and additional amounts (if any) as may be payable under the Conditions.

### **(b) Prescription**

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of two years (in the case where the relevant Notes are governed by Ontario Law), ten years (in the case of claims in respect of principal where the relevant Notes are governed by English law) or 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 (as defined in Condition 16).

### **(c) Meetings**

The holder of a permanent Global Note shall at any meeting of Noteholders be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Note comprising such Noteholder's holding, whether or not represented by a Global Certificate.

For so long as the Notes are represented by a Global Note or Global Certificate registered in the name of a nominee for one or more of Euroclear, Clearstream, Luxembourg, DTC 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**"). 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.

**(d) Cancellation**

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the Nominal Amount of the relevant permanent Global Note.

**(e) Purchase**

Notes represented by a permanent Global Note may only be purchased by the Issuer if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

**(f) Issuer Call Option**

Any Issuer Call Option provided for in the applicable Pricing Supplement of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions and Pricing Supplement, except that the notice shall not be required to contain the certificate numbers of Notes drawn 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 account holders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, DTC 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.

**(g) Noteholders Put Options**

Any Noteholders Put Option provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent 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 the Conditions 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 Noteholders Put Option is exercised and at the same time, where the permanent 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.

**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 and Global Certificate provides that the holder may cause such Global Note, Global Certificate, or a portion of it, to become due and repayable in the circumstances described in Condition 18 by stating in the notice to the Fiscal Agent the Nominal Amount of such Global Note or

Global Certificate that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or 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 4 May 2017 (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 Global Certificate in favour of the persons entitled to such part of such Global Note or 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. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

## **Notices**

So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate except that so long as the Notes are listed on the Luxembourg Stock Exchange's Euro MTF Market and the rules of that exchange so require, notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

## **Partly Paid Notes**

The provisions relating to Partly Paid Notes are not set out in this Offering Memorandum, but will be contained in the applicable Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

## **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 Pricing Supplement (unless otherwise specified in the applicable Pricing Supplement) and higher integral multiples of at least 1,000 in the relevant currency as specified in the applicable Pricing Supplement (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 Depository 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. Upon the initial deposit of a Global Certificate in respect of and registration of Registered Notes in the name of a nominee for DTC and delivery of the relevant Global Certificate to the custodian for DTC, DTC will credit each participant 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**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, DTC 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, DTC 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 holder of such Global Certificate, as the case may be, and in relation to 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, DTC 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 DTC 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 DTC and/or the intermediary, applicable.

## CLEARING AND SETTLEMENT

### 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 depository 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 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 Unrestricted Global Certificate or (in the case of Rule 144A Notes) a Restricted Global Certificate. Each Unrestricted Global Certificate or (in the case of Rule 144A Notes) Restricted Global Certificate deposited with a nominee for Euroclear and/or Clearstream, Luxembourg will have an ISIN and a Common Code.

The Issuer and a relevant U.S. agent appointed for such purpose that is an eligible DTC participant may make application to DTC for acceptance in its book-entry settlement system of the Rule 144A Notes represented by a Restricted Global Certificate. Each such Restricted Global Certificate will have a CUSIP number. Each Restricted Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out in "*Subscription and Sale*". In certain circumstances, as described below in "*Transfers of Registered Notes*", transfers of interests in a Restricted Global Certificate may be made as a result of which such legend may no longer be required.

In the case of a Tranche of Rule 144A Notes to be cleared through the facilities of DTC, the custodian, with whom the Restricted Global Certificates are deposited, and DTC will electronically record the nominal amount of the Rule 144A Notes held within the DTC system. Investors may hold their beneficial interests in a Restricted Global Certificate directly through DTC if they are participants in the DTC system or indirectly through organizations which are participants in such system.

Payments of the principal of and interest on each Restricted Global Certificate registered in the name of DTC's nominee will be made, if denominated in U.S. dollars in accordance with Conditions 10(b)(i) and 10(b)(ii) and, if denominated in a Specified Currency other than U.S. dollars, will be made or procured to be made to or to the order of its nominee as the registered owner of such Restricted Global Certificate. At the present time, there are limited facilities for the maintenance of non-U.S. dollar denominated accounts in the United States and for the conversion of foreign currencies into U.S. dollars.

The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants' accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Restricted Global Certificate as shown on the records of DTC or the nominee.

The Issuer also expects that payments by DTC participants to owners of beneficial interests in such Restricted Global Certificate held through such DTC participants to be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. None of the Issuer, any Paying Agent or any Transfer Agent

will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Restricted Global Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described above and in "*Subscription and Sale*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the custodian, the Registrar and the Fiscal Agent.

Cross-market transfers between accountholders in Euroclear or Clearstream, Luxembourg and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global Certificates will be effected through the Fiscal Agent, the custodian and the Registrar receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) two business days after receipt by the Fiscal Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free of delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see "*Subscription and Sale*". DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Restricted Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Restricted Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Restricted Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Restricted Global Certificates for exchange for individual Certificates (which will, in the case of Rule 144A Notes, bear the legend applicable to transfers pursuant to Rule 144A).

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerized book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of Euroclear, Clearstream, Luxembourg and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, any Paying Agent or any Transfer Agent will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Restricted Global Certificate is lodged with DTC or its custodian, Rule 144A Notes represented by individual Certificates will not be eligible for clearing or settlement through Euroclear, Clearstream, Luxembourg or DTC.

The rights of the Holder evidenced by a Definitive N Registered Note and title to a Definitive N Registered Note itself shall be transferred upon the surrender of a Definitive N Registered Note, together with the form of assignment and notification duly completed and executed, at the specified office of the Registrar.

## **USE OF PROCEEDS**

The net proceeds of the issue of each Tranche of Notes will be added to the general funds of the Issuer to be used for general corporate purposes.

## CANADIAN IMPERIAL BANK OF COMMERCE

*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 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 Commerce Court, 199 Bay St., Toronto, Canada M5L 1A2 and the telephone number is 1-416-980-3096.

### Business

CIBC is a leading Canadian-based global 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. Through its four strategic business units – Canadian Personal and Small 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 10 million personal banking, business, public sector and institutional clients in Canada, the U.S. and around the world.

### Subsidiaries

A list of CIBC's significant subsidiaries is provided on page 173 of the Annual Report, which page is incorporated herein by reference.

### Financial Highlights

As extracted from its latest unaudited interim consolidated financial statements for the period ended 31 January, 2019, CIBC had total assets of C\$614.65 billion, total deposits of C\$464.71 billion and common shareholders' equity of C\$33.33 billion.

	<b><u>First Quarter</u></b> <b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
	For the three months ended 31 January	For the year ended 31 October	For the year ended 31 October
<b>Financial results (C\$ millions)</b>			
Net interest income	2,596	10,065	8,977
Non-interest income	1,969	7,769	7,303
Total revenue	4,565	17,834	16,280
Provision for credit losses	338	870	829
Non-interest expenses	2,760	10,258	9,571
Income before income taxes	1,467	6,706	5,880
Income taxes	285	1,422	1,162

Net income (loss) attributable to non-controlling interests	4	17	19
Net income (loss)	1,182	5,284	4,718

**On-and off- balance sheet information (C\$ millions)**

Cash, deposits with banks and securities	125,599	119,355	107,571
Loans and acceptances, net of allowance	385,072	381,661	365,558
Total assets	614,647	597,099	565,264
Deposits	464,707	461,015	439,706
Common shareholders' equity	33,334	32,693	29,238

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 Offering Memorandum, are set out below. The business address of each of the Directors is Commerce Court, 199 Bay St., Toronto, Canada M5L 1A2.

<b>Name, Responsibility and Residence</b>	<b>Principal Outside Activities</b>
The Honourable John P. Manley, P.C., O.C. Ottawa, Ontario, Canada	Chair of the Board CIBC Corporate Director
Brent S. Belzberg Toronto, Ontario, Canada	Senior Managing Partner TorQuest Partners
Nanci E. Caldwell Woodside, California, U.S.A.	Former Executive Vice-President and Chief Marketing Officer PeopleSoft, Inc.
Michelle L. Collins Chicago, Illinois, U.S.A.	President Cambium LLC
Patrick D. Daniel Calgary, Alberta, Canada	Past President and Chief Executive Officer Enbridge Inc.
Luc Desjardins Toronto, Ontario, Canada	President and Chief Executive Officer Superior Plus Corp.
Victor G. Dodig Toronto, Ontario, Canada	President and Chief Executive Officer CIBC
Linda S. Hasenfratz Guelph, Ontario, Canada	Chief Executive Officer Linamar Corporation
Kevin J. Kelly Toronto, Ontario, Canada	Corporate Director
Christine E. Larsen Montclair, New Jersey, U.S.A.	Senior Advisor to the Chief Operations Officer First Data Corporation

Nicholas D. Le Pan Ottawa, Ontario, Canada	Corporate Director
Jane L. Peverett West Vancouver, British Columbia, Canada	Corporate Director
Katharine B. Stevenson Toronto, Ontario, Canada	Corporate Director
Martine Turcotte Verdun, Quebec, Canada	Vice Chair, Quebec BCE Inc. and Bell Canada
Barry L. Zubrow Far Hills, New Jersey, U.S.A	President ITB LLC

As at the date of this Offering Memorandum, 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 Annual Report under the headings "Note 15 – Common and preferred share capital" and "Note 16 – Capital Trust securities" on pages 151 through 154.

### **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*".

## 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 a report dated 28 November 2018 to the shareholders of the Issuer on the consolidated balance sheets as at 31 October 2018 and 2017 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended 31 October 2018.

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 Offering Memorandum, 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:

	<b>MOODY’S USA</b>	<b>S&amp;P USA</b>	<b>FITCH</b>	<b>DBRS</b>
DEPOSIT OR COUNTERPARTY <sup>1</sup>	Aa2	A+	AA-	AA
LEGACY SENIOR DEBT <sup>2</sup>	Aa2	A+	AA-	AA
SENIOR DEBT <sup>3</sup>	A2	BBB+	AA-	AA (low)
SUBORDINATED INDEBTEDNESS	Baa1	BBB+	A+	A (high)
SUBORDINATED INDEBTEDNESS - NVCC	Baa1	BBB	A+	A (low)
SHORT-TERM DEBT	P-1	A-1	F1+	R-1 (high)

<sup>1</sup>. *DBRS Long-Term Issuer Rating; Moody’s Long-Term Deposit and Counterparty Risk Assessment Rating; S&P’s Issuer Credit Rating; Fitch Long-Term Issuer Default; and Derivative Counterparty Rating.*

<sup>2</sup>. Includes senior debt issued prior to 23 September 2018; and senior debt issued on or after 23 September 2018 which are not subject to the bail-in regime.

<sup>3</sup>. Comprises liabilities which are subject to conversion under the bail-in regime.

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 Offering Memorandum. A credit rating is not a recommendation to buy, sell or hold any Notes.

## 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 Pricing Supplement 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 35 Great St Helen's, London EC3A 6AP. 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 £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 “**Terms of the Preference Shares**”).

The Terms of the Preference Shares also 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 Terms of the Preference Shares.

## TAXATION

### 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 Offering Memorandum 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 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 published assessing practices and administrative policies of the Canada Revenue Agency ("**CRA**") as made publicly available 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 CRA, 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 Pricing Supplement 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 Pricing Supplement 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 with whom such subsidiary or affiliate deals at arm's length 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. 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 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 Pricing Supplement 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”) payments of yearly interest may be made without withholding or deduction for or on account of United Kingdom income tax (section 882 ITA). The Issuer’s understanding of current HM Revenue & Customs practice is that the Luxembourg Stock Exchange’s Euro MTF market is 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 Pricing Supplement 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.

### **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.

### **United States**

The Issuer does not expect to issue any Notes out of its U.S. Branch. In the event it does so, additional U.S. tax considerations will be described in the Pricing Supplement of any such Notes. The discussion below assumes that the Notes will be treated as debt for U.S. federal income tax purposes and issued through a non-U.S. branch of the Issuer.

#### **(a) U.S. Holders**

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the applicable Pricing Supplement will contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with purchasers of Notes that are U.S. Holders and that will hold the Notes as capital assets within the meaning of section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”). The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws. This summary also does not address the Medicare contribution tax applicable to the ‘net investment income’ of certain U.S. Holders. This summary does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as banks, financial institutions, insurance companies, investors subject to the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, U.S. expatriates,

dealers in securities or currencies, investors that will hold the Notes as part of straddles, constructive sales, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar). This summary also does not address the U.S. federal tax treatment of Dual Currency, Index Linked Notes, Equity Linked Notes, or Commodity Linked Notes. Moreover, the summary deals only with Notes with a term of 30 years or less. The U.S. federal income tax consequences of owning Dual Currency, Index Linked Notes, Equity Linked Notes, or Commodity Linked Notes or Notes with a term of more than 30 years will be discussed in the applicable Pricing Supplement.

