



## BBVA Global Markets B.V.

*(a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid)  
incorporated under Dutch law with its seat in Amsterdam, The Netherlands but its tax residency in Spain)*

**€2,000,000,000 Programme for the Issue of Warrants**  
*unconditionally and irrevocably guaranteed by*

## Banco Bilbao Vizcaya Argentaria, S.A.

*(incorporated with limited liability in Spain)*

Under this €2,000,000,000 Programme for the Issue of Warrants (the “**Programme**”), BBVA Global Markets B.V. (the “**Issuer**”) may from time to time issue warrants (the “**Warrants**”) denominated in any currency agreed with the relevant Dealer (as defined below).

This document (this “**Base Prospectus**”) constitutes a base prospectus in respect of all Warrants other than Exempt Warrants (as defined below) issued under the Programme for the purposes of Article 8 of the Prospectus Regulation (as defined below). The terms and conditions of the Warrants (the “**Conditions**”) will comprise the General Conditions, each Annex specified as applicable in the completed Issue Terms (each as defined below). This Base Prospectus, any supplement to this Base Prospectus (a “**Supplement to this Base Prospectus**”), any applicable Annex and the Issue Terms for a Series will comprise the “**Offering Documents**”.

Warrants may also be issued under the Programme on terms set out in a prospectus relating to the Warrants that incorporates by reference the whole or any part of this Base Prospectus (any such prospectus, a “**Series Prospectus**”). Where there are references to Issue Terms in this Base Prospectus, such references shall be deemed to include references to a Series Prospectus when applicable.

The satisfaction of the Issuer’s economic obligations (in cash and in deliverable assets) in respect of the Warrants will be unconditionally and irrevocably guaranteed pursuant to a guarantee (the “**Guarantee**”) entered into by Banco Bilbao Vizcaya Argentaria, S.A. (“**BBVA**” or the “**Guarantor**”). The Guarantor and its consolidated subsidiaries are referred to herein as the “**Group**”.

Warrants may be issued in bearer or, registered form (respectively “**Bearer Warrants**” and “**Registered Warrants**”).

Warrants may be issued whose return is linked to one or more indices (“**Index Linked Warrants**”), one or more shares or depositary receipts (“**Equity Linked Warrants**”), one or more inflation indices (“**Inflation Linked Warrants**”), one or more foreign exchange rates (“**Foreign Exchange (FX) Rate Linked Warrants**”), one or more exchange traded fund shares (“**ETF Linked Warrants**”), one or more fund shares or units (“**Fund Linked Warrants**”) or any combination thereof (“**Combination Warrants**”). Warrants may provide that settlement will be by way of cash settlement (“**Cash Settled Warrants**”) and/or physical delivery (“**Physical Delivery Warrants**”) as provided in the Issue Terms.

**Potential investors should ensure that they understand the nature of the relevant Warrants and the extent of their exposure to risks and that they consider the suitability of the relevant Warrants as an investment in the light of their own circumstances and financial condition. An investment in Warrants may involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Warrants. For a discussion of these risks see the “Risk Factors” section on pages 3 to 30 below.**

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Warrants which are to be admitted to trading on a regulated market in the European Economic Area (the “**EEA**”) or in the United Kingdom (the “**UK**”) and/or offered to the public in the EEA or in the UK other than in the circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation (as defined below). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid. This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or Guarantor or the quality of the Warrants that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Warrants. Such approval relates only to Warrants that are to be admitted to trading on the regulated market of Euronext Dublin (the “**Regulated Market**”) or on another regulated market for the purposes of the Prospectus Regulation and/or that are to be offered to the public in any member state of the EEA or the UK in circumstances that require the publication of a prospectus.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for Warrants issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to its official list (the “**Official List**”) and trading on the Regulated Market. References in this Base Prospectus to Warrants being listed (and all related references) shall mean that such Warrants have been listed and admitted to the Official List and trading on the Regulated Market or any other stock exchange specified in the Issue Terms of the Warrants. Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU (as amended, “**MiFID II**”).

Application has also been made to Euronext Dublin for Warrants issued under the Programme for the period of 12 months from the date of this Information Memorandum to be admitted to the Official List and to trading on its Global Exchange Market (“**GEM**”). This document constitutes Base Listing Particulars for the purpose of such application and has been approved by Euronext Dublin.

The GEM is not a regulated market for the purposes of MiFID II. Such approval relates only to the Notes which are to be admitted to trading on the GEM.

The Warrants have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may not be offered sold or delivered in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

**IMPORTANT – EEA AND UK RETAIL INVESTORS** - If the Issue Terms in respect of any Warrants includes a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Warrants 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 EEA or in the UK. 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 2016/97/EU, as amended or superseded (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended or superseded (the “**PRIIPs Regulation**”) for offering or selling the Warrants or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

If and to the extent the Warrants will be offered, sold or advertised, directly or indirectly to retail clients (*Privatkundinnen und -kunden*) ("**Retail Clients**") pursuant to Article 4 para. 2 FinSA a key investor document (*Basisinformationsblatt*) in the sense of Article 58 et seq. of FinSA relating to the (a "**FinSA-KID**") would need to be prepared, unless the Retail Clients shall receive a key information document pursuant to the PRIIPs Regulation instead of a FinSA- Warrants KID. Prior to 1 January 2022, the issuer may use a Swiss simplified prospectus in the sense of the CISA ("**Swiss Simplified Prospectus**") instead of a FinSA-KID or a key information document pursuant to the PRIIPs Regulation.

**MIFID II PRODUCT GOVERNANCE TARGET MARKET** – The applicable Issue Terms in respect of any Warrants may include a legend entitled "**MiFID II Product Governance Target Market**" which will outline the target market assessment in respect of the Warrants and which channels for distribution of the Warrants are appropriate. Any person subsequently offering, selling or recommending the Warrants (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 Warrants (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 Warrants is a manufacturer in respect of such Warrants, 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.

**EU BENCHMARK REGULATION** – Amounts payable under the Warrants or assets deliverable under the Warrants may be calculated or otherwise determined by reference to certain reference rates, indices or other variables, which may constitute a benchmark under the Benchmark Regulation (EU Regulation 2016/1011—"BMR"). If any such reference rate, index or variable does constitute such a benchmark, the relevant Issue Terms in respect of any Warrants which are not Exempt Warrants will indicate whether or not the administrator thereof is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the BMR. Not every reference rate, index or variable will fall within the scope of the Benchmarks Regulation. Furthermore, transitional provisions in the BMR may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Issue Terms. The registration status of any administrator under the BMR is a matter of public record and, save where required by applicable law, the Issuer does not intend to update any Issue Terms to reflect any change in the registration status of any administrator.

**The Issuer is incorporated under Dutch law and has its seat in Amsterdam, the Netherlands but has its tax residency in Spain. The Guarantor is incorporated and has its tax residency in Spain. Potential investors should note the statements on pages 247 to 256 (inclusive) regarding the tax treatment in Spain of income obtained in respect of the Warrants.**

The Issuer and the Guarantor may agree with the relevant Dealer that Warrants may be issued in a form not contemplated by the "*Terms and Conditions of the Warrants*" set out herein, in which event a Supplement to this Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Warrants.

In connection with any offering of Warrants under this Base Prospectus, the Dealers are not acting for anyone other than the Issuer and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for providing advice in relation to the offering. For the purposes of this Base Prospectus, all references to EU Regulations or Directives include, in relation to the UK, those Regulations or Directives as they form part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 or have been implemented in UK domestic law, as appropriate.

*Arranger and Dealer*

**BBVA**

The date of this Base Prospectus is 7 September 2020.

Notice of the Aggregate Number of Warrants, the issue price per Warrant and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Warrants*") of Warrants (other than in the case of Exempt Warrants) will be set out in a final terms document (the "**Final Terms**") which will be filed with the Central Bank and published on the website of Euronext Dublin ([www.ise.ie](http://www.ise.ie)). In the case of Exempt Warrants, notice of the Aggregate Number of Warrants, the issue price per Warrant and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the "**Pricing Supplement**").

References herein to "**Issue Terms**" mean either (i) where the Warrants are not Exempt Warrants, the applicable Final Terms or (ii) where the Warrants are Exempt Warrants, the applicable Pricing Supplement, and references should be construed accordingly. Copies of the Issue Terms will be available from the specified office set out below of the Principal Warrant Agent (as defined below).

The Issuer and the Guarantor (the "**Responsible Persons**") accept responsibility for the information contained in this Base Prospectus and the Issue Terms for each Tranche of Warrants issued under the Programme. To the best of the knowledge of the Responsible Persons the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus. Other than in relation to the documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus.

The language of this Base Prospectus is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of this Base Prospectus.

The Dealer(s) have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealer(s) as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme. The Dealer accepts no liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme.

No person is or has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with (a) this Base Prospectus or (b) any other information supplied in connection with the Programme or the Warrants and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any Dealer.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Warrants (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor or any of the Dealer(s) that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Warrants should purchase any Warrants. Each investor contemplating purchasing any Warrants should make its own independent

investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Warrants constitutes an offer or invitation by or on behalf of the Issuer or the Guarantor or any of the Dealer(s) to any person to subscribe for or to purchase any Warrants.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Warrants shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealer(s) expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Programme or to advise any investor in the Warrants of any information coming to their attention.

## IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF WARRANTS GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Warrants in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Warrants may be restricted by law in certain jurisdictions. The Issuer, the Guarantor and the Dealer(s) do not represent that this Base Prospectus may be lawfully distributed, or that any Warrants may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor or the Dealer(s) which is intended to permit a public offering of any Warrants or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Warrants may be offered or sold, directly or indirectly, and neither the Offering Documents 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 the Offering Documents or any Warrants may come must inform themselves about, and observe any such restrictions on the distribution of the Offering Documents and the offering and sale of Warrants. In particular, there are restrictions on the distribution of the Offering Documents and the offer or sale of Warrants in, without limitation, the United States, Switzerland and the EEA (including the United Kingdom, Spain and the Kingdom of Sweden) (see “*Subscription and Sale*”).

In all cases, Warrants must not be offered, distributed or sold to Spanish Residents (as defined under “*Subscription and Sale—Spain*”, below) who are retail clients as defined under point (11) of Article 4(1) of MiFID II (see “*Subscription and Sale—Spain*”).

In addition, to the extent that Condition 7(c) is specified as being applicable in the Issue Terms if, according to certain criteria issued by the Spanish tax authorities, a particular warrant cannot be considered as an option for Spanish tax purposes but as a financial asset, as it is explained in Section “*Taxation. (B) Alternative Spanish Tax Treatment*”, such Warrant must not be offered, distributed or sold in Spain or to Spanish Residents. Furthermore, the sale, transfer, or acquisition of such Warrants to or by individuals (*personas físicas*) who are tax resident in Spain (each a “**Spanish Individual**”) is forbidden in all cases and will be considered null and void by the Issuer and the Guarantor. Accordingly, neither the Issuer nor the Guarantor will recognise any Spanish Individual as an owner of such Warrant.

This Base Prospectus has been prepared on a basis that would permit an offer of Warrants with an issue price per Warrant of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under the Prospectus Regulation to publish a prospectus. As a result, any offer of Warrants in any member state of the EEA or the UK (each, a “**Relevant State**”) must be made pursuant to an exemption under Article 1(4) of the Prospectus Regulation from the requirement to publish a prospectus for offers of Warrants. Accordingly any person making or intending to make an offer of Warrants in that relevant Member State may only do so in circumstances in which no obligation arises for the Issuer, the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Warrants in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The Warrants will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. This document does neither constitute a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange nor any other regulated trading facility in Switzerland or a simplified prospectus in the sense of the CISA. **The Warrants do not constitute a collective investment scheme within the meaning of the CISA. Therefore, they are not subject to authorisation by the Swiss Financial Market Supervisory Authority FINMA and potential investors do not benefit from the specific investor protection provided under the CISA. Investors bear the credit risk of the Issuer and the Guarantor.**

**NEITHER THE PROGRAMME NOR THE WARRANTS HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF WARRANTS OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

None of the Issuer, the Guarantor or the Dealer(s) makes any representation to any purchaser of the Warrants regarding the legality of its investments under any applicable laws. Any purchaser of the Warrants should be able to bear the economic risk of an investment in the Warrants for an indefinite period of time.

The Warrants may not be a suitable investment for all investors. Each potential investor in the Warrants must determine the suitability of that investment in light of its 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 advisors, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Warrants, the merits and risks of investing in the Warrants and the information contained or incorporated by reference in this Base Prospectus or any applicable Supplement to this Base Prospectus and all the information contained in the Issue Terms;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Warrants and the impact the Warrants will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Warrants, including Warrants with amounts payable in one or more currencies, or where the specified currency for payments of the Warrants is different from the potential investor’s currency;
- (d) understands thoroughly the terms of the Warrants and be familiar with the behaviour of any relevant indices and financial markets;
- (e) in respect of Warrants linked to the performance of, without limitation, one or more, or a combination of, underlying shares or depositary receipts, indices, rates of interest, other rates, foreign exchange rates, exchange traded fund shares, funds, inflation indices and/or entities (together, “**Reference Items**” and each, an “**Reference Item**”) (in respect of such Warrants, together, “**Reference Item Linked Warrants**” and each an “**Reference Item Linked Warrant**”), understands thoroughly (if necessary, in consultation with the investor’s own legal, tax, accountancy, regulatory, investment or other professional advisers) the nature of each such Reference Item Linked Warrant; and
- (f) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

None of the Issuer, the Guarantor, the Dealer or any affiliate of BBVA has given, and will not give, to any potential purchaser of Warrants (either directly or indirectly) any assurance, advice, recommendation or guarantee as to the merits, performance or suitability of such Warrants, and the purchaser should be aware that the Issuer is acting as an arm’s-length contractual counterparty and not as an advisor or fiduciary.

In making an investment decision, investors must rely on their own examination of the Issuer and the Guarantor and the terms of the Warrants being offered, including the merits and risks involved.

No website referred to in this Base Prospectus forms part of this Base Prospectus.

All references in this document to “**EUR**”, “euro” and “**€**” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. In addition “**US dollars**”, “**US\$**” and “**\$**” refer to United States dollars and all references to “**GBP**” and “**£**” refer to pounds sterling.

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## **GENERAL DESCRIPTION OF THE PROGRAMME**

The following overview does not purport to be complete and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Warrants, the applicable Final Terms or the applicable Pricing Supplement.

Under the Programme, the Issuer may from time to time issue Warrants. The issue terms of each Tranche of Warrants will be agreed between the Issuer, the Guarantor and the Dealer(s) prior to the issue of such Tranche. The issue terms of each Tranche of Warrants other than Exempt Warrants will be set out and completed by Part A of the applicable Final Terms or as modified and/or supplemented, as applicable. The issue terms of each Tranche of Exempt Warrants, will be set out in a pricing supplement documented by Part A of the applicable Pricing Supplement.

## RISK FACTORS

In purchasing Warrants, investors expose themselves to the risk that the Issuer and the Guarantor may become insolvent, subject to early intervention or resolution measures, or otherwise be unable to make all payments due in respect of the Warrants. Each of the Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under Warrants issued under the Programme. Most of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

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

The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Warrants issued under the Programme, but the inability of the Issuer or the Guarantor to make payments or otherwise perform its obligations in connection with any Warrants may occur for other reasons which may not be considered significant risks by either the Issuer or the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Prospective investors in the Warrants should consider carefully, among other things in the light of their financial circumstances and investment objectives, all of the information in this Base Prospectus and, in particular, the risk factors set forth below (which each of the Issuer and the Guarantor, in its reasonable opinion, believes represent or may represent the risk factors known to it which may affect the Issuer's and/or the Guarantor's ability to fulfil its obligations under the Warrants) in making an investment decision. Warrant holders may lose the value of their entire investment in certain circumstances.

References herein to “**BBVA**” or to the “**Bank**” shall be read and construed as references to the Guarantor.

The Risk Factors set out below appear under the following headings:

1. **Risk Factors relating to the Issuer.**
  - 1.1 The Issuer is dependent on the Guarantor to make payments on the Warrants
  - 1.2 Certain considerations in relation to the forum upon insolvency of the Issuer
2. **Risk Factors relating to the Guarantor.**
  - 2.1 Macroeconomic Risks and COVID-19 Consequences
  - 2.2 Business Risks
  - 2.3 Financial Risks
  - 2.4 Legal, Regulatory, Tax and Compliance Risks
  - 2.5 Operational Risks
3. **Risk Factors relating to the Warrants.**
  - 3.1 The Warrants may not be a suitable investment for all investors.
  - 3.2 Risk Factors associated with Warrants that are linked to one or more specific types of Reference Items.
  - 3.3 Risk Factors associated generally with Warrants that are linked to Reference Item(s).
  - 3.4 Risk Factors relating to the structure of a particular issue of Warrants
  - 3.5 Risk Factors regarding the Warrants generally.



## RISK FACTORS

### 1. Risk Factors relating to the Issuer

#### 1.1 The Issuer is dependent on the Guarantor to make payments on the Warrants

The Issuer is a wholly-owned subsidiary of the Guarantor which was established for the purpose of, among others, issuing Warrants and on-lending the proceeds within the Group. The Issuer is therefore dependent upon other members of the Group paying interest on and repaying their loans in a timely fashion. Should the Guarantor fail to pay interest on or repay any loan in a timely fashion this will have a material adverse effect on the ability of the Issuer to fulfil its obligations under Warrants issued under the Programme.

By virtue of its dependence on the Guarantor, each of the risks described below that affect the Guarantor will also indirectly affect the Issuer.

#### 1.2 Certain considerations in relation to the forum upon insolvency of the Issuer

In the event of insolvency of the Issuer, the court having jurisdiction to open insolvency proceedings and the law applicable to those proceedings and their effects will be determined in accordance with the provisions of Council Regulation (EC) No 848/2015, of 20 May 2015, on insolvency proceedings ("**Regulation 848/2015**"), the Royal Legislative Decree 1/2020, of 5 May 2020, that approved the reinstated provisions of the Spanish Insolvency Law 22/2003, of 9 July 2003, as amended (the "**Spanish Insolvency Law**") and the Dutch Insolvency Law (faillissementswet) of 30 September 1893, as amended (the "**Dutch Insolvency Law**"). Pursuant to these provisions, the courts of the place where the Issuer has its centre of main interests shall have jurisdiction to open insolvency proceedings against it and the law applicable to the insolvency proceedings and their effects will be the law of the place where such proceedings are opened.

Under Regulation 848/2015 the centre of main interests should correspond to the place where the debtor conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. In the case of a company or legal person, Regulation 848/2015 presumes, in the absence of proof to the contrary, that the place of its registered office is the centre of its main interests. Based on this presumption a Dutch court may consider that it has jurisdiction to open insolvency proceedings against the Issuer. Notwithstanding this presumption, it is arguable that the centre of main interests of the Issuer should be considered to be located in Spain and that the Spanish courts should be the courts with jurisdiction to open insolvency proceedings against it. In addition, even if the centre of main interests of the Issuer were not in Spain, the Spanish court could still open insolvency proceedings (named territorial insolvency proceedings) if they consider that the Issuer has an establishment within the territory of Spain, the effects of which would be limited to the assets of the Issuer situated in Spain.

Warrantholders should be aware that, in accordance with the above, in the case of an eventual insolvency of the Issuer, there is uncertainty as to whether the insolvency proceedings would be opened in the Netherlands or in Spain.

### 2. Risk Factors relating to the Guarantor

The description of the risks inherent to the activity of the BBVA Group, its businesses and its operations, as well as the quantitative information on the different risks, based on data referring to the 2019, 2018 and 2017 financial years, and, where appropriate, data referring to the three-month period ended 31 March 2020, are described in this section and it complements what is included in the Consolidated Annual Accounts and Consolidated Management Report for the year ended 31 December 2019, 2018 and 2017 and the quarterly report for the three months ended 31 March 2020.

In the Chapter of Risk Management of the Management Report attached to the Consolidated Annual Accounts for 2019, both the risk factors and the risk principles and policies of the BBVA Group are indicated, as well as the corporate governance scheme on risk management, the internal control model and the tools, circuits and relevant procedures.

The main risk factors that the BBVA Group takes into consideration at the date of this Base Prospectus are detailed below.

## RISK FACTORS

### 2.1 Macroeconomic Risks and Covid-19 Consequences

#### *The coronavirus (COVID-19) pandemic is adversely affecting the Group*

The *coronavirus* (COVID-19) pandemic is affecting, and is expected to continue to adversely affect, the world economy and economic activity and conditions in the countries in which the Group operates, leading many of them to economic recession. Among other challenges, these countries are experiencing widespread increases in unemployment levels and falls in production, while public debt has increased significantly due to support and spending measures implemented by government authorities. In addition, there has been an increase in debt defaults by both companies and individuals, volatility in the financial markets, volatility in exchange rates and falls in the value of assets and investments, all of which have adversely affected, and are expected to continue to effect, the Group's results.

Furthermore, the Group may be affected by the measures adopted by regulatory authorities in the banking sector, including but not limited to, the recent reduction in reference interest rates, the relaxation of prudential requirements, the suspension of dividend payments until 1 October 2020, the adoption of moratorium measures for bank customers (such as those included in Royal Decree Law 11/2020 in Spain, as well as in the CECA-AEB agreement to which BBVA has adhered and which, among other things, allows loan debtors to extend maturities and defer interest payments) and facilities to grant credit with the benefit of public guarantees, especially to companies and self-employed individuals, as well as changes in the financial asset purchase programmes.