If a partnership, or other entity or arrangement taxable as a partnership for U.S. federal income tax purposes, holds a Note, the tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding the Notes or persons who hold the Notes through a partnership or similar pass-through entity should consult their tax advisers regarding the U.S. federal income tax consequences to them of holding the Notes.

As used herein, the term “**U.S. Holder**” means a beneficial owner of Notes that is (i) a citizen or resident of the United States for U.S. federal income tax purposes, (ii) a corporation, or other entity treated as a corporation, created or organized under the laws of the United States or any State thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The summary is based on the tax laws of the United States including the Code, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

Bearer Notes (including Exchangeable Bearer Notes while in bearer form) are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under U.S. income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Code.

**THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF PURCHASING, OWNING AND DISPOSING OF THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.**

## **1. Payments of Interest**

### **1.1 General**

Interest on a Note, whether payable in U.S. dollars or a currency or basket of currencies other than U.S. dollars (a “**foreign currency**”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “— *Original Issue Discount*”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder’s method of accounting for tax purposes. Interest paid by the Issuer on the Notes and OID, if any, accrued with respect to the Notes (as described below under “— *Original Issue Discount*”) will constitute income from sources outside the United States.

Subject to certain conditions and limitations, foreign taxes, if any, withheld on interest payments may be treated as foreign taxes eligible for credit against a holder’s U.S. federal income tax liability. The limitation on foreign taxes eligible for the U.S. foreign tax credit is calculated separately with respect to specific “baskets” of income. Interest on the Notes generally will constitute “passive category income”, or, in the case of certain U.S. Holders, “general category income”. As an alternative to the foreign tax credit, a U.S. Holder may elect to deduct such taxes (the election would then apply to all foreign income taxes such U.S. Holder paid in that taxable year). The rules governing the foreign tax credit are complex. Prospective purchasers are urged to consult their tax advisers regarding the availability of the foreign tax credit under their particular circumstances.

## 1.2 Foreign Currency Denominated Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognized with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years of a U.S. Holder, the part of the period within each taxable year). The average exchange rate for an interest accrual period is generally the simple average of the exchange rates for each business day of the period.

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of the interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder will recognize U.S. source ordinary income or loss measured by the difference between the exchange rate used to accrue interest income pursuant to one of the two above methods and the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

## 2. Original Issue Discount

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with original issue discount (“OID”). The following summary does not discuss Notes that are characterized as contingent payment debt instruments for U.S. federal income tax purposes. In the event the Issuer issues contingent payment debt instruments, the applicable Pricing Supplement will describe the material U.S. federal income tax consequences thereof.

A Note, other than a Note with a term of one year or less (a “**Short-Term Note**”), will be treated as issued with OID (a “**Discount Note**”) if the excess of the Note’s “stated redemption price at maturity” over its issue price is equal to or greater than a *de minimis* amount (0.25% of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an “**instalment obligation**”) will be treated as a Discount Note if the excess of the Note’s stated redemption price at maturity over its issue price is, equal to or greater than 0.25% of the Note’s stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note’s weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note’s stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to the public. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of “qualified stated interest”. A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under “**Variable Interest Rate Notes**”), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be

deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note (“**accrued OID**”). The daily portion is determined by allocating to each day in any “accrual period” a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. Under the constant yield method, the amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and the Discount Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The “adjusted issue price” of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

OID for any accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above under “—*Payments of Interest*”. Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or retirement of a Note), a U.S. Holder may recognize exchange gain or loss, which will be ordinary income or loss measured by the difference between the amount received (translated into U.S. dollars at the exchange rate on the date of receipt) and the amount previously accrued.

### **3. Acquisition Premium**

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being “acquisition premium”) and that does not make the election described below under “—*Election to Treat All Interest as Original Issue Discount*”, is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Note immediately after its purchase over the Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note’s adjusted issue price.

### **4. Market Discount**

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a “**Market Discount Note**”) if the Note’s stated redemption price at maturity or, in the case of a Discount Note, the Note’s “revised issue price”, exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25% of the Note’s stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete remaining years to the Note’s maturity (or, in the case of a Note that is an instalment obligation, the Note’s weighted average remaining maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes “*de minimis* market discount”. For this purpose, the “**revised issue price**” of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Under current law, any gain recognized on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election will apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Note with respect to which it is made and is irrevocable.

Market Discount on a Note that is denominated in, or determined by reference to, a foreign currency will be accrued by a U.S. Holder in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder will recognize ordinary income or loss measured in the same manner as for accrued qualified stated interest or OID. A U.S. Holder that does not make this election will recognize, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the exchange rate in effect on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

## **5. Election to Treat All Interest as Original Issue Discount**

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "*Original Issue Discount*", with certain limitations. For purposes of this election, interest includes stated interest, OID, de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium (described below under "*Notes Purchased at a Premium*") or acquisition premium. In applying the constant yield method to a Note with respect to which an election is made, the Note's issue price will equal the U.S. Holder's adjusted basis in the Note immediately after the acquisition and no payments on the Note will be treated as payments of qualified stated interest. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under "*Market Discount*" to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

## **6. Variable Interest Rate Notes**

Notes that provide for interest at variable or floating rates ("**Variable Interest Rate Notes**") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified de minimis amount and (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A "qualified floating rate" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the

currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e., at a price below the Note's stated principal amount) in excess of a specified de minimis amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable

Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note may be treated as a contingent payment debt obligation. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt obligations will be more fully described in the applicable Pricing Supplement.

## **7. Short-Term Notes**

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realized on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income (including acquisition discount) is realized. For this purpose, acquisition discount is the excess, if any, of the Note's stated redemption price at maturity over the U.S. Holder's basis in the Notes.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

## **8. Potential Acceleration of Income**

Accrual method taxpayers that prepare an "applicable financial statement" (as defined in Section 451 of the Code, which includes any GAAP financial statement, Form 10-K annual statement, audited

financial statement or a financial statement filed with any federal agency for non-tax purposes) generally would be required to include certain items of income such as OID and possibly de minimis OID in gross income no later than the time such amounts are reflected on such a financial statement. This could result in an acceleration of income recognition for income items differing from the above description, although the precise application of this rule is unclear at this time.

## **9. Reopenings**

The Issuer may, without the consent of the Holders of outstanding Notes, issue additional Notes with identical terms as previously issued Notes. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

## **10. Notes Purchased at a Premium**

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as “amortizable bond premium”, in which case the amount required to be included in the U.S. Holder’s income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note’s yield to maturity) to that year. In the case of a Note that is denominated in, or determined by reference to, a foreign currency, bond premium will be computed in units of foreign currency, and amortizable bond premium will reduce interest income in units of the foreign currency. At the time amortized bond premium offsets interest income, U.S. source exchange gain or loss (taxable as ordinary income or loss) will be realized measured by the difference between exchange rates at that time and at the time of the acquisition of the Notes. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognize a market loss when the Note matures. Any election to amortize bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also “— *Election to Treat All Interest as Original Issue Discount*”.

## **11. Substitution of Issuer**

The terms of the Notes provide that, in certain circumstances, the obligations of the Issuer under the Notes may be assumed by another entity. Any such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of Notes by a U.S. Holder in exchange for new notes issued by the new obligor. As a result of this deemed disposition, a U.S. Holder could be required to recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the issue price of the new notes (as determined for U.S. federal income tax purposes), and the U.S. Holder’s tax basis in the Notes. U.S. Holders should consult their tax advisers concerning the U.S. federal income tax consequences to them of a change in obligor with respect to the Notes.

## **12. Purchase, Sale and Retirement of Notes**

A U.S. Holder’s tax basis in a Note will generally be its U.S. dollar cost (as defined below) increased by the amount of any OID or market discount included in the U.S. Holder’s income with respect to the Note and the amount, if any, of income attributable to de minimis OID and de minimis market discount included in the U.S. Holder’s income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortizable bond premium applied to reduce interest on the Note. The U.S. dollar cost of a Note purchased with a foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

A U.S. Holder will generally recognize gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement and the tax basis of the Note. The amount realized on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Except to the extent described above under “— *Market Discount*” or “— *Short Term Notes*” or attributable to accrued but unpaid interest or changes in exchange rates, gain or loss recognized on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder’s holding period in the Notes exceeds one year.

Gain or loss recognized by a U.S. Holder on the sale or retirement of a Note that is attributable to changes in exchange rates will be treated as U.S. source ordinary income or loss. However, exchange gain or loss is taken into account only to the extent of total gain or loss realized on the transaction. Gain or loss realized by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source. A U.S. person holding a Bearer Note or Exchangeable Bearer Note with a maturity of more than one year will generally be required to treat any gain on disposal as ordinary income rather than capital gain, and no deduction will be allowed in respect of any loss.

### **13. Exchange of Amounts in Currencies other than U.S. Dollars**

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the interest is received or at the time of the sale or retirement. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase Notes or an exchange for U.S. dollars) will be U.S. source ordinary income or loss.

### **14. Backup Withholding and Information Reporting**

In general, payments of principal, interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a non-corporate U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations unless such U.S. Holder establishes a basis for such exemption. Backup withholding will apply to these reportable payments and accruals of OID if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Backup withholding is not an additional tax. Any amount withheld from payment to a U.S. Holder under the backup withholding rules will be allowed as a credit against the holder’s U.S. federal income tax liability and may entitle the holder to a refund, provided the required information is furnished to the IRS in a timely manner. U.S. Holders should consult their tax advisers as to the application of backup withholding in their particular situation, their qualification for exemption from backup withholding and the procedure for obtaining an exemption, if available.

Certain U.S. holders are required to report information with respect to their investment in Notes not held through an account with a domestic financial institution to the IRS. Investors who fail to report required information, which may be done by filing an IRS Form 8938, are subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisers regarding the possible implications of this proposed legislation on their investment in the Notes.

A U.S. holder may be required specifically to report a sale, retirement or other taxable disposition of Notes to the IRS if it recognizes a loss over a threshold amount, including a foreign currency loss from a single transaction that exceeds, in the case of an individual or trust, US\$50,000 in a single taxable year or, in other cases, various higher thresholds. U.S. Holders that recognize a loss on a Note should consult their tax advisers.

#### **(b) United States Alien Holders**

## 1. General

Under current U.S. federal income tax laws, and subject to the discussion of backup withholding and FATCA Withholding in the following sections:

- 1.1. Payments of principal, OID and interest by the Issuer or any paying agent to any holder of a Note who is a United States Alien (as defined below) will not be subject to U.S. federal income tax unless the income is effectively connected with the conduct of a trade or business in the United States.
- 1.2. A United States Alien holder of a Note or Coupon will not be subject to U.S. federal income tax on any gain or income realized upon the sale, exchange or retirement or other disposition of a Note or Coupon unless the gain or income is effectively connected with the conduct of a trade or business in the United States or such United States Alien is an individual present in the United States for at least 183 days during the taxable year on disposition and certain other conditions are met.
- 1.3. Except as required by FATCA as described below, a beneficial owner of a Bearer Note or Coupon or an Exchangeable Bearer Note that is a United States Alien will not be required to disclose its nationality, residence or identity to the Issuer, a paying agent, or any U.S. governmental authority in order to receive payment on the Note or Coupon from the Issuer or a paying agent outside the United States (although in order to receive a beneficial interest in a Permanent Global Note or Definitive Notes and Coupons and interest thereon the beneficial owner of an interest in a temporary Global Note will be required to provide a certificate of non-U.S. beneficial ownership to Euroclear or Clearstream, Luxembourg).

Section 871(m) of 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-2019 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 2019 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 your particular circumstances. For example, if you enter into other transactions relating to U.S. underlying securities, you 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. You should consult your tax adviser 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.

## 2. Backup Withholding and Information Reporting

The U.S. backup withholding and information reporting procedures are complex and can be impacted by a variety of factors. The following discussion is a brief description of those rules that does not cover every possible circumstance but rather is intended to provide the reader with a general overview of their application to the Notes subject to this Offering Memorandum.