Since the outbreak of COVID-19, the Group has experienced a decline in its activity. For example, the granting of new loans to individuals has been significantly reduced since the beginning of the state of emergency or periods of confinement decreed in certain countries in which the Group operates. In addition, the Group faces various risks, such as an increased risk of deterioration in the value of its assets (including financial instruments valued at fair value, which may suffer significant fluctuations) and of the securities held for liquidity reasons, a possible significant increase in non-performing loans, a negative impact on the Group's cost of financing and on its access to financing (especially in an environment where credit ratings are affected).

In addition, in several of the countries in which the Group operates, including Spain, the Group has temporarily closed a significant number of its offices, has reduced hours of working with the public, and the teams that provide central services are working remotely. These measures are being gradually reversed in some regions, such as Spain, however, due to the continued expansion of the COVID-19 pandemic, it is unclear how long it will take for normal operations to be fully resumed. The COVID-19 pandemic could also adversely affect the business and operations of third parties that provide critical services to the Group and, in particular, the greater demand and/or reduced availability of certain resources could in some cases make it more difficult for the Group to maintain the required service levels. Furthermore, the increase in remote working has increased the risks related to cybersecurity, as the use of non-corporate networks has increased.

As a result of the above, while the impact of the COVID-19 pandemic only started to be evident at the end of the first quarter of 2020, it has had an adverse effect on the Group's results for the first half of 2020, as well as on the Group's capital base as of June 30, 2020. The main accumulated impacts have been:

- (i) an increase in the cost of risk associated with the lending activity, mainly due to the deterioration of the macroeconomic environment, which has had a negative impact of €2,009 million in the Group (including the initial adverse effect of the deferment of payment) and provisions for credit risk and contingent commitments for €95 million, ;
- (ii) the impairment of financial assets not measured at fair value through profit or loss closed the first half of 2020 with a negative balance of €4,146 million against the negative balance of €1,731 million recorded for the same period of the previous year; being the profit recognised in income statement of the first half of 2020 a loss of €823 million against a gain of € 2,916 million recorded for the six months ended 30 June 2019; and
- (iii) a deterioration in the goodwill of the Group's subsidiary in the United States, mainly due to the deterioration of the macroeconomic scenario in the United States, which has had a net negative impact of €2,084 million on the Group's attributed profit in this period (although this impact does not affect the tangible book value, nor the solvency or the liquidity of the Group).

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The final magnitude of the impact of the COVID-19 pandemic on the Group's business, financial condition and results of operations, which is expected to be significant, will depend on future and uncertain events, including the intensity and persistence over time of the consequences arising from the COVID-19 pandemic in the different geographies in which the Group operates.

***A deterioration in economic conditions or the institutional environment in the countries where the Group operates could have a material adverse effect on the Group's business, financial condition and results of operations***

The Group is sensitive to the deterioration of economic conditions or the alteration of the institutional environment of the countries in which it operates, and especially of Spain, Mexico, the United States and Turkey,

which respectively represented 56.5 per cent., 14.3 per cent., 13.6 per cent. and 8.7 per cent. of the Group's assets as of 31 March 2020 (52.3 per cent., 15.6 per cent., 12.7 per cent. and 9.2 per cent. as of 31 December 2019, respectively). Additionally, the Group is exposed to sovereign debt in these geographies.

Currently, the world economy is facing several exceptional challenges. In particular, the crisis derived from the COVID-19 pandemic has abruptly and significantly deteriorated the economic conditions and prospects of the countries in which the Group operates, leading many of them to an economic recession in 2020.

Furthermore, this crisis could lead to a deglobalisation of the world economy, produce an increase in protectionism or barriers to immigration, fuel the trade war between the United States and China and result in a general withdrawal of international trade in goods and services, as well as having other effects of long duration that transcend the pandemic itself. Added to this is the uncertainty regarding the United Kingdom's exit from the European Union ("**Brexit**"). The long-term effects of Brexit will depend on the relationship between the United Kingdom and the European Union after its complete exit from the European Single Market, currently scheduled for 31 December 2020. Furthermore, in a scenario as uncertain as the current one, with prospects of a severe correction in activity worldwide, emerging economies (to which the Group is significantly exposed, particularly in the case of Mexico and Turkey) could be particularly vulnerable to a trade war or if there were changes in the financial risk appetite. Likewise, the possible triggering of a disorderly deleveraging process in China would pose a significant risk to these economies.

Thus, the Group faces, among others, the following general risks to the economic and institutional environment in which it operates: a deterioration in economic activity in the countries in which it operates, which could lead to an economic recession in some or all of those countries; more intense deflationary pressures or even deflation; variations in exchange rates; a very low interest rate environment, or even a long period of negative interest rates in some regions where the Group operates; an unfavourable evolution of the real estate market, to which the Group remains significantly exposed; very low oil prices; changes in the institutional environment in the countries in which the Group operates that could lead to sudden and sharp falls in GDP and / or regulatory changes; a growing public deficit that could lead to downgrades in sovereign debt credit ratings and even a possible default or restructuring of such debt; and episodes of volatility in markets, such as those currently being experienced,, which could lead the Group to register significant losses.

### **2.2 Business Risks**

***The Group's businesses are subject to inherent risks concerning borrower and counterparty credit quality, which have affected and are expected to continue to affect the recoverability and value of assets on the Group's balance sheet***

The total maximum credit risk exposure of the Group as of 31 March 2020 was €830,432 million (€809,786 million, €763,082 million and €763,165 million as of 31 December 2019, 2018 and 2017, respectively). The Group has exposures to many different products, counterparties and obligors and the credit quality of its exposures can have a significant effect on the Group's earnings. Adverse changes in the credit quality of the Group's borrowers and counterparties or collateral, or in their behaviour or businesses, may reduce the value of the Group's assets, and materially increase the Group's write-downs and loss allowances. Credit risk can be affected by a range of factors, including an adverse economic environment, reduced consumer, corporate or government spending, global economic slowdown, changes in the rating of individual contractual counterparties, their debt levels and the economic environment in which they operate, increased unemployment, reduced asset values, increased retail or corporate insolvency levels, reduced corporate profits, changes (and the timing, quantum and pace of these changes) in interest rates, counterparty challenges to the interpretation or validity of contractual arrangements and any external factors of a legislative or regulatory nature.

Non-performing or impaired financial customer loans have been negatively affecting, and could continue to affect, the Group's results given the increasing economic uncertainty. As of 31 March 2020 and 31 December 2019, the

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Group had a 3.6 per cent. and 3.8 per cent. non-performing asset ratio (as defined in "**Alternative Performance Measures**" of the Management Report 2019) as of 31 March 2020 and 31 December 2019, compared to 3.9 per cent. and 4.6 per cent. as of 31 December 2018 and 2017, respectively. Non-performing loan rates have been reduced in recent years in part due to low interest rates, which have improved clients' ability to pay, but the risk of an increase in non-performing loans has increased significantly due to the effects of the COVID-19 pandemic.

In addition, it is possible that the current scenario of economic deterioration translates into a decrease in the prices of real estate assets in Spain and other countries. As of 31 December 2019, the Group's exposure to the construction and real estate sectors (which excludes the mortgage portfolio) in Spain was equivalent to €9,943 million, of which €2,649 million corresponded to construction loans and construction sector activities related to the development of the real estate sector in Spain (representing 1.4 per cent. of the Group's loans and advances to customers in Spain (excluding the public sector) and 0.4 per cent. of the Group's consolidated assets). The Group continues to be exposed to the real estate market, mainly in Spain, due to the fact that many of its loans are secured by real estate assets, due to the significant volume of real estate assets that it maintains on its balance sheet, and due to its participation in real estate companies such as Metrovacesa, S.A. and Divarian Propiedad, S.A ("**Divarian**"). The total real estate exposure, including developer credit, foreclosed assets and other assets, reflected a coverage rate of 52 per cent. in Spain as of 31 December 2019. A fall in the prices of real estate assets in Spain and other countries, would reduce the value of such participations as well as the security for the loans granted by the Group secured over such real estate assets and credits and, therefore, in the event of default, the amount of the "expected losses" related to those loans and credits would increase. In addition, it could also have a significant adverse effect on the default rates of the Group's residential mortgage portfolio, the balance of which, as of 31 March 2020, was €107,393 million at a global level (as of 31 December 2019, 2018 and 2017, €110,500, €111,528 and €112,274 million respectively). As of 31 March 2020, the non-performing asset and coverage ratios of the Group's residential mortgage portfolio were 3.5 per cent. and 45 per cent., respectively.

The magnitude, timing and pace of any increase in default rates will be key for the Group. Furthermore, it is possible that the Group has incorrectly assessed the creditworthiness or willingness to pay of its borrowers and counterparties, that it has underestimated the credit risks and potential losses inherent in its credit exposure and that it has made insufficient provisions for such risks in a timely manner. These processes, which have a crucial impact on the Group's results and financial condition, require difficult, subjective and complex calculations, including forecasts of the impact that macroeconomic conditions could have on these borrowers and counterparties. In particular, the current uncertainty about economic conditions may harm the processes followed by the Group to estimate the losses derived from its exposure to credit risk, which could influence the adequacy of the provisions for insolvencies provided by the Group. An increase in non-performing or low-quality loans could significantly and adversely affect the Group's business, financial condition and results of operations.

### *The Group's business is particularly vulnerable to volatility in interest rates*

The Group's results of operations are substantially dependent upon the level of its net interest income, which is the difference between interest income from interest-earning assets and interest expense on interest-bearing liabilities. As of 31 March 2020 and 31 December 2019, the interest margin percentage with respect to the gross margin was 70 per cent. and 74 per cent., respectively. Interest rates are highly sensitive to many factors beyond the Group's control, including fiscal and monetary policies of governments and central banks, regulation of the financial sectors in the markets in which it operates, domestic and international economic and political conditions and other factors. In this sense, the COVID-19 pandemic has triggered a process of the cutting of benchmark interest rates, which, moreover, will foreseeably take longer to subsequently be increased and will do so at a slower rate than previously foreseen. It is possible that changes in market interest rates, which could be negative in some cases, and the reform of benchmarks, affect the interest the Group receives on its profitable assets differently from the interests that the Group pays for its liabilities at cost (in addition to assuming, with regard to such benchmark reform, other considerable risks, including legal and operational risks). This, in turn, may lead to a reduction in the Group's net interest margin, which could have a significant adverse effect on its results.