Unless the Issuer or the paying agent has actual knowledge or reason to know that the holder or beneficial owner, as the case may be, is a U.S. person (as defined in the Code), payments of

principal, OID and interest on Registered Notes made to a United States Alien will not be subject to backup withholding, provided the United States Alien provides the payer with an IRS Form W-8BEN or IRS Form W-8BEN-E, depending on the United States Alien's status (or other appropriate type of IRS Form W-8) but interest and OID paid on Registered Notes with a maturity of more than 183 days will be reported to the IRS as required under applicable regulations.

Payments of principal, OID and interest on Bearer Notes and Exchangeable Bearer Notes made outside the United States to a United States Alien by a non-U.S. payor will not be subject to information reporting and backup withholding.

In addition, except as provided in the following sentence, if principal, OID, or interest payments made with respect to Bearer Notes or Exchangeable Bearer Notes are collected outside the United States on behalf of a beneficial owner of a Bearer Note or Exchangeable Bearer Notes by a foreign office of a custodian, nominee or other agent who is not a U.S. Controlled Person (as defined below), the custodian, nominee or other agent will not be required to apply backup withholding to these payments when remitted to the beneficial owner and will not be subject to information reporting. However, if the custodian, nominee or other agent is a U.S. Controlled Person, payments collected by its United States or foreign office may be subject to information reporting and backup withholding unless the custodian, nominee or other agent has in its records documentary evidence that the beneficial owner is not a U.S. person or is otherwise exempt from information reporting, but will not be subject to backup withholding unless the payor has actual knowledge that the payee is a U.S. person and no exception to backup withholding is otherwise established.

Payments on the sale, exchange or other disposition of a Bearer Note or Exchangeable Bearer Note made to or through a foreign office of a broker will generally not be subject to information reporting or backup withholding. However, if the broker is a U.S. Controlled Person, payments on the sale, exchange or other disposition of the Bearer Note or Exchangeable Bearer Note made to or through a United States or foreign office of the broker will be subject to information reporting unless the beneficial owner has furnished the broker with documentation upon which the broker can rely to treat the payment as made to a beneficial owner that is a foreign person, and the broker has no actual knowledge or reason to know that any of the information or certifications associated with this documentation is incorrect.

For purposes of this discussion, a “**U.S. Controlled Person**” means (i) a U.S. person (as defined in the Code), (ii) a controlled foreign corporation for U.S. federal income tax purposes, (iii) a foreign person 50% or more of whose gross income was effectively connected with the conduct of a United States trade or business for a specified three-year period, or (iv) a foreign partnership, if at any time during its tax year, one or more of its partners are U.S. persons who, in the aggregate, hold more than 50% of the partnership's income or capital interest or if, at any time during its tax year, it is engaged in the conduct of a trade or business in the United States.

Any amounts withheld under the backup withholding rules may be allowed as a credit against the holder's U.S. federal income tax liability, and may entitle the holder to a refund, provided the required information is furnished to the IRS in a timely manner.

Holders should consult their tax advisers regarding the application of information reporting and backup withholding to their particular situations, the availability of an exemption therefrom, and the procedure for obtaining an exemption, if available.

### **3. 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 later of 1 January 2019 or 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 issued (or deemed re-issued) 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 principal and 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 expects to be 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. 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 CRA regarding such persons’ investment in the Notes. The CRA 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, Clearstream, Luxembourg or DTC (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 AND ESTATE 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.

## **Switzerland**

**THE FOLLOWING SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION OF ALL SWISS TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO PURCHASE, OWN OR DISPOSE OF THE NOTES AND, IN PARTICULAR, DOES NOT CONSIDER SPECIFIC FACTS OR CIRCUMSTANCES THAT MAY APPLY TO A PARTICULAR PURCHASER. IT IS FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL TAX CONSEQUENCES OF AN INVESTMENT IN NOTES UNDER THE TAX LAWS OF SWITZERLAND. THIS SUMMARY IS BASED ON THE TAX LAWS OF SWITZERLAND CURRENTLY IN FORCE AND AS APPLIED ON THE DATE OF THIS OFFERING MEMORANDUM WHICH ARE SUBJECT TO CHANGES (OR CHANGES IN INTERPRETATION) WHICH MAY HAVE RETROACTIVE EFFECT. PROSPECTIVE PURCHASERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES IN THE LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.**

### **Swiss Income Tax**

#### *Swiss Resident Noteholders*

#### Interest Payments or Redemption of Notes

Swiss residents receiving periodic interest payments during the investment or at redemption as one-time-interest generally must include these interest payments in their financial statements and/or in their income tax returns and owe individual income tax or corporate income tax on the relevant amounts.

Notes which are not straight debt instruments but have components of debt instruments and derivatives intertwined generally qualify as combined instruments. The tax treatment of such Notes depends on whether the Notes are considered as transparent or not for Swiss income tax purposes.

If the Note is considered as not transparent for Swiss income tax purposes, any amount received by the Noteholder (upon sale, laps, exercise or redemption) in excess of the amount invested (at issue or upon purchase) is treated as taxable income in the hands of the Noteholder if the Note qualifies as a note with predominant one-time interest payment. If the Note does not qualify as a note with predominant one-time interest payment, the Noteholder is subject to tax on the periodic interest payments and (at redemption) on the difference between initial issuance price and the redemption price. For the purpose of determining whether the Note is a note with predominant one-time interest payment the difference between initial issuance price and the redemption price is treated as one-time interest.

If the Note is considered as transparent for Swiss income tax purposes, it will be split notionally in a debt instrument and a derivative instrument component. Gains or losses on the derivative instrument component are treated as capital gains or losses (see below). Interest payments received during the investment, at laps or exercise or at redemption as one-time interest related to the debt instrument component are treated as taxable income in the hands of the Noteholder. Such a treatment is also applicable for the purpose of determining whether the Note is a note with predominant one-time interest payment.

The Note is generally considered as transparent if the debt and the derivative components are traded separately or if the different elements of the Note (such as the guaranteed redemption amount, the issuance price of the debt component, the interest rates determining the issuance price of the debt component) are separately stated in the sales documentation as well as in the offering prospectus and if each one of such components is separately evaluated. Such evaluation has to be performed through calculations of financial mathematics determining the intrinsic value of the debt instrument and the derivative instrument components contained in the Note. In particular, the calculations have to determine the notional issuance price of the debt instrument, based on the interest rate taken into account by the issuer which has to be at market value. The Swiss Federal Tax Administration has to approve such calculations. Such calculations have to be reviewed on a quarterly basis in order take into account the evolution of the interest rates. If the tax authorities are not provided with sufficient information the Notes can be treated as not transparent. Products with prevalent structures but for which the issuer does not provide the information allowing to distinguish the different elements of a product as described above are made transparent in retrospect by the tax authorities, banks or other channels of distribution if the following requirements are fulfilled:

- (a) the issuer of the product must have at least a single-A-rating; and
- (b) the product at hand has to be admitted to official quotation at the commercial exchange market or, at least, a market maker has to insure liquid trading of the product at hand.

Liquid trading by a market maker is a condition that the key data of the product can be used as credible basis of calculation.

Notes which are linked to underlying assets, such as bonds, shares, or baskets of such assets may also be treated, under certain circumstances, as direct investments in bonds, shares or in an investment fund. Notes linked to a basket of investment funds may be treated as an investment in an investment fund.

Notes in the form of reverse convertibles linked to shares, precious metals and commodities with no guaranteed payments and a duration of less than or equal to one year may be treated as straight derivatives.

### **Capital Gains**

#### *Swiss Resident Private Noteholders*

Swiss resident Noteholders who do not qualify as so-called professional securities dealer for income tax purposes ("*gewerbsmässiger Wertschriftenhändler*") and who hold the Notes as part of their private (as opposed to business) assets are hereby defined as Swiss Resident Private Noteholders.

Swiss Resident Private Noteholders realise a tax free capital gain upon the disposal of Notes which do not qualify as notes with predominant one-time interest payment and realise taxable income if the Notes qualify as notes with one-time predominant interest payment.

The tax treatment of capital gains on Notes which qualify as combined instruments (see above) depends on whether the Note qualifies as tax transparent or not. Notes which are not transparent for Swiss income tax purposes (see above) generally qualify as notes with predominant one-time interest payment and are treated as such. Notes which qualify as tax transparent are notionally split into a debt instrument and a derivative instrument component. The debt instrument component follows the usual tax treatment either as note with predominant one-time interest payment or as note with no predominant one-time interest payment as applicable. Capital gains arising from the derivative

instrument component of transparent Notes are generally not subject to income tax in the hands of Swiss Resident Private Noteholders.

With respect to capital gains arising from Notes linked to underlying assets, such as investment funds, bonds, shares or baskets of any of them see above under "Interest Payments or Redemption of Notes".

#### *Swiss Resident Business Noteholders*

Gains realized on the sale of Notes, by Swiss resident individual Noteholders holding the Notes as part of their business assets as well as by Swiss resident legal entity Noteholders, are part of their business profit subject to individual income tax or corporate income taxes, respectively. The same applies to Swiss Resident Private Noteholders who qualify as so-called professional securities dealer ("*gewerbsmässiger Wertschriftenhändler*").

#### **Non-Swiss Resident Noteholders**

Under present Swiss tax law, a Noteholder who is a non-resident of Switzerland and who, during the taxable year has not engaged in trade or business through a permanent establishment or a fixed place of business within Switzerland and who is not subject to taxation in Switzerland for any other reason, will not be subject to any Swiss federal, cantonal or municipal income tax on interest or gains realized on sale or redemption of the Notes.

#### **Swiss Stamp Duties**

##### **Swiss Issuance Stamp Duty**

The issuance of the Notes by a non-Swiss resident issuer is not subject to Swiss issuance stamp duty.

##### **Swiss Transfer Stamp Duty**

The sale or transfer of the Notes with a duration of more than one year may be subject to Swiss transfer stamp duty at the current rate of 0.3 per cent. if such sale or transfer is made by or through the intermediary of a Swiss bank or other securities dealer as defined in the Swiss Stamp Tax Act and no exemption applies. The same applies in case of physical delivery of the underlying being a taxable security in the meaning of the Swiss Stamp Tax Act at redemption.

Notes qualified as units in a foreign investment fund may be subject to the Swiss transfer stamp duty of up to 0.3 per cent. at issue.

##### **Swiss Withholding Tax**

All payments in respect of the Notes by a non-Swiss resident issuer are currently not subject to the Swiss withholding tax ("*Verrechnungssteuer*").

On 4 November 2015, the Swiss Federal Council announced a mandate to the Swiss Federal Finance Department to institute a group of experts tasked with the preparation of a new proposal for a reform of the Swiss withholding tax system. The new proposal is expected to include in respect of interest payments the replacement of the existing debtor-based regime by a paying agent-based regime for Swiss withholding tax similar to the one published on 17 December 2014 by the Swiss Federal Council and repealed on 24 June 2015 following the negative outcome of the legislative consultation with Swiss official and private bodies. Under such a new paying agent-based regime, if enacted, a paying agent in Switzerland may be required to deduct Swiss withholding tax on any payments or any securing of payments of interest in respect of a Note for the benefit of the beneficial owner of the payment unless certain procedures are complied with to establish that the owner of the Note is not an individual resident in Switzerland.

#### **Automatic Exchange of Information in Tax Matters**

On 19 November 2014, Switzerland signed the Multilateral Competent Authority Agreement (the “**MCAA**”). The MCAA is based on article 6 of the OECD/Council of Europe administrative assistance convention and is intended to ensure the uniform implementation of Automatic Exchange of Information (the “**AEOI**”). The Federal Act on the International Automatic Exchange of Information in Tax Matters (the “**AEOI Act**”) entered into force on 1 January 2017. The AEOI Act is the legal basis for the implementation of the AEOI standard in Switzerland.

The AEOI is being introduced in Switzerland through bilateral agreements or multilateral agreements. The agreements have, and will be, concluded on the basis of guaranteed reciprocity, compliance with the principle of speciality (i.e. the information exchanged may only be used to assess and levy taxes (and for criminal tax proceedings)) and adequate data protection.

Switzerland has concluded a multilateral AEOI agreement with the EU (replacing the EU savings tax agreement) and has concluded bilateral AEOI agreements with several non-EU countries.

**Based on such multilateral agreements and bilateral agreements and the implementing laws of Switzerland, Switzerland has begun to collect data in respect of financial assets, including, as the case may be, Notes, held in, and income derived thereon and credited to, accounts or deposits with a paying agent in Switzerland for the benefit of individuals resident in a EU member state or in a treaty state from, depending on the effectiveness date of the agreement, 2017 or 2018, as the case may be, and has begun or will begin to exchange it from 2018 or 2019.**

During its meeting on 7 December 2018, the Federal Council initiated the consultation on the introduction of the AEOI with 18 further states and territories. The implementation of the AEOI is planned for 1 January 2020, and the first exchange of data should take place in 2021.