Furthermore, the high proportion of the Group's loans referenced to variable interest rates makes borrowers' capacity to repay such loans more vulnerable to changes in interest rates and the profitability of the loans more vulnerable to interest rate decreases. As of 31 March 2020, a drop of 100 basis points in the reference interest rates would have a negative impact on the interest margin depending on the geography reaching: Eurozone 6 per cent.; United States 4 per cent.; Mexico 2.2 per cent.; Turkey 0.7 per cent. (as of 31 January 2020) and South America 2.3 per cent.. Loans and advances to customers maturing in more than one year and bearing floating interest rates made up 59 per cent., 62 per cent. and 62 per cent. of such transactions as of 31 December 2019, 2018 and 2017, respectively. In addition, a rise in interest rates could reduce the demand for credit and the Group's ability to generate credit for its clients, as well as contribute to an increase in the credit default rate. As a result of these and

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the above factors, significant changes or volatility in interest rates could have a material adverse effect on the Group's business, financial condition or results of operations.

### *The Group faces increasing competition in its business lines*

The markets in which the Group operates are highly competitive and it is estimated that this trend will continue in the coming years with the increasing entry of non-bank competitors (some of which have large client portfolios and strong recognition of their brands) and the emergence of new business models. According to data from the Financial Stability Board (the "**FSB**") in its Global Monitoring Report on Non-Bank Financial Intermediation 2019, globally, at the end of 2018, banks had a share of close to 40 per cent. of total financial

Assets and non-traditional providers had 30 per cent.. Although the Group is making efforts to anticipate these changes, betting on its digital transformation, its competitive position is undermined by the regulatory asymmetry that benefits non-bank operators. For example, banking groups are subject to prudential regulations that have implications for most of their businesses, including those in which they compete with non-bank operators that are only subject to specific regulations of the activity they develop or that benefit from loopholes. existing in the regulatory framework. Furthermore, when banking groups carry out financial activities through the use of new technologies, they are generally subject to additional internal governance rules that place the Group at a competitive disadvantage to attract and retain digital talent, including founders and management teams of the acquired companies. Furthermore, banking groups often face obstacles in engaging in new, unregulated activities. In the event that the Group cannot successfully compete in such markets, its business, financial condition and results could be significantly and adversely affected.

Furthermore, the widespread adoption of new technologies, including cryptocurrencies and payment systems, could require substantial expenses to modify or adapt existing products and services as the Group continues to increase its mobile and internet banking capabilities. Likewise, the increasing use of these new technologies and mobile banking platforms could have an adverse impact on the Group's investments in facilities, equipment and employees of the branch network. A faster pace of transformation towards mobile and online banking models could require changes in the Group's commercial banking strategy, including the closure or sale of some branches and the restructuring of others and its employees. These changes could mean losses in these assets and force increases in expenses to renovate, reconfigure or close branches and transform the Group's commercial network. Failure to effectively implement such changes could have a material adverse impact on the Group's competitive position.

### *The Group faces risks related to its acquisitions and divestitures*

The Group has carried out both acquisitions and sale transactions of relevant entities and businesses over the past few years and plans to participate in this type of transactions in the future. As of the date of this Base Prospectus, the corresponding regulatory authorisations for the sale of BBVA's interest in Banco Bilbao Vizcaya Argentaria Paraguay, S.A. ("**BBVA Paraguay**") are pending, as well as those of the agreement announced on 27 April 2020 between BBVA and Allianz Compañía de Seguros y Reaseguros, S.A. to create a bancassurance alliance to develop the non-life insurance business in Spain, excluding health insurance.

However, the planned transactions may not be completed on time or at a reasonable cost, or may have a different outcome than expected. In addition, it is possible that transactions desired by the Group may not be carried out. Transactions of this type typically involve the integration of operations, technologies and teams with different cultures, objectives and values, which is a challenge in itself. Furthermore, the Group's results could also be adversely affected by expenses related to the acquisition or divestment itself, the amortisation of expenses related to intangible assets, and impairment charges on long-term assets, including associated goodwill. In 2019, the Group recorded an impairment of €1,318 million in the goodwill relating to BBVA USA and in the quarter ending 31 March 2020, an additional impairment of such goodwill of €2,084 million was recorded. As of 30 June 2020, the goodwill recorded by the Group amounted to 2,760 million.

In some cases, acquisition or divestment transactions give rise to joint ventures with third parties, which exposes the Group to other risks, such as the existence of disagreements with its partners, as well as the possible exposure of the Group to problems faced by those partners.

In addition, acquisition and sale transactions expose the Group to the risk of being involved in litigation or claims by the Group's counterparties in such transactions, dismissed employees, customers or third parties. In addition, with respect to divestments, the Group could be required to indemnify the purchaser with respect to such litigation or claims or other matters. Any of these factors could have a significant adverse impact on the Group's business, financial position and results of operations.

### *The Group faces risks derived from its international geographic diversification and its significant presence in emerging countries*

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The Group is made up of commercial banks, insurance companies and other financial services companies in various countries and its performance as a global business depends on its ability to manage its different businesses under various economic, social and political conditions, facing different normative and regulatory requirements in many of the jurisdictions in which it operates (including, among others, different supervisory regimes and different fiscal and legal regimes regarding the repatriation of funds or the nationalisation or expropriation of assets). In addition, the Group's international operations may expose it to risks and challenges to which its local competitors may not be exposed, such as currency risks (as of 31 March 2020 and 31 December 2019, approximately 44.7 per cent. and 48.1 per cent. of the Group's assets and 42.2 per cent. and 45.5 per cent. of the liabilities, respectively, were denominated in currencies other than the euro), the difficulty in managing or supervising a local entity from abroad, political risks (which could only affect foreign investors) or limitations on the distribution of dividends, thus worsening its position compared to that of local competitors.

There can be no guarantee that the Group will be successful in developing and implementing policies and strategies in all of the countries in which it operates, some of which have experienced significant economic, political and social volatility in recent decades. In particular, the Group has significant operations in several emerging countries, such as Mexico and Turkey, and is therefore vulnerable to the deterioration of these economies. Emerging markets are generally affected by the situation of other commercially or financially related markets and by the evolution of global financial markets in general (they may be affected, for example, by the evolution of interest rates in the United States and the exchange rate of the US dollar), as well as, in some cases, due to fluctuations in the prices of commodities. The perception that the risks associated with investing in emerging economies have increased, in general, or in emerging markets where the Group operates, in particular, could reduce capital flows to those economies and negatively affect such economies.

The Group's activity in emerging countries could also be exposed to additional political risks. For example, the Group's activities in Venezuela (which is an economy that is considered to be highly inflationary and so the financial statements of the BBVA Group entities located in Venezuela are adjusted to correct for the effects of inflation in accordance with IAS 29 "Financial Information in hyperinflationary economies"), are subject to a high risk of changes in government policies, such as expropriation, nationalisation, international property legislation, interest rate limits, exchange controls, government restrictions on dividends and fiscal policies. The value of the net equity of the Venezuelan subsidiaries attributed to the Group was €79 million as of 31 March 2020.

### 2.3 Financial Risks

***BBVA has a continuous demand for liquidity to finance its activities and the withdrawal of deposits or other sources of liquidity could significantly affect it***

Traditionally, one of the Group's main sources of financing has been savings accounts and demand deposits. As of 31 March 2020, the balance of "**customer deposits**" represented approximately 72 per cent. of the BBVA Group's total "**financial liabilities at amortised cost**". However, the volume of wholesale and retail deposits can fluctuate significantly, including as a result of factors beyond the Group's control, such as general economic conditions, changes in economic policy or administrative decisions that diminish their attractiveness as savings instruments (for example, as a consequence of changes in taxation, coverage by guarantee funds for deposits or expropriations) or competition from other savings or investment instruments (including deposits from other banks).

Likewise, the Group depends on market confidence for its short and long-term wholesale financing. In this regard, increases in the Group's interest rates and credit spreads could significantly increase its financing cost. Changes in credit spreads are motivated by market factors and may be influenced by the market's perception of the Group's solvency. As of 31 March 2020, the balance of "**debt securities issued**" represented approximately 12.2 per cent. of the total financial liabilities at amortised cost of the Group.

In addition, the Group has made and continues to make significant use of public sources of liquidity, such as the European Central Bank's ("**ECB**") extraordinary measures taken in response to the financial crisis since 2008 or those taken in the face of the crisis caused by the COVID-19 pandemic. The relaxation of the conditions of the Targeted Long Term Refinancing Operations ("**TLTRO**") III have increased the maximum amount that BBVA could receive from €21,000 million to €35,000 million, of which at 31 March 2020, €14,000 million had been made available to BBVA (€7,000 million as of December 2019 and the same amount as of March 2020 with two amortisations of the TLTRO II programme for an amount of €9,700 million as of December 2019 and €7,000 million as of March 2020, leaving a remaining amount of €7,000 million). However, the conditions of this or other programmes could be revised or these programmes could be cancelled.

In the event of a withdrawal of deposits or other sources of liquidity, especially if it is sudden or unexpected, the Group may not be able to finance its financial obligations or meet the minimum liquidity requirements that apply to it, and may be forced to incur higher financial costs, liquidate assets and take additional measures to reduce their

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level of leverage. Furthermore, BBVA could be subject to the adoption of early action measures or, ultimately, to the adoption of a resolution measure by the Relevant Spanish Resolution Authority.

### ***BBVA and some of its subsidiaries depend on their credit ratings, as well as that given to the sovereign debt of the Kingdom of Spain***

Rating agencies periodically review the Group's debt credit ratings. Any reduction, effective or anticipated, in any such ratings of the Group, whether below investment grade or otherwise, could limit or impair the Group's access to capital markets and other possible sources of liquidity and increase the Group financing cost, and even entail the breach of certain contracts or generate additional obligations under those contracts, such as the need to grant additional guarantees (due to the fact that credit ratings are used in some contracts to trigger default and early maturity provisions or the granting of additional guarantees if the relevant ratings fall below certain levels). The Group estimates that if at 31 December 2019, all the rating agencies had downgraded BBVA long-term senior debt rating by one notch, it would have had to provide additional guarantees amounting to €61 million in accordance with the derivative contracts and other financial contracts that it has entered into. A hypothetical two-notch downgrade would have involved an additional outlay of €103 million in additional guarantees. Furthermore, if the Group were required to cancel its derivative contracts with some of its counterparties and were unable to replace them, its market risk could worsen. Likewise, a reduction in the credit rating could affect the Group's ability to sell or market some of its products or to participate in certain operations, and could lead to the loss of customer deposits and make third parties less willing to carry out commercial operations with the Group (especially those that require a minimum credit rating to invest), having a significant adverse impact on the Group's business, financial condition and results of operations.