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and the conditions contained in an amended and restated Dealer Agreement dated 3 May 2019 (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 Pricing Supplement.

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 or in relation to a particular Tranche of Notes.

### 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 Pricing Supplement or unless the transaction is an Excluded Issue. The Notes shall only be Rule 144A eligible if so specified in the applicable Pricing Supplement.

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 Internal Revenue Code of 1986, as amended and regulations thereunder (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 (other than a sale of Notes pursuant to Rule 144A) 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 if such offer or sale is made otherwise than in accordance with Rule 144A.

#### **144A Notes**

The Dealer Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to QIBs pursuant to Rule 144A.

Each purchaser of Rule 144A Notes, by accepting delivery of this Offering Memorandum, will be deemed to have represented, agreed and acknowledged that:

(1) It is (a) a QIB within the meaning of Rule 144A, (b) acquiring such Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it may be made in reliance on Rule 144A.

(2) It understands that such Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) and, in each case, in accordance with any applicable securities laws of any State of the United States.

(3) It understands that such Notes, unless otherwise set forth in the applicable Pricing Supplement or determined by the Issuer in accordance with applicable law, will bear a legend substantially to the following effect:

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 OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "**QUALIFIED INSTITUTIONAL BUYER**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES, OTHER THAN (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.

(4) It understands that the Rule 144A Notes will be represented by one or more Restricted Global Certificates. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted

Global Certificate, it will be required to provide a Transfer Agent with a written certification as to compliance with applicable securities laws.

(5) Each purchaser of Notes, and each subsequent transferee of Notes, the assets of which purchaser or transferee constitute the assets of one or more Plans and each fiduciary that directs such purchaser or transferee with respect to the purchase or holding of such Notes, will be deemed to represent that the purchase and holding of such Notes does not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code for which an exemption is not available.

(6) 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. If it is acquiring any Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

**Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.**

### **Regulation S Notes**

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 Offering Memorandum 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 or in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB, in each case in accordance with any applicable securities laws of any State of the United States.

(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 OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.**

(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.

Section 4975 of the Code prohibits the borrowing of money, the sale of property and certain other transactions involving the assets of plans that are tax-qualified under the Code ("**Qualified Plans**") or

individual retirement accounts (“**IRAs**”) and persons who have certain specified relationships to them. Section 406 of the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), prohibits similar transactions involving the assets of employee benefit plans that are subject to ERISA (“**ERISA Plans**”). Qualified Plans, IRAs and ERISA Plans and entities treated for purposes of ERISA and the Code as holding assets thereof are collectively referred to as “Plans”. Persons who have such specified relationships are referred to as “parties in interest” under ERISA and as “disqualified persons” under the Code. An Issuer may be considered a “party in interest” or “disqualified person” with respect to a Plan. The purchase and/or holding of securities by a Plan with respect to which any Issuer and/or certain of its affiliates is a fiduciary, service provider and/or sponsor (or otherwise is a “party in interest” or “disqualified person” due to being affiliated with any such person or otherwise) could constitute or result in a prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless such securities are acquired or held under, and in accordance with, a statutory or administrative exemption. Moreover, in accordance with ERISA’s general fiduciary requirement, a fiduciary with respect to any ERISA Plan who is considering the purchase of securities on behalf of such plan should determine whether such purchase is permitted under the governing plan document and is prudent and appropriate for the ERISA Plan in view of its overall investment policy and the composition and diversification of its portfolio. Plans established with, or for which services are provided by, an Issuer and/or certain of its affiliates should consult with counsel before making any acquisition. Each purchaser of Notes, and each subsequent transferee of Notes, the assets of which purchaser or transferee constitute the assets of one or more Plans and each fiduciary that directs such purchaser or transferee with respect to the purchase or holding of such Notes, will be deemed to represent that the purchase and holding of such Notes does not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code for which an exemption is not available.

Each issuance of Dual Currency Notes, Index Linked Notes, Equity Linked Notes, Commodity 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 Pricing Supplement.

#### **Prohibition of Sales to EEA Retail Investors**

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of 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 Directive; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that with effect from and including the date on which the Prospectus Directive was implemented in that Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Memorandum as completed by the Pricing

Supplement in relation thereto to the public in that Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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 Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

### **The Grand Duchy of Luxembourg**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that in addition to the circumstances described above in "*Prohibition of Sales to EEA Retail Investors*", Dealers may not offer or sale the Notes within The Grand Duchy of Luxembourg unless:

- (a) the offer is made to "qualified investors" as described in points (1) to (4) of Section I of Annex II to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, and persons or entities who are, on request, treated as professional clients in accordance with Annex II to Directive 2004/39/EC, or recognized as eligible counterparties in accordance with Article 24 of Directive 2004/39/EC unless they have requested that they be treated as non-professional clients; or
- (b) the offer benefits from any other exemption to, or constitutes a transaction otherwise not subject to, the requirement to publish a prospectus.

### **United Kingdom**

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.

### **The Netherlands**

The provisions of "*Prohibition of Sales to EEA 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 Offering Memorandum, shall not be offered, sold, transferred or delivered to the public in the Netherlands unless in reliance on Article 3(2) of the Prospectus Directive and provided:

- (a) such offer is made exclusively to legal entities which are qualified investors (as defined in the Prospectus Directive) in The Netherlands; or

- (b) standard logo and exemption wording are incorporated in the respective Pricing Supplement, 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
- (c) 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 acknowledged that the offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree no Notes may be offered, sold or delivered, nor may copies of this Offering Memorandum or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (“Regulation No. 11971”); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of this Offering Memorandum or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

- (i) 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 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”); and
- (ii) comply with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy; or
- (iii) comply with any other applicable laws and regulations or requirement imposed by CONSOB and/or any other Italian authority.

### **Provisions relating to the secondary market in Italy**

*Pursuant to Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors. Any investor purchasing the Notes is solely responsible for ensuring that any offer or resale of the Notes by such investor occurs in compliance with applicable laws and regulations.*

### **France**

Each of the Dealers 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 and will not offer, sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Offering Memorandum, the relevant Pricing Supplement or any other offering material relating to the Notes, and that such

offers, sales and distributions have been and will be made in France to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

## **Belgium**

This Offering Memorandum has not been, and will not be, submitted for approval to the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / Autorité des services et marchés financiers*) (the “**Belgian FSMA**”) as a prospectus relating to Notes with a maturity of less than 12 months qualifying as money market instruments within the meaning of the Belgian Prospectus Act (as defined below) (and which therefore fall outside the scope of the Prospectus Directive). Accordingly no action will be taken, and the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall refrain from taking any action, that would be characterised as or result in a public offering of such Notes in Belgium in accordance with the Prospectus Law of June 16, 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time (the “**Belgian Prospectus Act**”).

In the case of Fund Linked Notes, if the relevant underlying funds are not registered in Belgium with the Belgian FSMA in accordance with the Belgian law of August 3, 2012 on the collective investment undertakings satisfying the conditions set out in Directive 2009/65/EC and on undertakings for investment in receivables, as amended or replaced from time to time or the Belgian law of April 19, 2014 on alternative collective investment undertakings and their managers, as amended or replaced from time to time, as applicable, such Fund Linked Notes cannot be offered in Belgium unless (i) such Notes are cash settled or (ii) if the relevant underlying fund is a UCITS within the meaning of Directive 2009/65/EC, such Notes are offered to qualified investors only or to fewer than 150 natural or legal persons (other than qualified investors).

Bearer notes (including, without limitation, definitive notes in bearer form) shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian Law of December 14, 2005.

## **Prohibition of Sales to Belgian Consumers**

If the applicable Pricing Supplement indicates Prohibition of Sales to Belgian Consumers is applicable, 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 Offering Memorandum, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

## **Switzerland**

The Notes shall not be publicly offered, sold, advertised, distributed or redistributed, directly or indirectly, in or from Switzerland, and neither this Offering Memorandum, as completed by the respective Pricing Supplement nor any other solicitation for investments in the Notes may be communicated, distributed or otherwise made available in Switzerland in any way that could constitute a public offering within the meaning of Articles 652a and 1156 of the Swiss Code of Obligations (the “**CO**”) or of Article 3 of the Swiss Federal Act on Collective Investment Schemes (the “**CISA**”) unless the legal and regulatory conditions imposed on a public offering under the CO or CISA are satisfied. This Offering Memorandum as completed by the respective Pricing Supplement does not constitute a public offering within the meaning of Articles 652a, respectively 1156, of the CO and of Article 5 of the CISA and may not comply with the information standards required thereunder, and in particular with the guidelines on informing investors about structured products as published by the Swiss Bankers Association, as applicable.

The Notes may only be offered for sale to "professional investors" as defined in Article 4 para. 3 and Art. 5 of the Swiss Financial Services Act ("**FIDLEG**") once the FIDLEG and the respective ordinance FIDLEV are entered into force.

The Notes do not constitute collective investments within the meaning of the CISA. Accordingly, holders of the Notes do not benefit from protection under the CISA or from the supervision of the Swiss Financial Market Supervisory Authority. Investors are exposed to the default risk of the Issuer.

## **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 Offering Memorandum 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 Pricing Supplement 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 Pricing Supplement. 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(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO); 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 Offering Memorandum 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 Offering Memorandum 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 (Chapter 289) of Singapore (as modified or amended from time to time, the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

## 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;
- (b) this Offering Memorandum 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
- (c) 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 or any Notes 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 offering memorandum, 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.

## Chile

Any offering of securities shall be a private offering addressed to Qualified Investors as defined in Generally Applicable Rule No. 216 of 2008, issued by the *Superintendencia de Valores y Seguros* of Chile. Neither the Issuer nor the Notes will be registered in the *Registro de Valores Extranjeros* (Foreign Securities Registry) maintained by the *Superintendencia de Valores y Seguros de Chile* (Chilean Securities and Insurance Commission or “SVS”) and will not be subject to the supervision of the SVS. If such securities are offered within Chile, they will be offered and sold only pursuant to General Rule 336 of the SVS, an exemption to the registration requirements, or in circumstances which do not constitute a public offer of securities in Chile within the meaning of Article 4 of the Chilean Securities Market Law 18,045. The commencement date of the offering is the one contained on the cover page of the applicable Pricing Supplement. The Issuer has no obligation to deliver public information in Chile. These Notes shall not be subject to public offering in Chile unless registered in the Foreign Securities Registry.

*Cualquier oferta de valores está dirigida a Inversionistas Calificados según ellos son definidos por la Norma de Carácter General No. 216 de 2008, emitida por la Superintendencia de Valores y Seguros de Chile. El Emisor (Canadian Imperial Bank of Commerce) y las Notas no serán registrados en el Registro de Valores Extranjeros de la Superintendencia de Valores y Seguros de Chile o “SVS” y no están sujetos a la fiscalización de la SVS. Si dichos valores son ofrecidos dentro de Chile, serán ofrecidos y colocados sólo de acuerdo a la Norma de Carácter General 336 de la SVS, una excepción a la obligación de registro, o en circunstancias que no constituyan una oferta pública de valores en Chile según lo definido por el Artículo 4 de la Ley 18.045 de Mercado de Valores de Chile. La fecha de inicio de la presente oferta es la indicada en la portada de este prospecto. El emisor no está obligado a entregar información pública en Chile. Las Notas no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores Extranjeros de la SVS.*

## Mexico

The placement of the Notes made pursuant to the Programme does not constitute a public offering of securities under Mexican law and therefore is not subject to obtaining the prior authorization of the Mexican Banking and Securities Commission or the registration of the Notes with the Mexican National Registry of Securities, and therefore the Notes may not be publicly offered or sold, or otherwise subject to brokerage activities in Mexico.

The Dealers have acknowledged and agreed, and each further Dealer appointed under the Programme will be required to acknowledge and agree, that the Notes have not been and will not be registered with the Registro Nacional de Valores (National Securities Registry) maintained by the Mexican Comisión Nacional Bancaria y de Valores (National Banking and Securities Commission), and may not be offered or sold, or otherwise be the subject of brokerage activities in Mexico.

## **Colombia**

The Superintendencia Financiera de Colombia or the Superintendencia de Sociedades de Colombia's authorization of an issuance does not entail a certification about the worth of the securities or the solvency of the Issuer.