On the other hand, the Group's credit ratings could be affected by variations in the rating of Spanish sovereign debt. The Group holds a significant portfolio of debt issued by the Kingdom of Spain, by the Spanish autonomous communities and by other Spanish issuers. As of 31 March 2020 and 31 December 2019, the Group's exposure to the Kingdom of Spain's public debt portfolio was €44,770 and €50,905 million, respectively, representing 6 per cent. and 7 per cent. of the consolidated total assets of the Group, respectively. Any decrease in the credit rating of the Kingdom of Spain could negatively affect the valuation of the respective debt portfolios held by the Group and lead to a reduction in the Group's credit ratings. Additionally, counterparties to many of the credit agreements signed with the Group could also be affected by a decrease in the credit rating of the Kingdom of Spain, which could limit their ability to attract additional resources or otherwise affect their ability to pay their outstanding obligations to the Group.

As a consequence of the COVID-19 pandemic, some rating agencies have reviewed the Group's credit ratings or trends. Specifically on 1 April, 2020, DBRS confirmed BBVA's long-term rating of A (High) and maintained the outlook as stable. On 29 April 2020, S&P Global confirmed BBVA's long-term rating of A- and maintained its negative outlook. On 22 June 2020, Fitch downgraded the BBVA's preferred senior debt rating from A with Rating Watch Negative to A- with stable outlook. There may be more ratings actions and changes in BBVA's credit ratings in the future as a result of the crisis caused by the COVID-19 pandemic.

### ***BBVA's ability to pay dividends depends, in part, on the receipt of dividends from its subsidiaries***

As of 31 December 2019, dividend income from the subsidiaries of BBVA, represented 38 per cent. of its gross margin. Due, in part, to the Group's decision to follow a 'Multiple Point of Entry' strategy, in accordance with the framework for the resolution of financial entities designed by the FSB, the Group's subsidiaries are self-sufficient and each subsidiary is responsible for managing its own liquidity. This means that the payment of dividends, distributions and advances by BBVA's subsidiaries depends not only on the results of those subsidiaries, but also on the context of their operations and liquidity needs, and may further be limited by legal, regulatory and contractual restrictions. For example, the repatriation of dividends from the Group's Argentine subsidiary has been subject to certain restrictions and it cannot be guaranteed that new restrictions will not be imposed again in the future. Furthermore, BBVA's right, as a shareholder, to participate in the distribution of assets resulting from the eventual liquidation or any reorganisation of its subsidiaries will be effectively subordinated to the rights of the creditors of those subsidiaries, including their commercial creditors.

On the other hand, the Group (including BBVA) must comply with certain capital requirements, where non-compliance could lead to the imposition of restrictions or prohibitions on making any: (i) distributions relating to common equity tier 1 ("CET1") capital; (ii) payments related to variable remuneration or discretionary pension benefits; and (iii) distributions linked to additional tier 1 ("AT1") instruments, including the payment of

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Distributions on the Securities (collectively, the "**Discretionary Payments**"), including the distribution of dividends and other distributions. Likewise, the ability of BBVA and its subsidiaries to pay dividends is conditioned by the recommendations and requirements of their respective supervisors, such as those made in response to the COVID-19 pandemic. In this regard, on 30 April 2020, BBVA announced that it had agreed to modify, for the financial year 2020, the Group's shareholder remuneration policy, opting not to pay any amount as a dividend corresponding to the financial year 2020 until the uncertainties generated by the COVID-19 pandemic no longer remain and, in any case, not before the close of the 2020 fiscal year.

### 2.4 Legal, Regulatory, Tax and Compliance Risks

#### *Legal Risks*

*The Group is party to a number of legal and regulatory actions and proceedings*

The financial sector faces an environment of increasing regulatory and litigious pressure, and thus, the various Group entities are usually party to individual or collective judicial proceedings (including class actions) resulting from the ordinary activity of their businesses, as well as arbitration proceedings. The Group is also party to other government procedures and investigations, such as those carried out by the antitrust authorities in certain countries which, among other things, have in the past and could in the future result in sanctions, as well as lead to claims by customers and others. In addition, the regulatory framework, in the jurisdictions in which the Group operates, is evolving towards a supervisory approach more focused on the opening of proceedings leading to sanctions, while some regulators are focusing their attention on consumer protection and behavioural risk.

In Spain and in other jurisdictions where the Group operates, legal and regulatory actions and proceedings against financial institutions, prompted in part by certain judgments in favour of consumers handed down by national and supranational courts, have increased significantly in recent years and this trend could continue in the future. The legal and regulatory actions and proceedings faced by other financial institutions in relation to these and other matters, especially if such actions or proceedings result in favourable resolutions for the consumer, could also adversely affect the Group.

In relation to consumer mortgage loan contracts linked to the interest rate index known as IRPH (average rate for mortgage loans over three years for the acquisition of free housing), considered "official interest rate" by mortgage transparency regulations, calculated by the Bank of Spain and published in the Spanish Official Gazette, on 14 December 2017 the Spanish Supreme Court issued its judgment 669/2017 confirming that it was not possible to determine the lack of transparency of the interest rate of the loan merely by reference to one or other of the official indexes nor, therefore, its abuse according to Directive 93/13. In a separate legal proceeding, albeit concerning the same clause, the matter was referred to the Court of Justice of the European Union, raising a preliminary question in which the application of the above referred IRPH index and the decision of the Supreme Court on the matter was questioned again. On 3 March 2020, the Court of Justice of the European Union resolved the referred question for a preliminary ruling.

In that resolution, the Court of Justice of the European Union concluded that the fact that the main elements relating to the calculation of the saving banks IRPH index used by the bank to which the question referred refers (Bankia, SA) were provided in the Bank of Spain Regulation (Circular 8/1990), published in the Spanish Official Gazette, allowed consumers to understand the calculation of such index. In addition, the Court of Justice of the European Union indicates that the national court shall verify whether the bank that is party to this proceeding complied with the information obligations provided by national legislation. In the event that the entity had not complied with the applicable transparency regulations, the Court of Justice of the European Union decision does not declare the contract null and void but provides that the national court could replace the IRPH index applied in the case under trial for a substitute index. The resolution sets forth that, in the absence of an agreement to the contrary of the parties to the contract, the referred substitute index could be the IRPH index for credit entities in Spain (as established in the fifteenth additional provision of Law 14/2013, of 27 September 2013). BBVA considers that the ruling of the Court of Justice of the European Union should not have significant effects on the Group's business, financial situation or results of operations.

On 4 March 2020, the Supreme Court issued a ruling (number 149/2020) confirming the nullity of a revolving credit card agreement entered into by another entity (Wizink Bank) on the grounds that the interest applied to the card was usurious. In this ruling, the Supreme Court recognizes that the reference to the "normal interest on money" to be used for this product must be the average interest applicable to credit transactions by means of credit and revolving cards published in the Bank of Spain's statistics and which is slightly higher than 20 per cent. per year. In the specific case, the Supreme Court has considered usurious a rate of 26.82 per cent. when compared with 20 per cent. of the average rate. The Supreme Court concludes that for an interest rate to be usurious, it must be "manifestly disproportionate to the circumstances of the case", and therefore the ruling limits its effects to the case



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under analysis, and the marketing by credit entities of this product must be analysed on a case-by-case basis. BBVA considers that the Supreme Court's ruling should not have significant effects on the Group's business, financial situation or results of operations

All of the above result in a significant increase in operating and compliance costs or even a reduction of revenues, and it is possible that an adverse outcome in any proceedings (depending on the amount thereof, the penalties imposed or the procedural or management costs for the Group) could damage the Group's reputation, have significant consequential costs and related implications for the Group or otherwise adversely affect the Group.

It is difficult to predict the outcome of legal and regulatory actions and proceedings, both those to which the Group is currently exposed and those that may arise in the future, including actions and proceedings relating to former Group subsidiaries or in respect of which the Group may have indemnification obligations, but such outcome could be significantly adverse to the Group. In addition, a decision in any matter, whether against the Group or against another credit entity facing similar claims as those faced by the Group, could give rise to other claims against the Group. In addition, these actions and proceedings attract resources from the Group and may require significant attention on the part of the Group's management and employees.

As of 30 June 2020, the Group had €738 million in provisions for the proceedings it is currently facing. However, the uncertain outcome of these proceedings (including those for which no provisions have been made, either because it is not possible to estimate any such provisions or for other reasons) makes it impossible to guarantee that the possible losses arising from such proceedings will not exceed, where applicable, the amounts that the Group currently has provisioned and, therefore, could affect the Group's consolidated results in a given period.

As a result of the above, legal and regulatory actions and proceedings currently faced by the Group or to which it may become subject in the future or that the Group is otherwise affected by, whether individually or in the aggregate, if resolved in whole or in part adversely to the Group's interests, could have a material adverse effect on the Group's business, financial condition and results of operations.

*The Spanish judicial authorities are carrying out a criminal investigation relating to possible bribery, revelation of secrets and corporate corruption by BBVA*

Spanish judicial authorities are investigating the activities of Centro Exclusivo de Negocios y Transacciones, S.L. ("Cenyt"). Such investigation includes the provision of services by Cenyt to BBVA. On 27 September 2020, BBVA was named as an investigated party (investigado) in a criminal judicial investigation (Preliminary Proceeding No. 96/2017 – Piece No. 9, Central Investigating Court No. 6 of the National High Court) for alleged facts which could represent the crimes of bribery, revelation of secrets and corruption. As of the date of this Base Prospectus, no formal accusation against BBVA has been made. Certain current and former officers and employees of the BBVA Group, as well as former directors, have also been named as investigated parties in connection with this investigation. BBVA has been and continues to be proactively collaborating with the Spanish judicial authorities, including sharing with the courts information from its on-going forensic investigation regarding its relationship with Cenyt. BBVA has also testified before the judge and prosecutors at the request of the Central Investigating Court No. 6 of the National High Court.

On 3 February 2020, BBVA was notified by the Central Investigating Court No. 6 of the National High Court of the order lifting the secrecy of the proceedings.

This criminal judicial proceeding is at a preliminary stage. Therefore, it is not possible at this time to predict the scope or duration of such proceeding or any related proceeding or its or their possible outcomes or implications for the Group, including any fines, damages or harm to the Group's reputation caused thereby.

### ***Regulatory, Tax and Compliance Risks***

The financial services sector is one of the most regulated in the world. The Group is subject to a broad regulatory and supervisory framework, which has increased significantly in the last decade. Regulatory activity in recent years has affected multiple areas, including changes in accounting standards; strict regulation of capital, liquidity and remuneration; bank charges and taxes on financial transactions; mortgage regulations, on banking products, and on consumers and users; recovery and resolution measures; stress tests; prevention of money laundering and terrorist financing; market abuse; conduct in the financial markets; anti-corruption; and requirements as to the periodic publication of information. Governments, regulatory authorities and other institutions continually make proposals to strengthen their resistance to future crises.

Furthermore, the international nature of its operations means that the Group is subject to a wide and complex range of local and international regulations in these matters, sometimes with overlapping scopes and areas regulated. This complexity, which can be exacerbated by differences and changes in the interpretation or application of these

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standards by local authorities, makes compliance risk management difficult, which requires automated systems, highly sophisticated monitoring, qualified personnel and general training of employees.

Any change in the Group's business that is necessary to comply with any particular regulations at any time, especially in Spain, Mexico, and the United States or Turkey, could lead to a considerable loss of income, limit the Group's ability to identify business opportunities, affect the valuation of its assets, force the Group to increase its prices and, therefore, reduce the demand for its products, impose additional costs on the Group or otherwise negatively affect its business, financial condition and results of operations.

*The Group is subject to a broad regulatory and supervisory framework, including resolution regulations, which could have a significant adverse effect on its business, financial condition and results of operations*

The Group is subject to a comprehensive regulatory and supervisory framework the complexity and scope of which has increased significantly since the previous financial crisis and the upward trend in such increased complexity and scope could be reinforced by the crisis caused by the COVID-19 pandemic. In particular, the banking sector is subject to continuous scrutiny at the political and supervisory levels, and it is foreseeable that in the future there will continue to be political involvement in regulatory and supervisory processes, as well as in the governance of the main financial entities. For this reason, the laws, regulations and policies to which the Group is subject, as well as their interpretation and application, may change at any time, and supervisors and regulators also have a wide margin of discretion to carry out their duties, which gives rise to uncertainty regarding the interpretation and implementation of the regulatory framework. Likewise, regulatory fragmentation and the implementation by some countries of more flexible or stricter rules or regulations could also adversely affect the Group's ability to compete with financial institutions that may or may not have to comply with any such rules or regulations, as appropriate.

The regulatory amendments adopted or proposed, as well as their interpretation or application, have increased and may continue to substantially increase the Group's operating expenses and negatively affect its business model. For example, the imposition of prudential capital standards has limited and could further limit the ability of subsidiaries to distribute capital to BBVA, while liquidity standards may require the Group to hold a higher proportion of its assets in financial instruments with higher liquidity and lower performance, which can negatively affect its net interest margin. In addition, BBVA's regulatory and supervisory authorities may require BBVA to increase its loan loss provision fund or register additional losses, which could have an adverse effect on its financial condition. It is also possible that governments and regulators impose additional regulations ad hoc in response to a crisis such as the one unleashed by the COVID-19 pandemic or for other reasons, which could imply the imposition of financing requirements by credit institutions to different entities such as, for example, the contribution that BBVA must make to finance the Fund for Orderly Bank Restructuring (*Fondo de Reestructuración Ordenada Bancaria*) (the "**FROB**") or the Single Resolution Board ("**SRB**").

Any legislative or regulatory measure and any necessary change in the Group's business operations, as a consequence of such measures, as well as any deficiency in complying with them, could result in a significant loss of income, represent a limitation on the ability of BBVA to take advantage of business opportunities and offer certain products and services, affect the value of the Group's assets, force the Group to increase prices (which could reduce the demand for its products), impose additional compliance costs or result in other possible negative effects for the Group.

Finally, within the regulatory amendments adopted as a result of the last financial crisis, the resolution regulations stand out for their potential adverse consequences. In the event that the Relevant Spanish Resolution Authority considers that BBVA is in a situation of early action or resolution, it may adopt the measures provided for in the applicable regulations. Likewise, the Relevant Spanish Resolution Authority may apply the absorption of losses due to non-viability<sup>1</sup> in the event that it determines that the entity meets the conditions for its resolution or that it will become unfeasible unless such mechanism is applied.

In addition, the Relevant Spanish Resolution Authority can exercise the competences and powers described without prior notice, so their application is unpredictable. The consideration by the Relevant Spanish Resolution Authority that BBVA is in an early action or resolution situation or its mere suggestion could adversely and significantly affect the Group's business, financial condition and results of operations, as well as the market price and behaviour of certain securities issued by BBVA (or even their terms, in the event of an application of any Spanish Statutory Loss-Absorption Powers).

<sup>1</sup> The BRRD, Law 11/2015 and the Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 (as amended, replaced or supplemented from time to time) provide for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments at the point of non-viability ("**Non-Viability Loss Absorption**") of an entity.

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*Increasingly onerous capital and liquidity requirements may have a material adverse effect on the Group's business, financial condition and results of operations*

In its capacity as a Spanish credit institution, BBVA is subject to compliance with a "Pillar 1" solvency requirement, a "Pillar 2" solvency requirement and a "combined buffer requirement" at both the individual and consolidated level. As a result of the latest Supervisory Review and Evaluation Process carried out by the ECB, and in accordance with the measures implemented by the ECB on 12 March 2020, by means of which banks may partially use AT1 and Tier 2 ("Tier 2") capital instruments in order to fulfil the Pillar 2 requirement, BBVA must maintain, at a consolidated level, a CET1 ratio of 8.59 per cent. and a total capital ratio of 12.75 per cent.. Likewise, BBVA must maintain, on an individual level, a CET1 ratio of 7.84 per cent. and a total capital ratio of 12.00 per cent.. As of 31 March 2020, BBVA's phased-in total capital ratio was 15.39 per cent. on a consolidated basis and 20.14 per cent. on an individual basis, and its CET1 phased-in capital ratio was 11.08 per cent. on a consolidated basis and 15.05 per cent. on an individual basis.

Additionally, the BBVA, as a Spanish credit institution, must maintain a minimum level of own funds and eligible liabilities (the "MREL" requirement) in relation to total liabilities and own funds. On 19 November 2019, BBVA announced that it had received notification from BBVA of Spain of its MREL, as determined by the SRB. BBVA's MREL was set at 15.16 per cent. of the total liabilities and own funds of BBVA's resolution group at a sub-consolidated<sup>2</sup> level from 1st January, 2021. Likewise, of this MREL, 8.01 per cent. of the total liabilities and own funds must be met with subordinated instruments, once the concession established in the requirement itself has been applied. This MREL is equivalent to 28.50 per cent. of the RWAs of BBVA's resolution group, while the subordination requirement included in the MREL is equivalent to 15.05 per cent. of the RWAs of BBVA's resolution group, once the corresponding concession has been applied. In accordance with BBVA's estimates and subject to the evolution of BBVA's resolution group (including its total liabilities and own funds, and RWAs), the current structure of eligible liabilities and own funds of BBVA's resolution group, together with the expected implementation of the funding plan of BBVA for the issuance of eligible liabilities throughout the year 2020 in a total amount of at least €3,000 million, subject to market conditions and availability, will enable the fulfilment of this requirement upon its entry into force.

However, both the total capital and the MREL requirements are subject to change and, therefore, no assurance can be given that BBVA and/or the Group will not be subject to more stringent requirements at any future time. Likewise, no assurance can be given that BBVA and/or the Group will be able to fulfil whichever future requirements may be imposed, even if such requirements were to be equal or lower. There can also be no assurances as to the ability of BBVA and/or the Group to comply with whichever capital target is announced to the market at any given time, which could be negatively perceived by investors and/or supervisors, who could interpret that a lack of capital-generating capacity exists or that the capital structure has deteriorated, either of which could negatively affect the market value or behaviour of whichever securities issued by BBVA and/or the Group (and, in particular, of any of its capital instruments) and, therefore, lead to the implementation of new recommendations or requirements regarding Pillar 2 or (should the Relevant Spanish Resolution Authority interpret that obstacles may exist for the viability of the resolution on behalf of BBVA and /or the Group), MREL.

If BBVA or the Group failed to comply with its "combined buffer requirement" it would have to calculate its Maximum Distributable Amount ("MDA") and, until such calculation has been undertaken and reported to BBVA of Spain, the affected entity will not be able to make any Discretionary Payments. Once the MDA has been calculated and reported, such Discretionary Payments will be limited to the calculated MDA. Likewise, should BBVA or the Group not meet the applicable capital requirements, additional requirements of Pillar 2 or, if applicable, MREL could be imposed. Likewise, upon the entry into force of the EU Banking Reforms, BBVA or the Group must fully comply not only with its "combined buffer requirement" but also with its MREL, in order to be able to make Discretionary Payments. Additionally, failure to comply with the capital requirements may result in the implementation of early action measures or, ultimately, resolution measures on behalf of the resolution authorities.

On the other hand, Regulation (EU) 2019/876 of the European Parliament and of the Council, of 20 May 2019 (as amended, replaced or supplemented at any time, "CRR II") establishes a binding requirement for the

leverage ratio of 3 per cent. of tier 1 capital (as of 31 March 2020, the phased-in leverage ratio of the Group was

<sup>2</sup> In accordance with the BBVA Group's Multiple Point of Entry resolution strategy, established by the SRB, the resolution group is composed by Banco Bilbao Vizcaya Argentaria, S.A. and the subsidiaries belonging to the same European resolution group. As of 31 December 2017 (reference date taken by the SRB), the total liabilities and own funds of BBVA's resolution group at a sub-consolidated level amounted to €371,910 million euros, of which the total liabilities and own funds of the Bank represented approximately 95 per cent., and the APRs of the Bank's resolution group amounted to €197,819 million.

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6.26 per cent. and fully loaded it was 6.13 per cent.). Any failure to comply with this leverage ratio would also result in the need to calculate and report the MDA, and restrictions on Discretionary Payments. Moreover, CRR II proposes new requirements that capital instruments must meet in order to be considered AT1 or Tier 2 instruments, including certain grandfathering measures until 28 June 2025. Once CRR II has been implemented and the grandfathering period has elapsed, AT1 and/or Tier 2 instruments which do not comply with the new requirements at such date will no longer be considered as capital instruments. This could give rise to shortfalls in regulatory capital and, ultimately, could result in failure to comply with the applicable minimum regulatory capital requirements, with the aforementioned consequences.

Additionally, the implementation of the ECB expectations regarding prudential provisions for non-performing loans ("**NPLs**") (published on 15 May 2018) and the ECB's current review of internal models being used by banks subject to its supervision for the calculation of their RWAs could result, respectively, in the need to increase provisions for future NPLs and increases in the Group's capital needs.

Furthermore, the implementation of the Basel III reforms could result in an increase of BBVA's and the Group's total RWAs and, therefore, could also result in a decrease of BBVA's and the Group's capital ratios. Likewise, the lack of uniformity in the implementation of the Basel III reforms across jurisdictions in terms of timing and applicable regulations could give rise to inequalities and competition distortions. Moreover, the lack of regulatory coordination, with some countries bringing forward the application of Basel III requirements or increasing such requirements, could adversely affect an entity with global operations such as the Group and could affect its profitability.

Additionally, should the Total Loss Absorbing Capacity ("**TLAC**")<sup>3</sup> requirements currently only imposed upon financial institutions of global systemic importance ("**G-SIBs**"), be applicable upon non-G-SIBs entities or should BBVA once again be classified as a G-SIB, additional minimum requirements similar to MREL could in the future be imposed upon BBVA.