The Notes have not and will not be authorized by the Colombian Superintendency of Finance (Superintendencia Financiera de Colombia) and will not be registered under the Colombian National Registry of Securities and Issuers (Registro Nacional de Valores y Emisores) or the Colombia Stock Exchange (Bolsa de Valores de Colombia), and, accordingly, the Dealers have represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes will not be offered or sold to persons in Colombia except in circumstances which do not result in a public offering or an exemption therefrom under Colombian law.

## **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 laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Offering Memorandum, any other offering material or any Pricing Supplement, 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.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Memorandum or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

None of the Issuer or 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 Pricing Supplement 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 Pricing Supplement.

Neither this Offering Memorandum nor any Pricing Supplement 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 Offering Memorandum and the offering and sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Memorandum comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions.

*Notes in italics in this Pro Forma Pricing Supplement are intended for reference purposes only, will not appear in actual Pricing Supplement documents and are not binding on the Issuer.*

**Pricing Supplement dated [●]  
Canadian Imperial Bank of Commerce  
Legal Entity Identifier: 2IG19DL77OX0HC3ZE78  
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under a US\$7,500,000,000 Note Issuance Programme**

*[Include the following warning for all Notes where capital is at risk:*

**INVESTING IN THE NOTES PUTS YOUR CAPITAL AT RISK. YOU MAY LOSE SOME [OR ALL] OF YOUR INVESTMENT.]**

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

**[MIFID II product governance / target market - [appropriate target market legend to be included]]**

**[PRIIPs Regulation - PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MIFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, 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 Directive. 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.<sup>1</sup>

**[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore** – The Notes are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and [Excluded Investment Products]/[Specified Investment Products] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on

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<sup>1</sup> Include if the Notes potentially constitute “packaged” products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA retail investors for any other reason.

Investment Products).]<sup>2 3</sup>

*[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.]**

***[The purchase of Notes involves substantial risks and is 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. Before making an investment decision, prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in the Offering Memorandum (including “Risk Factors” on pages 23 to 72 thereof) and this Pricing Supplement.]***

*[Insert any specific additional risk factors (relating only to the tranche of Notes documented by this Pricing Supplement)].*

## **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 Offering Memorandum dated 3 May 2019 [and the supplements to the Offering Memorandum dated •] (the “**Offering Memorandum**”). This document constitutes the final terms of the Notes described herein and must be read in conjunction with such Offering Memorandum [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 Pricing Supplement and the Offering Memorandum [as so supplemented]. The Offering Memorandum [and the supplements to the Offering Memorandum] [is] [are] available for viewing during normal business hours at and copies may be obtained from the registered office of the Issuer at 199 Bay St., Toronto, Canada M5L 1A2, and at the specified office of the Paying Agents, for the time being in London and Luxembourg and copies may be obtained from 150 Cheapside, London, EC2V 6ET.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an offering document with an earlier date.<sup>4</sup>*

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 [Securities Note][Offering Memorandum] dated [original date]. This document constitutes the final terms of the Notes described herein and must be read in conjunction with the Offering Memorandum dated 3 May 2019 [and the supplements to the Offering Memorandum dated •], save in respect of the Conditions which are extracted from the [Securities Note] [Offering Memorandum] dated [original date]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement, the Conditions and the Offering Memorandum dated 3 May 2019 [as so supplemented]. The Offering Memorandum [and the supplements to the Offering Memorandum][is][are] available for viewing during normal business hours at and copies may be obtained from the registered office of the Issuer at 199 Bay St., Toronto,

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<sup>2</sup> Insert if the Notes are not prescribed capital market products and insert “Excluded Investment Products” or, if not, amend Singapore product classification.

<sup>3</sup> Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

<sup>4</sup> Notes issued in previous years under a prospectus approved under the Prospectus Directive cannot be increased under this Offering Memorandum.

Canada M5L 1A2, and at the specified office of the Paying Agents, for the time being in London and Luxembourg and copies may be obtained from 150 Cheapside, London, EC2V 6ET.]

References herein to numbered Conditions are to the “*Terms and Conditions of the Notes*” and words and expressions defined in such Conditions shall bear the same meaning in this Pricing Supplement, save as where otherwise expressly provided.

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

*[Consider including the following paragraphs for Reference Item Linked Notes.]*

[No person has been authorized to give any information or make any representation not contained in or not consistent with this Pricing Supplement, or any other information supplied in connection with 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 Dealer.

By investing in the Notes each investor represents that:

- (a) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or any Dealer as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.
- (b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.
- (c) **Status of Parties.** Neither the Issuer nor any Dealer is acting as a fiduciary for or adviser to it in respect of the investment in the Notes.

**AN INVESTMENT IN NOTES LINKED TO ONE OR MORE REFERENCE ITEMS MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OF THE NOTES MAY BE LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. [WHERE THE NOTES ARE REDEEMED BY THE ISSUER BY DELIVERY OF REFERENCE ITEM(S) THE VALUE OF THE REFERENCE ITEM(S) MAY BE LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.**

**INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.]**

[The provisions of Annex A apply to this Pricing Supplement and such documents shall be read together.]

[The information included herein with respect to indices and/or formulas comprising, based on or referring to variations in the prices of one or more shares in companies, any other equity or non-equity securities, currencies or currency exchange rates, interest rates, credit risks, fund units, shares in investment companies, term deposits, life insurance contracts, loans, commodities or futures contracts on the same or any other underlying instrument(s) or asset(s) or the occurrence or not of certain events not linked to the Issuer or any other factors to which the Notes are linked (the “**Underlyings**”) consists only of extracts from, or summaries of publicly available information. The

Issuer accepts responsibility that such extracts or summaries have been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Underlyings, no facts have been omitted that would render the reproduced extracts or summaries inaccurate or misleading. No further or other responsibility in respect of such information is accepted by the Issuer. In particular, neither the Issuer nor any Dealer accepts responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Underlyings of the Notes or that there has not occurred any event which would affect the accuracy or completeness of such information.

The purchase of Notes issued under the Programme is associated with certain risks. Each prospective investor in Notes must ensure that the complexity and risks inherent in the Notes are suitable for its investment objectives and are appropriate for itself or the size, nature and condition of its business, as the case may be. No person should deal in the Notes unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss. Each prospective purchaser of Notes should consider carefully whether the Notes are suitable for it in light of its circumstances and financial position. Prospective investors in Notes should consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of the Notes for them as an investment.]

- |       |  |  |
|-------|--|--|
| (i)   | Issuer:  | Canadian Imperial Bank of Commerce   |
| (ii)  | Branch of Account:   | [Main branch, Toronto]   |
| (iii) | Definitive N Registered Notes<br>( <i>Namensschuldverschreibungen</i> ): | [Yes][No]  |
| 1.    | [(i)] Series Number:   | [•]  |
|       | [(ii)] Tranche Number:   | [•]  |
|       |  | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)</i>   |
|       |  | <i>(for Preference Share Linked Notes consider disapplying Condition 21 (Further Issues) for EIS eligibility purposes)</i>   |
| 2.    | Specified Currency or Currencies:  | [•]  |
| 3.    | Aggregate Nominal Amount of Notes:                                       | [•]  |
|       | [(i)] Series:  | [•]  |
|       | [(ii)] Tranche:  | [•]  |
| 4.    | Issue Price:   | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> ( <i>in the case of fungible issues if applicable</i> )]                |
| 5.    | Protected Principal Amount:  | [•] <sup>1</sup>   |
| 6.    | (i) 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 [•] <sup>1, 2</sup> |

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<sup>1</sup> To be completed only for Notes to which the Belgian Securities Annex applies; to be deleted for other Notes.

*[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 will be tradeable only in nominal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and higher integral multiples of at least [●1,000], notwithstanding that no definitive Notes will be issued with denomination above [●99,000]]*

*[If paragraph 39 indicates that the Global Note is exchangeable for definitive Notes at the option of the Noteholder, the Notes will be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and may not include integral multiples.]*

(ii) Calculation Amount:

*[●] (If there is only one Specified Denomination and no integral multiples in excess thereof, insert the Specified Denomination. If there is more than one Specified Denomination and no integral multiples in excess thereof, insert the highest common factor of the Specified Denominations. If there are integral multiples in excess of the Specified Denomination(s), insert the highest common factor of the integral multiples and the Specified Denomination(s).) [Note: There must be a common factor in the case of integral multiples in excess of the Specified Denomination(s) or two or more Specified Denominations]*

7. Trade Date:

*[●]*

8. Strike Date/Pricing Date:

*[●] [Not Applicable]*

9. (i) Issue Date:

*[●]  
(For Preference Share Linked Notes, ensure the underlying preference shares are issued prior the issue date)*

(ii) Interest Commencement Date:

*[Specify: Issue Date/Not Applicable]*

(iii) CNY Issue Trade Date:

*[●] [Not Applicable]*

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<sup>1</sup> This number may need to be adjusted depending on the Specified Denomination and higher integral multiple of each Tranche.

<sup>2</sup> Where the Notes have a maturity of less than one year and the issue proceeds are to be accepted in the United Kingdom, or in the case of issues within Section 418 FSMA, will be subject to Section 19 FSMA unless their denomination is £100,000 or more (or its equivalent in other currencies) and they are only issued to “professionals” within Article 9(2)(a) of the Financial Services and Market Act (Regulated Activities) Order 2001. Add the following language:

“Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).”

10. Maturity Date:  [Specify date or (for Floating Rate Notes): The Interest Payment Date falling in or nearest to
- [For Preference Share-Linked Notes: [ or, if later, [3] Business Days after the Final Valuation Date]]
- (For Index, Equity and Fund Linked Notes consider providing for postponement of the Maturity Date if the Valuation Date is postponed by a Market Disruption Event or if there is a Settlement Disruption Event)*
11. (i) Business Centre:  [Not Applicable]
- [specify any applicable Business Centre(s) for the definition of "Business Day"]*
- (ii) Business Day Convention  [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]
12. Interest Basis:  per cent. Fixed Rate  
 [SONIA] [ ] month *[specify reference rate]* +/-  per cent. Floating Rate  
 [Zero Coupon]  
 [Dual Currency Interest]  
 [Commodity Linked]  
 [Index Linked]  
 [Equity Linked]  
 [FX Linked]  
 [Fund Linked]  
 [Inflation Linked]  
 *[other (specify)]*
- (further particulars specified below)
13. (i) Redemption/Payment Basis:  [Redemption at par]  
 [Commodity Linked]  
 [Index Linked]  
 [Equity Linked]  
 [FX Linked]  
 [Fund Linked]  
 [Inflation Linked]  
 [Preference Share Linked]  
 [Formula/Fixed Redemption Amount Notes]  
 [Variable Redemption Amount Notes]  
 [Low Interest Note/High Interest Note]  
 [Dual Currency]  
 [Partly Paid]  
 [Instalment]  
 *[Other (specify)]*
- (further particulars specified below)

- (ii) Protection Amount: [Applicable//Not Applicable]<sup>3</sup>  
[[●] per Calculation Amount]
14. Change of Interest or Redemption/Payment Basis: [Applicable//Not Applicable]  
*(Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis)*
15. Put/Call Options: [Put Option] *(Not Applicable to Bail-inable Notes)*  
[Call Option] *(If the Belgian Securities Annex applies, select only for Notes that are marketed as callable Notes)*  
[Not Applicable]  
  
[(further particulars specified below)]
16. [Date [Board] approval for issuance of Notes obtained:] [ ] [and [ ], respectively]]  
*(N.B. Only relevant where Board (or similar) authorization is required for the particular tranche of Notes)*
17. Bail-inable Notes: [Yes][No]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

18. **Fixed Rate Notes:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ other (*specify*)] in arrear] on each Interest Payment Date  
  
*(Not applicable in the case of a Fixed Coupon Amount; in which case consider interest accrual provisions in relation to any Early Redemption Amount.)*
- (ii) Interest Payment Date(s): [●] in each year, commencing on [ ], to and including [ ]  
[[adjusted for payment purposes only in accordance with the Business Day Convention][adjusted for calculation of interest and for payment day purposes in accordance with the Business Day Convention][not adjusted]]  
  
*(NB: This will need to be amended in the case of long or short coupons)*
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount

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<sup>3</sup> Only applicable to Reference Item Linked Notes.

- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ] [Not Applicable]
- (Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s))*
- (v) Day Count Fraction: [Actual/Actual (ISDA)]  
 [Actual/365 (Fixed)]  
 [Actual/Actual (ICMA)]  
 [Actual/360]  
 [Actual/365 (Sterling)]  
 [30/360]  
 [360/360]  
 [Bond Basis]  
 [30E/360]  
 [30E/360 (ISDA)]
- [specify other]
- (vi) Determination Dates: [[●] in each year] [Not Applicable]
- (Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
- 19. Floating Rate Note Provisions:** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s)/ Interest Payment Dates: [●] [each consisting of [●] Interest Accrual Periods each of [●]] [in each year commencing [●]]
- The Interest [Period[s]/Payment Dates] will [not] be adjusted [in accordance with the Business Day Convention set out below].
- (If the Interest Period(s) or Interest Payment Dates are adjusted, specify the relevant Business Day Convention at paragraph 20(iii) below. If Interest Period(s) are not adjusted, no Business Day Convention should be specified)*
- (ii) Interest Period Date(s): [[●]/Not Applicable]
- (iii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (iv) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [●]

(v)	Screen Rate Determination:	[Applicable/Not Applicable]
	- Reference Rate:	[●]
	- Relevant Screen Page:	[●]
	- Interest Determination Date(s):	[●] ( <i>The number of London Banking Days prior to the end of each Interest Accrual Period if SONIA as set out under Observation Look-Back Period, second London business day prior to start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second TARGET2 Business day prior to start of each Interest Period if EURIBOR or euro LIBOR</i> )
	- Observation Look-Back Period:	[[     ] London Banking Days] [Not Applicable]  ( <i>In the case of SONIA “p” London Banking Days where “p” shall not be less than 5 without the prior agreement of the Calculation Agent</i> )
	- Rate Multiplier:	[Applicable/Not Applicable]  ( <i>specify formula</i> )
(vi)	ISDA Determination:	[Applicable/Not Applicable]
	- Floating Rate Option:	[●]
	- Designated Maturity:	[●]
	- Reset Date:	[●]
(vii)	Linear Interpolation	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation ( <i>specify for each short or long interest period</i> )]
(viii)	Margin(s):	[+/-] [●] per cent. per annum/Not Applicable
(ix)	Interest Amount(s):	[[●] per Calculation Amount/ Calculated in accordance with Condition 4(j)]
(x)	Minimum [Rate of Interest] [Interest Amount]:	[[●] per cent. per annum] [[●] per Calculation Amount] [Zero per cent. per annum] [Not Applicable]
(xi)	Maximum [Rate of Interest] [Interest Amount]:	[[●] per cent. per annum] [[●] per Calculation Amount] [Not Applicable]
(xii)	Day Count Fraction:	[Actual/Actual Actual/Actual (ISDA) Actual/365 (Fixed) Actual/Actual (ICMA) Actual/360 Actual/365 (Sterling) 30/360, 360/360, Bond Basis 30E/360 30E/360 (ISDA)]

- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●] [Not Applicable]
- (xiv) Relevant Time: [●]
- 20. Zero Coupon Note Provisions:** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortization Yield: [●] per cent. per annum
- (ii) Any other formula/basis of determining amount payable: [*insert details*]
- (iii) Day Count Fraction in relation to Early Redemption Amounts and late payments: [30/360  
Actual/360  
Actual/365  
other]
- 21. Interest Linked to one or more Reference Items provisions:** <sup>4\*\*</sup> [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Reference Item: As specified in paragraph[s] [25/26/27/28/29/30/32/33] [*specify other*]
- (ii) Provisions for determining Rate of Interest or Interest Amount where calculated by reference to an Index and/or an Equity and/or a Currency Price and/or a Commodity and/or a Commodity Index and/or a Fund and/or an Inflation Index: [*give or annex details*]
- (iii) Provisions for determining Rate of Interest or Interest Amount where calculation by reference to an Index and/or an Equity and/or a Currency Price and/or a Commodity and/or a Commodity Index and/or a Fund and/or an Inflation Index is impossible or impracticable or otherwise disrupted: [●]

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<sup>4</sup> Payments on Reference Item Linked Notes may give rise to Canadian withholding tax. An opinion of tax counsel should be obtained and if no opinion is obtained or if any deduction or withholding may be required, consider providing in the Pricing Supplement that Condition 5(c) does not apply to such Notes.

\*\*Consider whether any additional disclosure is required to comply with the disclosure requirements of the Interest Act (Canada)

- (iv) Calculation Agent responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) and making calculations (if not the Fiscal Agent): [Applicable/Not Applicable][*If applicable, need to include back up provisions*]
- (v) Interest Determination Date(s): [•]
- (vi) Interest Period(s) or other calculation period(s): [•] each consisting of [•] Interest Accrual Periods each of [•]
- (vii) Interest Period Date(s): [•]/Not Applicable
- (viii) Specified Interest Payment Dates: [•]
- (ix) Minimum Rate of Interest/Interest Amount: [•] per cent. per annum
- (x) Maximum Rate of Interest/Interest Amount: [•] per cent. per annum
- (xi) Day Count Fraction: [•]

## PROVISIONS RELATING TO REDEMPTION

- 22. Call Option:** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (If the Belgian Securities Annex applies, select only for Notes that are marketed as callable Notes)*
- (i) Optional Redemption Date(s): [•]
  - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
  - (iii) If redeemable in part:
    - (a) Minimum Redemption Amount: [•] per Calculation Amount
    - (b) Maximum Redemption Amount: [•] per Calculation Amount
  - (iv) Notice period:<sup>6</sup> [•]
- 23. Put Option:** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]

(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
(iii)	Notice period: <sup>5</sup>	[●]
<b>24.</b>	<b>Automatic Redemption (Autocall)</b>	[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
		<i>(If the Belgian Securities Annex applies, select only for Notes that are marketed as autocallable Notes)</i>
(i)	Underlying Performance Type:	[Single Asset] [Basket] [Worst-of/Best-of]
(ii)	Autocall Observation Type:	[Discrete][Continuous]
	(a) [Continuous Autocall Start Date:	[●]]
	(b) [Continuous Autocall End Date:	[●]]
(iii)	Autocall Barrier Percentage[s]:	[●] [Each of the percentages set out in Table [●] below in the column entitled 'Autocall Barrier Percentage'.]
(iv)	Autocall Redemption Percentage[s]:	[●] [Each of the percentages set out in Table [●] below in the column entitled 'Autocall Redemption Percentage'.]
(v)	Autocall Valuation Date[s]:	[●] [Each date set out in Table [●] below in the column entitled 'Autocall Valuation Date'.]
(vi)	Autocall Redemption Date[s]:	[●] [Each date set out in Table [●] below in the column entitled 'Autocall Redemption Date'.] [The [●] Business Day following each Autocall Valuation Date]
(vii)	Autocall Valuation Price:	[●]
(viii)	Averaging-out:	[Applicable/ Not Applicable] [Averaging-out Dates: [●]] [Each of the dates set out in Table [●] below in the column entitled 'Averaging-out Dates'.]
(ix)	Min Lookback-out:	[Applicable/ Not Applicable] [Lookback-out Dates: [●]] [Each of the dates set out in Table [●] below in the column entitled 'Lookback-out Dates'.]

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<sup>5</sup> If setting notice periods which are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agents.

(x) Max Lookback-out: [Applicable/ Not Applicable]  
 [Lookback-out Dates: [●]]  
 [Each of the dates set out in Table [●] below in the column entitled 'Lookback-out Dates'.]

Table [●]

Autocall Valuation Date:	Autocall Barrier Percentage:	Autocall Redemption Percentage:	Autocall Redemption Date:	[Averaging-out Dates:]	[Lookback-out Dates:]
[●]	[●]	[●]	[●]	[●]	[●]

**25. Final Redemption Amount of each Note:** [[●] per Calculation Amount /other/see Appendix]

[As specified in paragraph 26(ii) below]

[In cases where Final Redemption Amount is Index Linked/Equity Linked/FX Linked/Fund Linked/Inflation Linked/Preference Share Linked or other variable linked:

As specified at [●]]

(i) Reference Item(s): As specified in paragraph[s] [25/26/27/28/29/30/32/33] [specify other]

(ii) Provisions for determining Final Redemption Amount where calculated by reference to an Index and/or an Equity and/or a Currency Price and/or a Commodity and/or a Commodity Index and/or a Fund and/or an Inflation Index or any other variable: [specify provisions for calculating Final Redemption Amount]

(iii) Provisions for determining Final Redemption Amount where calculation by reference to an Index and/or an Equity and/or a Currency Price and/or a Commodity and/or a Commodity Index and/or a Fund and/or an Inflation Index or any other variable is impossible or impracticable or otherwise disrupted: [see paragraph[s] [25/26/27/28/29/30/32/33] [specify other]

(iv) Settlement Method [Cash Settlement] [Physical Delivery] [Cash Settlement and/or Physical Delivery]

[Note: Physical Delivery not applicable for 144A Notes held in DTC]

**26. Bail-inable Notes – TLAC Disqualification Event Call Option:** [Applicable][Not Applicable]

<p><b>27. [Early Redemption Amount:</b></p> <p>Early Redemption Amount(s) of each Note: payable on redemption for taxation reasons[, TLAC Disqualification Event Call Option] or on event of default or illegality or other early redemption in accordance with the Conditions and/or the method of calculating the same (if required or if different from that set out in Condition 5(c))</p> <p><i>Delete where the Belgian Securities Annex applies</i></p>	<p>[[●] per Calculation Amount/specify other/see Appendix]</p> <p><i>[(Consider including the wording below in the case of Index Linked Notes, Equity Linked Notes, Commodity Linked, Notes, FX Linked Notes, Fund Linked Notes and Inflation Linked :</i></p> <p>[Market Value less Associated Costs] per Calculation Amount: With respect to each Calculation Amount, such amount(s) determined by the Calculation Agent which shall represent the fair market value of such Calculation Amount on the date of redemption, including accrued interest (if any), adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its Affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. For the purposes hereof:</p> <p>(i) the references to “, together with interest accrued, if any, to (but excluding) the date fixed for redemption” shall be deemed to be deleted from each of Condition 5(c), Condition 5(d) and Condition 5(e); and</p> <p>(ii) the references to “together with accrued interest to the date of payment” shall be deemed to be deleted from Condition 18][</p>
<p><b>[Early Redemption Amount:</b></p> <p>Early Redemption Amount(s) of each Note for which the Belgian Securities Annex applies: payable on redemption for taxation reasons[, TLAC Disqualification Event Call Option] or illegality or other early redemption in accordance with the Conditions and/or the method of calculating the same</p> <p><i>Use where the Belgian Securities Annex applies</i></p> <p>(i) Monetisation Option</p>	<p>[Market Value 1][,including accrued interest]</p> <p>[Market Value 2][,including accrued interest]</p> <p>[Highest Value (Structured)]</p> <p>[Highest Value (Vanilla)]</p> <p>[Protected Principal Amount][,including accrued interest]</p> <p>[an amount per Note of Calculation Amount] [,including accrued interest]</p> <p>[Applicable]/[Not Applicable] [<i>select only for structured Notes to which the Belgian Securities Annex applies, and “Market Value 2” applies as Early Redemption Amount.</i>]</p>

Early Redemption Amount(s) of each Note for which the Belgian Securities Annex applies: payable on event of default

[[●] per Calculation Amount/specify other/see Appendix]

*[(Consider including the wording below in the case of Index Linked Notes, Equity Linked Notes, Commodity Linked, Notes, FX Linked Notes, Fund Linked Notes and Inflation Linked :*

[Market Value less Associated Costs] per Calculation Amount: With respect to each Calculation Amount, such amount(s) determined by the Calculation Agent which shall represent the fair market value of such Calculation Amount on the date of redemption, including accrued interest (if any), adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its Affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Calculation Agent in its sole and absolute discretion.]