There can be no assurance that the above capital requirements will not adversely affect BBVA's or its subsidiaries' ability to make Discretionary Payments, or result in the cancellation of such payments (in whole or in part), or require BBVA or such subsidiaries to issue additional securities that qualify as regulatory capital, to liquidate assets, to curtail business or to take any other actions, any of which may have adverse effects on the Group's business, financial condition and results of operations. Furthermore, an increase in capital requirements could negatively affect the return on equity and other of the Group's financial results indicators. Moreover, BBVA's or the Group's failure to comply with their capital and/or MREL requirements could have a significant adverse effect on BBVA's business, financial condition and results of operations.

Lastly, the Group must also comply with liquidity and funding ratios. Several elements of the liquidity coverage ratio (the "**LCR**") and the net stable financing ratio (the "**NSFR**"), as introduced by national banking regulators and fulfilled by BBVA, may require implementing changes in some of its commercial practices, which could expose BBVA to additional expenses (including an increase in compliance expenses), affect the profitability of its activities or otherwise lead to a significant adverse effect over BBVA's business, financial condition or results of operations. As of 31 March 2020 and 31 December 2019, the Group's LCR was 134 per cent. and 129 per cent. respectively. The NSFR ratio was 120 per cent. as of 31 March 2020 and 31 December 2019.

*The Group is exposed to tax risks that may negatively affect it*

The preparation of the Group's tax returns and the process of establishing tax provisions involve the use of estimates and interpretations of tax laws and regulations, which are complex and subject to review by the tax authorities. The size, regional diversity and complexity of some groups and their commercial and financial relationships with both third parties and related parties, as is the case with the Group, require the application and interpretation of a considerable number of laws and tax regulations and criteria that the different administrations and judicial bodies issue, as well as the use of more estimates, indeterminate legal concepts and valuations in order to comply with the tax obligations of BBVA and all its subsidiaries. Therefore, any error or discrepancy with the tax authorities in any of the jurisdictions in which the Group operates may be subject to prolonged

administrative or judicial procedures that may have a material adverse effect on the results of the Group's operations

<sup>3</sup> On 9 November 2015, the FSB published its final TLAC Principles and Term Sheet, proposing that G-SIBs maintain significant minimum amounts of liabilities that are subordinated (by law, contract or structurally) to certain prior-ranking liabilities, such as guaranteed insured deposits, and forming a new standard for G-SIBs. The TLAC Principles and Term Sheet contain a set of principles on loss-absorbing and recapitalization capacity of G-SIBs in resolution and a term sheet for the implementation of these principles in the form of an internationally agreed standard. The TLAC Principles and Term Sheet require a minimum TLAC requirement to be determined individually for each G-SIB at the greater of (i) 16 per cent. of the RWAs as of 1 January 2019 and 18 per cent. as of 1 January 2022, and (ii) 6 per cent. of the Basel III Tier 1 leverage ratio exposure measured as of 1 January 2019, and 6.75 per cent. as of 1 January 2022.

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in the applicable period.

On the other hand, the governments of different jurisdictions are seeking to identify new fiscal sources, and recently, they have focused with special attention on the financial sector. The Group's presence in different and diverse jurisdictions increases its exposure to the different regulatory and interpretative changes that are implemented from these jurisdictions, which could lead, among other things, to (i) an increase in the types of tax, to which the Group is subject, including in response to the demands of various political forces at the national and global level, (ii) changes in the calculation of tax bases such as the proposal in Spain to limit the exemption on dividends and capital gains contemplated in the proposed General State Budget Law 2019, the approval of which would have entailed that 5 per cent. of the dividends distributed to Spanish Group companies would have been subject and not exempt to corporate tax or the imposition of a minimum tax as part of this tax, which in the case of banks would be 18 per cent. of its positive tax base or, (iii) the creation of new taxes -like the proposed Tax Directive or the Financial Transactions Tax ("FTT") of the European Commission and in respect of which a regulatory consultation has recently been published in Spain (which would tax the acquisitions of certain securities, including those issued by BBVA) may have adverse effects on the business, financial condition and results of operations of the Group

### *The Group is exposed to compliance risks*

The Group, due to its role in the economy and the nature of its activities, is singularly exposed to certain compliance risks. In particular, the Group must comply with regulations regarding customer conduct, market conduct, the prevention of money laundering and the financing of terrorist activities, the restrictions established by international sanctions programs, and anti-corruption laws (including the US Foreign Corrupt Practices Act of 1977 and the UK Bribery Act of 2010), whose violations could carry very significant penalties.

Generally, all these regulations require banking entities to use diligence measures to manage compliance risk; and sometimes, these entities must apply reinforced due diligence measures because they understand that, due to the very nature of the activities they carry out (among others, private banking, money transfer and foreign currency exchange operations), they may present a higher risk of money laundering or terrorist financing.

Although the Group has adopted policies, procedures, systems and other measures to manage compliance risk, it cannot guarantee that these are sufficient or that the employees (126,041 as of 31 March 2020) or other persons of the Group or its business partners, agents and/or other third parties with a business or professional relationship with BBVA do not elude or infringe such measures or elude or otherwise infringe current regulations or BBVA's ethics and compliance regulations, acts for which such persons or the Group could be held ultimately responsible and/or that could damage the Group's reputation. Furthermore, the Group may not be able to prevent third parties outside the Group from using the banking network in order to launder money or carry out illegal or inappropriate activities. A further consideration is that financial crimes continually evolve and that emerging technologies, such as cryptocurrencies and blockchain, could limit the Group's ability to track the movement of funds. Additionally, in adverse economic conditions, it is possible that financial crime attempts will increase significantly (as was the case in the US in the face of the previous financial crisis). Ultimately, the Group relies heavily on the efforts of its employees and external suppliers to mitigate any threat.

In case of breach of the applicable regulations or if the competent authorities consider that the Group does not perform the necessary due diligence inherent to its activities, such authorities could impose limitations on the Group's activities, the revocation of its authorisations and licenses, and economic penalties, in addition to having significant consequences for the Group's reputation, which could have a significant adverse impact on the Group's business, financial condition and results of operations. Furthermore, the Group occasionally conducts investigations related to alleged violations of such laws and regulations, and any such investigation or any related procedure could be time consuming and costly, and its results difficult to predict.

### **2.5 Operational Risks**

***Attacks, failures or deficiencies in the Group's procedures, systems and security or those of third parties to which the Group is exposed could have a significant adverse impact on the Group's business, financial condition and results of operations, and could be detrimental for its reputation***

The Group's activities depend to a large extent on its ability to process and report effectively and precisely on a high volume of highly complex operations with numerous and diverse products and services (by their nature, generally ephemeral), in different currencies and subject to different regulatory regimes. Therefore, it relies on highly sophisticated information technology ("IT") systems for data transmission, processing and storage. However, IT systems are vulnerable to various problems, such as hardware and software malfunctions, computer viruses, hacking, and physical damage to IT centers. BBVA's exposure to these risks has increased significantly in

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recent years due to the Group's implementation of its ambitious digital strategy (which has allowed the Group to have a pioneering global mobile development platform in the sector, with around 60 per cent. of customers using the bank's digital channels). According to data as of 31 March 2020, 59 per cent. of the Group's customers are digital and 54 per cent. of customers regularly use their mobile phones to interact with BBVA, and digital sales represent 63 per cent. of total sales. BBVA already has more than 500,000 customers registered exclusively through digital channels in Spain, of which more than 50 per cent. did so via mobile. These digital services, as well as the rest of the alternatives that BBVA offers users to become BBVA customers, have become even more important after the COVID-19 pandemic outbreak and the decrees of a state of emergency (or similar) in the countries in which the Group operates, which restrict or advise against travel. Currently, one in three new clients chooses digital channels to start their relationship with BBVA. In April 2020, these digital customers exceeded 77 million monthly sessions in the BBVA 'app', making this channel the fastest growing in use. Any attack, failure or deficiency in the Group's systems could, among other things, lead to the misappropriation of funds of the Group's clients or the Group itself and to the unauthorised disclosure, destruction or use of confidential information, as well as preventing the normal operation of the Group, and impairing its ability to provide services and carry out its internal management. In addition, any attack, failure or deficiency could result in the loss of customers and business opportunities, damage to computers and systems, violation of regulations regarding data protection and / or other regulations, exposure to litigation, fines, sanctions or interventions, loss of confidence in the Group's security measures, damage to its reputation, reimbursements and compensation, and additional regulatory compliance expenses and could have a significant adverse impact on the Group's business, financial condition and results of operations. Furthermore, it is possible that such attacks, failures or deficiencies will not be detected on time or never. The Group is likely to be forced to spend significant additional resources to improve its security measures in the future. Even so, the Group may not be able to anticipate or prevent all possible vulnerabilities, nor to implement preventive measures that are effective or sufficient. In particular, cyberattacks are becoming increasingly sophisticated and difficult to prevent.

Customers and other third parties to which the Group is significantly exposed, including the Group's service providers (such as data processing companies to which the Group has outsourced certain services), face similar risks (specially under the current COVID-19 pandemic, see also the Risk Factor "*The coronavirus (COVID-19) pandemic is adversely affecting the Group*" above). Any attack, failure or deficiency that may affect such third parties could, among other things, adversely affect the Group's ability to carry out operations or provide services to its clients or result in the unauthorised disclosure, destruction or use of confidential information. Furthermore, the Group may not be aware of such attack, failure or deficiency in time, which could limit its ability to react. Moreover, as a result of the increasing consolidation, interdependence and complexity of financial institutions and technological systems, an attack, failure or deficiency that significantly degrades, eliminates or compromises the systems or data of one or more financial institutions could have a significant impact on its counterparts or other market participants, including the Group.

### 3. Risks relating to the Warrants

#### 3.1 The Warrants may not be a suitable investment for all purchasers

Each potential purchaser of Warrants should realise that investing in the Warrants entails significant risks and may not be appropriate for purchasers lacking financial expertise. Prospective purchasers should consult their own financial, tax and legal advisors as to the risks entailed by an investment in such Warrants and the suitability of such Warrants in light of their particular circumstances and ensure that its acquisition is fully consistent with their financial needs and investment policies, is lawful under the laws of the jurisdiction of its incorporation and/or in which it operates, and is a suitable investment for it to make. Each potential purchaser of the Warrants must determine the suitability of that investment in light of its own circumstances. In particular each potential purchaser should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Warrants, the merits and risks of investing in the Warrants and the information contained or incorporated by reference in this Base Prospectus, any applicable supplement or any other Offering Document, including all the information contained in the Issue Terms;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Warrants and the impact the Warrants will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Warrants;
- (d) understand thoroughly the terms of the Warrants and be familiar with the behaviour of any relevant indices

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and financial markets;

- (e) understand thoroughly (if necessary, in consultation with the purchaser's own legal, tax, accountancy, regulatory, investment or other professional that the nature of the Warrants which may be linked to the performance of one or more, or a combination of, underlying shares, indices, inflation indices, fund shares, or foreign exchange rates (together, "**Reference Items**" and each, a "**Reference Item**"); and
- (f) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

### 3.2 Risk Factors associated with Warrants that are linked to one or more specific types of Reference Items

There are certain factors which are material for the purpose of assessing the risks associated with an investment in Warrants issued under the Programme. Such factors will vary depending on the type of Warrants issued, in particular in relation to Warrants in respect of which the Settlement Amount or the value of the Entitlement (if any) is linked to the value of one or more index, share, inflation index, unit, interest or share in a fund, foreign exchange rate or the combination of any of the foregoing. If a particular Warrant is linked to more than one reference item investors may have increased risk exposure.