## PROVISIONS RELATING TO THE TYPE OF NOTES

### 28. Commodity Linked Notes:

[Applicable/Not Applicable]

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

(i) Commodity/Basket of Commodities/Commodity Index:

[●]

(i) Relevant provisions for determining Final Redemption Amount and/or assets deliverable:

[●]

(ii) Calculation Agent responsible for making calculations:

[●]

(iii) Other terms or special conditions:

[●]

(iv) Additional Disruption Event:

[Insert Details/ Not Applicable]

### 29. Index Linked Notes:

[Applicable/Not Applicable]

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

(i) Whether the Notes relate to a basket of indices or a single index, the identity of the relevant Index/Indices and details of Index Sponsor(s):

[Basket of Indices/Single Index]

*[give or annex details]*

[The Index is a Designated Multi-Exchange Index]

(ii) Relevant provisions for determining the Final Redemption Amount:

[●]

(iii) Calculation Agent responsible for making calculations pursuant to Condition 7:

[●]

- (iv) Exchange(s): [•]
- (v) Related Exchange(s): [[•] /All Exchanges]
- (vi) Redemption Amount: [[•] per Calculation Amount/ Not Applicable]  
*[If not applicable: Call Index Linked Notes/Put Index Linked Notes]*
- (vii) Valuation Date(s): [•]
- (viii) Valuation Time: [Condition 7(c) applies/other]
- (ix) Strike Price: [•]
- (x) Multiplier for each Index comprising the basket: *[Insert details/Not Applicable]*
- (xi) 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 following sub paragraph (xii))*
- (xii) Correction Cut-Off Date: [•] Business Days prior to the Maturity Date
- (xiii) Additional Disruption Events: [Applicable/Not Applicable]  
 [The following Additional Disruption Events apply to the Notes:  
 [Change in Law]  
 [Hedging Disruption] *[this should not be elected for Notes to which the Belgian Securities Annex applies]*  
 [Increased Cost of Hedging] *[this should not be elected for Notes to which the Belgian Securities Annex applies]*
- (xiv) Other terms or special conditions: [•]

**30. Equity Linked Notes:** [Applicable/Not Applicable]

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

- (i) Whether the Notes relate to a basket of equity securities or a single equity security, and the identity of the relevant issuer(s) of the Underlying Equity/Equities): [Basket of Underlying Equities/Single Underlying Equity]  
*[give or annex details]*
- (ii) Calculation Agent responsible for making calculations pursuant to Condition 8: [•]
- (iii) Exchange(s): [•]

- (iv) Related Exchange(s): /All Exchanges]
- (v) Potential Adjustment Events: [Applicable/Not Applicable]
- (vi) De-listing: [Applicable/Not Applicable]
- (vii) Merger Event: [Applicable/Not Applicable]
- (viii) Nationalization: [Applicable/Not Applicable]
- (ix) Insolvency: [Applicable/Not Applicable]
- (x) Tender Offer: [Applicable/Not Applicable]
- (xi) Redemption Amount:  per Calculation Amount/ Not Applicable/Early Redemption Amount]
- [If not applicable: Call Equity Linked Notes/Put Equity Linked Notes]*
- (xii) Valuation Date(s):
- (xiii) Valuation Time: [Condition 8(e) applies/*other*]
- (xiv) Strike Price:
- (xv) Exchange Rate: [Applicable/Not Applicable]
- [Insert details]*
- (xvi) Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 8(b)): *[Insert details/Not Applicable]*
- (xvii) Correction of Share Prices: [Applicable/Not Applicable] (*If Applicable: The Reference Price shall be calculated without regard to any subsequently published correction*)
- (If Correction of Share Prices does not apply, delete the following sub paragraph)*
- (xviii) Correction Cut-Off Date:  Business Days prior to the Maturity Date
- (xix) Additional Disruption Events: [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] [*this should not be elected for Notes to which the Belgian Securities Annex applies*]  
[Increased Cost of Hedging] [*this should not be elected for Notes to which the Belgian Securities Annex applies*]  
[Increased Cost of Stock Borrow] [*this should not be elected for Notes to which the Belgian Securities Annex applies*]  
[Insolvency Filing] [*this should not be elected for Notes to which the Belgian Securities Annex applies*]

[Loss of Stock Borrow] [*this should not be elected for Notes to which the Belgian Securities Annex applies*]

[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)

(xx) Other terms or special conditions:

[•]

**31. FX Linked Notes:**

[Applicable] [Not Applicable]

(i) Base Currency:

[•]

(ii) Subject Currency:

[•]

(iii) Currency Price:

[As specified in the FX Linked Conditions]

[specify other]

(iv) FX Market Disruption Event(s):

(N.B. Only complete if Inconvertibility Event/Price Materiality Event/Non-Transferability Event and/or other disruption events should be included as FX Market Disruption Events)

(a) Inconvertibility Event:

[Applicable] [Not Applicable]

(b) Price Materiality Event:

[Applicable. Price Materiality Percentage: [•]]

[Not Applicable]

(c) Non-Transferability Event:

[Applicable] [Not Applicable]

(d) Other

[•]

- (v) Disruption Fallbacks: (Specify the applicable Disruption Fallbacks in the order that they will apply)
- [Calculation Agent Determination]  
 [Currency-Reference Dealers  
 Reference Dealers: [four] *[specify other]*  
 [EM Fallback Valuation Postponement]  
 [EM Valuation Postponement]  
 [Fallback Reference Price Fallback Reference Price: [●]]  
 [Other Published Sources]  
 [Postponement Maximum Days of Postponement: [●]]  
 [Other]
- (vi) FX Price Source(s): [●]
- (vii) Specified Financial Centre(s) [●]
- (viii) Averaging: [Applicable. The Averaging Dates are [●]] [Not Applicable]
- (ix) Valuation Date(s): [●]
- (x) Valuation Time: [●]
- (xi) Weighting: [Not Applicable] [The weighting to be applied to each item comprising the Basket to ascertain the Currency Price is [●]] (*N.B. Only applicable in relation to FX Linked Notes relating to a Basket*)
- (xii) EM Currency Provisions: [Applicable] [Not Applicable]
- (xiii) (a) Unscheduled Holiday: [Applicable. Maximum Days of Deferral: [●]] [Not Applicable]
- (b) EM Valuation Postponement [Applicable. Maximum Days of EM Valuation Postponement: [●]] [Not Applicable]
- (c) EM Fallback Valuation Postponement [Applicable. Fallback Maximum Period of Postponement: [As specified in the FX Linked Conditions] *[specify other]*] [Not Applicable]
- (d) Cumulative Events: [Applicable. Maximum Days of Cumulative Postponement: [As specified in the FX Linked Conditions] *[specify other]*] [Not Applicable]
- (xiv) Successor Currency: [Applicable] [Not Applicable]
- [Issue Date/*other*]
- (xv) Rebasing: [Applicable] [Not Applicable]
- (xvi) Additional Disruption Events: [Not Applicable]

[The following Additional Disruption Events apply to the Notes:

[Change in Law]

[Hedging Disruption] [*this should not be elected for Notes to which the Belgian Securities Annex applies*]

[Increased Cost of Hedging] [*this should not be elected for Notes to which the Belgian Securities Annex applies*]

(xvii) Other terms or special conditions: [•]

**32. Fund Linked Conditions:** [Applicable] [Not Applicable]

(i) Fund/Basket of Funds: [•]

[[The [•] Fund is an ETF]

[Exchange for each Fund Share: [•]]

[Related Exchange for each Fund Share: [•] [All Exchanges]]

[Underlying Index: [•]]

*(N.B. Include for Exchange Traded Funds (ETFs))*

(ii) Fund Interest(s): [•]

(iii) Fund Performance: [•] [As specified in the Fund Linked Conditions]

(iv) Weighting: [Not Applicable] [The weighting to be applied to each Fund comprising the Basket of Funds is [•]] (*N.B. only applicable in relation to Fund Linked Notes relating to a Basket of Funds*)

(v) Barrier Event (intraday): [Applicable] [Not Applicable]

Barrier Event Determination Day: [As specified in the Fund Linked Conditions][*other*]

(vi) 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]

(vii) Barrier Level: [•][Not Applicable]

(viii) Averaging: [Applicable] [Not Applicable]

(a) Averaging Dates: [*insert dates*]

- (b) Omission: [Applicable] [Not Applicable] *(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*
- (c) Postponement [Applicable] [Not Applicable] *(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*
- (d) Modified Postponement: [Applicable] [Not Applicable] *(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*
- (ix) Valuation Date(s): [•]
- (x) Valuation Time: [As specified in the Fund Linked Conditions] [specify other] *(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*
- (xi) Observation Date(s): [•]
- (xii) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable]
- (a) Observation Period Start Date [[•] ([Including] [Excluding])] [Not Applicable]
- (b) Observation Period End Date: [[•] ([Including] [Excluding])] [Not Applicable]
- (xii) Common Scheduled Trading Days: [Applicable. [Common] [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)*
- (xiv) Additional Disruption Events: [Not Applicable]
- [The following Additional Disruption Events apply to the Notes:
- [Change in Law]  
[Hedging Disruption] [*this should not be elected for Notes to which the Belgian Securities Annex applies*]  
[Increased Cost of Hedging] [*this should not be elected for Notes to which the Belgian Securities Annex applies*]
- (xv) Initial Price: [*insert if not the Fund Share Closing Price of such Fund Share on the Strike Date or Pricing Date (as applicable) per the Conditions*][Not Applicable]
- (xvi) Other terms or special conditions: [Merger Event: Merger Date on or before the Valuation Date] [*other*]
- 33. Inflation Linked Notes:** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Inflation Index/Basket of Inflation Indices/Inflation Index Sponsor(s): [•]  
Inflation Index Sponsor : [•]
- (ii) Related Bond: [Applicable] [Not Applicable]  
The Related Bond is: [•] [Fallback Bond]  
[Fallback Bond: [Applicable] [Not Applicable]]  
The End Date is: [•]
- (iii) Determination Date(s): [•]
- (iv) Cut-Off Date: [•]
- (v) Other terms or special conditions: [•]
- 34. Preference Share Linked Notes:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Preference Share Issuer: [•] A description of the Preference Share Issuer is contained in Annex A hereto
- (ii) Preference Share: [•]
- (iii) Calculation Agent responsible for making calculations: [•]
- (iv) Provisions for determining Final Redemption Amount: [The Final Redemption Amount in respect of each Note is an amount in the Specified Currency calculated by the Calculation Agent equal to:  
$$\text{Calculation Amount} \times \frac{\text{Preference Share Value}_{\text{final}}}{\text{Preference Share Value}_{\text{initial}}}$$
  
Where:  
“**Preference Share Value<sub>final</sub>**” means the Preference Share Value on the Final Valuation Date; and  
“**Preference Share Value<sub>initial</sub>**” means the Preference Share Value on the Initial Valuation Date.]
- (v) Final Valuation Date: [•]
- (vi) Valuation Time: [•] [London time]
- (vii) Extraordinary Events: [As per Condition 12/*insert other extraordinary events*]

(viii)	Additional Disruption Events:	<p>[The following Additional Disruption Events apply to the Notes:</p> <p>[Change in Law]  [Hedging Disruption] [<i>this should not be elected for Notes to which the Belgian Securities Annex applies</i>]  [Insolvency Filing]  [Increased Cost of Hedging] [<i>this should not be elected for Notes to which the Belgian Securities Annex applies</i>]  [ other]]</p>
<b>35.</b>	<b>Dual Currency Note Provisions:</b>	<p>[Applicable/Not Applicable]</p> <p><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p>
(i)	Rate of Exchange/method of calculating Rate of Exchange:	[give details]
(ii)	Party, if any, responsible for calculating the principal and/or interest due (if not the Fiscal Agent):	[•]
(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[•]
(iv)	Person at whose option Specified Currency(ies) is/are payable:	[•]
<b>36.</b>	<b>Other variable-linked interest Note Provisions:</b>	[•]
<b>37.</b>	<b>Physical Delivery Notes:</b>	<p>[Applicable/Not Applicable]</p> <p><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p> <p><i>[Note: Physical Delivery not applicable for 144A Notes held in DTC]</i></p> <p>[Cash Settlement] [Physical Delivery] [Cash Settlement and/or Physical Delivery] [<i>If Cash Settlement and/or Physical Delivery specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply</i>]  [The provisions of Condition 14 shall apply.]</p>
(i)	Relevant Asset(s):	[•]
(ii)	Asset Amount:	[•]
(iii)	Cut-Off Date:	[•]
(iv)	Failure to Deliver due to Illiquidity:	[Applicable/Not Applicable]

- |        |  |                             |
|--------|--|-----------------------------|
| (v)    | Delivery provisions for Asset Amount (including place of delivery) if different from Condition 14: | [●]                         |
| (vi)   | Settlement Business Day:   | [●]                         |
| (vii)  | Issuer's option to vary Settlement:  | [Applicable/Not Applicable] |
| (viii) | Other terms or special conditions:   | [●]                         |

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

### 38. Form of Notes:

#### **[Bearer Notes/ Exchangeable Bearer Notes:]**

[Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for definitive Notes on [●] days' notice<sup>6</sup>/in the limited circumstances specified in the permanent Global Note] [and/or Registered Notes]

[Temporary Global Note exchangeable for definitive Notes on [●] days' notice<sup>6</sup>] [and/or Registered Notes]

[Permanent Global Note exchangeable for definitive Notes on [●] days' notice<sup>6</sup>/in the limited circumstances specified in the permanent Global Note] [and/or Registered Notes]

#### **[Registered Notes]**

*[If paragraph 7(i) provides for a Specified Denomination and higher integral multiples, the option to exchange into definitive Notes on [●] days' notice/at any time must be disappplied]*

[Restricted/Unrestricted] Global Registered Note registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg / a nominee of DTC]

[Definitive N Registered Notes issued to each Holder by Definitive N Registered Notes Deed. Specified office of Issuer for notification of transfers of Definitive N Registered Notes: [Frankfurt office, [address]/[other].]

Exclusion of set-off: [Not Applicable/give details]

*(applicable to Definitive N Registered Notes only)*

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<sup>6</sup> Consider FATCA implications and other tax implications before allowing conversion of global Notes to definitive Notes.

[See Condition 27. If set-off is excluded for the purpose of Definitive N Registered Notes to be issued to German insurers, insert: "Counterclaims. As long as, and to the extent that, this Definitive N Registered Note forms part of the restricted assets (*gebundenes Vermögen*) within the meaning of Section 54 (3) of the German Act Concerning the Supervision of Insurance Companies (*Gesetz über die Beaufsichtigung der Versicherungsunternehmen*), as amended, in conjunction with the German Regulation Concerning the Investment of the Restricted Assets of Insurance Companies (*Verordnung über die Anlage des gebundenen Vermögens von Versicherungsunternehmen*), as amended, the Issuer waives (also in the event of insolvency of the holder of the Definitive N Registered Note or in the event that insolvency proceedings or similar proceedings are instituted against the holder of the Definitive N Registered Note) any right of set-off, combination or consolidation as well as any right to exercise any pledges, rights of retention and other rights which could affect the rights under the Definitive N Registered Note."]

39. New Global Note: [Yes/No]
40. Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/*give details.*]  
*(Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which paragraph 12 relates)*
41. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No.] (If yes, *give details*)
42. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable] (*give details*)
43. Details relating to Instalment Notes: [Not Applicable]
- (a) Instalment Amount(s): [Not Applicable/*give details*]
- (b) Instalment Date(s): [Not Applicable/*give details*]
44. Redenomination, renominatisation, and reconventioning provisions: [Not Applicable/The provisions annexed to this Pricing Supplement apply]
45. Consolidation provisions: [Not Applicable/The provisions annexed to this Pricing Supplement apply]

46. Governing Law and Jurisdiction: [Ontario Law/English law/German law] [Each Holder or beneficial owner of any Bail-inable Notes attorns to the jurisdiction of the courts in the Province of Ontario with respect to the operation of the CDIC Act]
47. Other final terms: [Not Applicable/give details]  
*(Specify if Condition 15(e) (Unavailability of Currency) is not applicable)*
48. Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 19(a): [Not Applicable/give details]
49. Belgian Securities Annex: [Applicable/Not Applicable] *[If Not Applicable ensure Prohibition of Sales to Belgian Consumers in Part B is Applicable]*

#### PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue [and admission to trading on the Euro MTF and admission to the Official List of the Luxembourg Stock Exchange] of the Notes described herein pursuant to the US\$7,500,000,000 Note Issuance Programme of Canadian Imperial Bank of Commerce.

#### RESPONSIBILITY

[[Subject as provided below,] the Issuer accepts responsibility for the information contained in this Pricing Supplement.] [(Relevant third party information<sup>7</sup>) has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced [and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.][The Issuer accepts responsibility for the accuracy of such extraction but accepts no further or other responsibility in respect of such information.]

Signed on behalf of the Issuer:

By: .....  
Duly authorized

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<sup>7</sup> For Preference Share Linked Notes, include information on the Preference Share Issuer (if other than the issuer described in the Offering Memorandum) in an annex.

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

[Application [has been/will be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Euro MTF and listed on the Official List of the Luxembourg Stock Exchange [with effect from [●]].]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Euro MTF and listed on the Official List of the Luxembourg Stock Exchange with effect from [●].] [Not Applicable.]

*Where documenting a fungible issue need to indicate that original securities are already admitted to trading:* [Tranche[s] [ ] of the Notes [is/are] already admitted to trading on the Euro MTF and listed on the Official List of the Luxembourg Stock Exchange with effect from [ ].]

### 2. RATINGS

Ratings:

[The [short/long] term debt of the Issuer is rated:]

The Notes [to be issued] have [been rated] [not been rated.]:

[S&P USA: [●]]

[Moody's USA: [●]]

[[Other]: [●]]

*(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.)*

[A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.]

### 3. OPERATIONAL INFORMATION

(i) ISIN Code: [●]

(ii) Common Code: [●]

(iii) CFI [Not Applicable] [As set out on the website of the Association of National Number Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]

(iv) FISN [Not Applicable] [As set out on the website of the Association of National Number Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]

(iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification [Not Applicable/give name(s) and number(s) [and address(es)]]

- number(s):
- [The Depository Trust Company:] [CUSIP Number]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Calculation Agent: [●][CIBC World Markets plc][CIBC World Markets Corp.]
- (vi) Paying Agent: [Deutsche Bank AG, London Branch] [Deutsche Bank Luxembourg S.A.][Deutsche Bank Aktiengesellschaft]
- (vii) Names and addresses of additional Paying Agent(s) (if any): [●]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for Registered Notes which are to be held under the NSS]* and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[if “yes”, the Notes must be issued in NGN form]*
- [No. While the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for Registered Notes]*. Note that this does not necessarily mean that the Notes will then be recognized 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.]

#### 4. DISTRIBUTION

- (i) Method of Distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names and addresses of Managers: [Not Applicable/*give names*]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/*give names*]
- (iv) Stabilizing Manager(s) (if any): [Not Applicable/*give names*]
- (v) US Selling Restrictions: [Reg. S Compliance Category 2] [Rule 144A eligible]

- (vi) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]  
*(If the Notes clearly do not constitute “packaged” products, or the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
- (vii) Prohibition of Sales to Belgian Consumers: [Applicable][Not Applicable]
- (viii) Applicable TEFRA exemption: [C Rules/D Rules/Excluded Issue]
- (ix) Additional Selling Restrictions: [Not Applicable] [Add country-specific selling restrictions]

**5. GENERAL**

- (i) The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [ ], producing a sum of: [Not Applicable/[US\$][●]]
- (ii) Additional Tax Considerations: [●] *(insert additional Canadian or US tax disclosure relevant to Reference Item Linked Notes)*  
  
[Section 871(m) Internal Revenue Code [Applicable/Not Applicable]]

**[Include Annex A as necessary]**

## GENERAL INFORMATION

(1) Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF and to be listed on the Official List of the Luxembourg Stock Exchange. The Euro MTF is not a regulated market for the purposes of MiFID II.

(2) Notes may be issued pursuant to the Programme which will not be admitted to trading on the Euro MTF or listed on the Official List of the Luxembourg Stock Exchange or listed on any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

(3) 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 26, 2016.

(4) Other than the litigation disclosed in the "**Contingent liabilities and provision**" section in Note 11 to the Unaudited Interim Consolidated Financial Statements set out on page 57 of the First Quarter Report and incorporated by reference herein, 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 during the twelve months prior to the date of this document, a significant effect on the financial position or profitability of the Issuer or of the Issuer and its subsidiaries taken as a whole.

(5) Since 31 January 2019, the last day of the financial period in respect of which the most recent comparative unaudited interim consolidated financial statements of the Issuer have been prepared, there has been no significant change in the financial position of the Issuer and its subsidiaries taken as a whole. Since 31 October 2018, the date of its last published comparative audited consolidated financial statements, there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole.

(6) 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 CPAB 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.

(7) The 2018 Audited Consolidated Financial Statements prepared in accordance with IFRS, were audited in accordance with Canadian generally accepted auditing standards by E&Y and in accordance with the standards of the Public Company Accounting Oversight Board (U.S.) by E&Y. E&Y expressed an unqualified opinion thereon in their report dated 28 November 2018.

(8) Each Bearer Note, Receipt, Coupon and Talon 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 Sections 165(j) and 1287(a) of the Internal Revenue Code".

(9) Not all Notes will be listed on the Euro MTF and the Issuer may, in certain circumstances, seek to delist Notes which are listed on the Euro MTF 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 European Union) as agreed between the Issuer and the Dealers. These circumstances include any future law, rule of the Exchange or any other securities exchange or any EU 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 issued under the Programme on the Euro MTF or the relevant exchange.

(10) Information on the form of the Notes and the relevant clearing systems is set out in “Forms of Notes” at pages 181 to 186 and “Clearing and Settlement” at pages 191 to 193. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. In addition, the Issuer may make an application with respect to any Rule 144A Notes to be accepted for clearance in book-entry form by DTC. Acceptance by DTC of Rule 144A Notes will be confirmed in the applicable Pricing Supplement. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the CUSIP number will be set out in the applicable Pricing Supplement.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

The address of DTC is 570 Washington Boulevard, Jersey City, NJ 07310, United States of America.

The identification number for, and the address of, any alternative clearing system will be specified in the applicable Pricing Supplement.

(11) The issue price and the amount of the relevant Notes will be determined before filing of the applicable Pricing Supplement of each Tranche based on then prevailing market conditions.

(12) The Issuer will not provide any post-issuance information, unless required by any applicable laws and regulations.

(13) So long as the Notes are listed on the Euro MTF market, copies of the following documents will, when published, be available 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 First Quarter Report;
- e. the Agency Agreement;
- f. a copy of this Offering Memorandum;
- g. the Deed of Covenant; and
- h. any future prospectuses, offering memoranda, information memoranda and supplements to this Offering Memorandum (save that any Pricing Supplement relating to a Note which is not admitted to trading on the Euro MTF will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of Notes and identity) and any other documents incorporated herein or therein by reference.

In addition, a copy of this Offering Memorandum, each Pricing Supplement relating to the Notes which are admitted to trading on the Luxembourg Stock Exchange’s Euro MTF and the documents incorporated by reference herein will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

In addition, all of the documents that CIBC files electronically that are incorporated herein by reference, or deemed incorporated herein, can be retrieved on SEDAR at <http://www.sedar.com>.

No websites constitute, and should not be deemed to constitute, a part of or be incorporated into this Offering Memorandum.

**ISSUER**

**Canadian Imperial Bank of Commerce**  
Commerce Court  
199 Bay St.  
Toronto, Ontario  
Canada M5L 1A2

**FISCAL AGENT, PRINCIPAL PAYING AGENT  
AND TRANSFER AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**PAYING AGENTS,  
REGISTRARS AND TRANSFER AGENTS**

**Deutsche Bank Trust Company Americas**  
60 Wall Street  
27<sup>th</sup> Floor  
MD-NYC60-2710  
New York, NY 10005  
United States

**Deutsche Bank Luxembourg S.A.**  
2 boulevard Konrad Adenauer  
L1115 Luxembourg

**PAYING AGENT AND REGISTRAR**

**Deutsche Bank Aktiengesellschaft**  
Taunusanlage 12  
60325 Frankfurt am Main  
Germany

**CALCULATION AGENTS**

**CIBC World Markets plc**  
150 Cheapside  
London EC2V 6ET  
United Kingdom

**CIBC World Markets Corp.**  
300 Madison Avenue  
5<sup>th</sup> Floor, New York, NY  
10017 USA

**DEALERS**

**CIBC World Markets Corp.**  
300 Madison Avenue  
5<sup>th</sup> Floor, New York, NY  
10017 USA

**CIBC World Markets plc**  
150 Cheapside  
London EC2V 6ET  
United Kingdom

**AUDITORS TO THE ISSUER**

**Ernst & Young LLP**  
100 Adelaide Street West  
P.O. Box 1  
Ernst & Young Tower  
Toronto, Ontario  
Canada M5H 0B3

**LEGAL ADVISERS TO THE ISSUER**

**AS TO CANADIAN LAW**

**McCarthy Tétrault**  
26<sup>th</sup> Floor  
125 Old Broad Street  
London EC2N 1AR  
United Kingdom

**AS TO UNITED STATES LAW**

**Mayer Brown LLP**  
71 South Wacker Drive  
Chicago, Illinois 60606  
United States

**LEGAL ADVISERS TO THE DEALERS**

**AS TO CANADIAN LAW**

**Stikeman Elliott (London) LLP**  
Dauntsey House  
4B Fredericks Place  
London EC2R 8AB  
United Kingdom

**AS TO ENGLISH LAW**

**Clifford Chance LLP**  
10 Upper Bank Street  
London E14 5JJ  
United Kingdom