#### 3.2.1 There are specific risks relating to Equity Linked Warrants

The Issuer may issue Equity Linked Warrants where the Settlement Amount or the value of the Entitlement (if any) is dependent upon the price of or changes in the price of shares or a basket of shares (or depositary receipts) or, depending on the price of or change in the price of shares or the basket of shares (or depositary receipts), where the Issuer's obligation on exercise is to deliver a specified number of shares ("**Equity Linked Warrants**"). Accordingly an investment in Equity Linked Warrants may bear similar market risks to a direct equity investment and potential investors should take advice accordingly.

In addition, depending on the terms of the Equity Linked Warrants, (i) potential investors should be aware that the Settlement or delivery of any specified shares and/or depositary receipts may occur at a different time than expected and (ii) potential investors may lose all or a substantial portion of their investment if the value of the share(s) and/or depositary receipt(s) does not move in the anticipated direction. In addition, the movements in the price of the share or depositary receipt or basket of shares and/or depositary receipts 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 share or shares may affect the return to investors, even if the average level is consistent with their expectations. If the Settlement Amount or the Entitlement (if any), as the case may be, 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 share or shares on the amount of potential losses will be magnified. See also risk factor "*Risk of Leveraged Exposure*" above. All these factors may affect the investments in the Warrants.

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

See also risk factors "A Noteholder does not have rights of ownership in the Reference Item(s) and "the Calculation Agent, which will generally be the Guarantor or an affiliate of the Guarantor, has broad discretionary powers which may not take into account the interests of the Warrantholders" below.

Upon determining that a Potential Adjustment Event, Extraordinary Event or Additional Disruption Event has occurred in relation to an underlying share or the issuer of such underlying share, 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 Warrants and/or (ii) (in the case of an Extraordinary Event or an Additional Disruption Event) cause cancellation of the Equity Linked Warrants, any of which determinations may have an adverse effect on the value of the Equity Linked Warrants.

Potential Adjustment Events include (a) a sub-division, consolidation or re-classification of the shares, (b) an extraordinary dividend, (c) a call of the shares that are not fully paid, (d) a repurchase by the issuer, 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. Extraordinary Events include (a) a delisting of the shares on an exchange, (b) an insolvency (where all the shares of the issuer of the underlying shares are transferred to a trustee, liquidator or similar official or may not be legally transferred) or bankruptcy of the issuer of the shares,

- (a) a merger event entailing the consolidation of the shares with those of another entity, (d) a nationalisation of the issuer of the shares or transfer of the shares to a governmental entity, or (e) a tender offer or takeover offer

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that results in transfer of the shares to another entity.

Extraordinary Events include (a) De-Listing, (b) Insolvency, (c) Merger Event, (d) Nationalization or (e) if specified to be applicable in the Issue Terms, (i) Tender Offer, (ii) Listing Change, (iii) Listing Suspension and (iv) Illiquidity

Additional Disruption Events include (a) a change in applicable law since the Issue 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 Warrants or (b) if specified to be applicable in the Issue Terms, (i) an insolvency filing by or on behalf of the issuer of the underlying shares or (ii) Hedging Disruption or (iii) Failure to Deliver due to Illiquidity or (iv) Increased Cost of Hedging or (v) Increased Cost of Stock Borrow or (vi) Loss of Stock Borrow and (vii) Stop-Loss Event.

### 3.2.3 There are specific Risks relating to ETF Linked Warrants and Fund Linked Warrants

The Issuer may issue Warrants where the Settlement Amount or the value of the Entitlement (if any) is dependent upon the price or changes in the price of units or shares in one or more funds or ETFs or, depending on the price or changes in the price of units or shares in such funds or ETFs, where the Issuer's obligation on exercise is to deliver a specified amount of shares in such funds or ETFs ("**Fund / ETF Linked Warrants**"). Accordingly an investment in Fund / ETF Linked Warrants may bear similar market risks to a direct fund investment and potential investors should take advice accordingly.

Depending on the terms of the Fund / ETF Linked Warrants (i) potential investor should be aware that the Settlement or delivery of any specified Fund Shares may occur at a different time than expected and (ii) potential investors may lose all or a substantial portion of their investment. In addition, the movements in the price of units, shares or interests in the fund or funds 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 units or shares in the fund or funds may affect the return to investors, even if the average level is consistent with their expectations.

In the event of the occurrence of one or more Potential ETF Events, the Calculation Agent may seek to make adjustments in accordance with the ETF Linked Conditions. Such adjustments may have an adverse effect on the value of the Warrants.

Prospective investors should also be aware that in the event of the occurrence of one or more Extraordinary Fund Events or Extraordinary ETF Events, as the case may be, the Issuer may substitute the relevant Fund Shares or ETF Shares, as the case may be, with fund shares of a fund, or ETF shares, as the case may be, with similar characteristics or, if no such fund or ETF is selected, with a replacement index, or cancel the Warrants depending on whether such Extraordinary Fund Event is a Substitution Event or a Termination Event.

In the event that redemption proceeds in respect of the underlying Fund Shares or ETF Shares, as the case may be, are not received by the hedge provider on or prior to the Settlement Date or Termination Date, such date may be postponed for a period of up to two calendar years (or such other period as may be specified in the Issue Terms) and no additional amount shall be payable as a result of such delay.

If the Settlement Amount or Entitlement amount deliverable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the units or shares of the fund or funds on amounts so payable or deliverable will be magnified. See also risk factor "*There are Risks Associated with Leveraged Exposures*" above.

If the Settlement Amount or the Entitlement (if any), as the case may be, 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 share or shares on the amount of potential losses will be magnified. See also risk factor "*There are Risks Associated with Leveraged Exposures*" above.

The market price of such Warrants may be volatile and may depend on the time remaining to the expiration date and the volatility of the price of units or shares in the fund(s) or ETF(s). The price of units or shares in a fund or ETF 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 or Shares in the fund(s) or ETF(s) may be traded. In addition, the price of units or shares in a fund or ETF may be affected by the performance of the fund service providers, and, in particular, the investment advisor. Prospective investors should review carefully the prospectus, information memorandum and/or base prospectus (if any) issued by any relevant fund or ETF before purchasing any Warrants. None of the Issuer, the Guarantor, any affiliate of the Issuer or Guarantor or the Calculation Agent make any representation as to the creditworthiness of any relevant fund or ETF or any such fund's or ETF's administrative, custodian, investment manager or adviser. If such persons are not creditworthy or otherwise fail to perform, as the case may be, it may adversely affect the value of the Warrants.



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Where the Issuer issues Fund / ETF Linked Warrants linked to one or more funds, including hedge funds and ETFs, the relevant Warrants reflect the performance of such fund(s).

In addition, when the Issuer issues Fund/ETF Linked Warrants to one or more funds, including hedge funds and exchange traded funds, the relevant fund(s) or exchange traded fund(s) may trade and invest in a broad range of investments such as debt and equity securities, commodities or commodity indices and foreign exchange and may enter into derivative transactions, including, without limitation, futures and options. Funds may often be illiquid and may only be traded on a monthly, quarterly or even less frequent basis. The trading strategies of funds are often opaque. Funds, as well as the markets and instruments in which they invest, are often not subject to review by governmental authorities, self-regulatory organisations or other supervisory authorities. If the underlying relevant fund(s) or exchange traded fund(s) do not perform sufficiently well, the value of the Warrants will fall, and may in certain circumstances be zero.

For all the above reasons, investing directly or indirectly in funds is generally considered to be risky. If the underlying fund does not perform sufficiently well, the value of the Warrants will fall, and may in certain circumstances be zero.

See also risk factors "*Warrantholder does not have rights of ownership in the Reference Item(s)*" and "*The Calculation Agent, which will generally be the Guarantor or an affiliate of the Guarantor, has broad discretionary powers which may not take into account the interests of the Warrantholders*" below.

### 3.2.4 Risks relating to Foreign Exchange (FX) Rate Linked Warrants and Currency Adjustment Warrants

The Issuer may issue Warrants where the Settlement Amount is dependent upon movements in currency exchange rates or are payable in one or more currencies which may be different from the currency in which the Warrants are issued ("**Foreign Exchange (FX) Rate Warrants**"). Accordingly an investment in Foreign Exchange (FX) Rate Warrants may bear similar market risks to a direct foreign exchange investment and potential investors should take advice accordingly.

Depending on the terms of the Foreign Exchange (FX) Rate Warrants (i) potential investors should be aware that the settlement may occur at a different time or in a different currency than expected and

(ii) potential investors may lose a substantial portion of their investment. In addition, movements in currency exchange rates may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices and the timing of changes in the exchange rates may affect the return to investors, even if the average level is consistent with their expectations.

The foreign exchange rate(s) to which the Warrants are linked will affect the nature and value of the investment return on the Warrants. The performance of foreign exchange rates are dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Such measures 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. Where the Warrants are linked to

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the currency of an emerging market jurisdiction, such risks maybe magnified—see also risk factor “*Where the Warrants are denominated in an emerging market currency or linked to one or more emerging market currencies, such emerging market currencies can be significantly more volatile than currencies of more developed markets*” above.

If the Settlement Amount is dependent upon movements in currency exchange rates and are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the currency exchange rates on amounts so payable will be magnified. See also risk factor “There are Risks Associated with Leveraged Exposures” above.

Settlement Amounts payable or other obligations of the Issuer in respect of any Tranche of Warrants may be restricted upon the occurrence of certain disruption events applicable to the Warrants, if so specified in the Issue Terms (the “**Currency Adjustment Warrants**”). A relevant disruption event may relate to the imposition of currency or exchange controls in any specified country or to a nationalisation, or any other circumstance as provided in the Issue Terms. Following a relevant disruption event in respect of Currency Adjustment Warrants, the Issuer shall be entitled to require the Calculation Agent to adjust the Warrants or to settle the Warrants early or to postpone payments or deliveries in respect of the Warrants so long as the relevant disruption event continues.

### **3.3 Risk Factors associated generally with Warrants that are linked to Reference Item(s)**

#### 3.3.1 The Guarantor’s securities may be/form part of a Reference Item

The Guarantor’s shares or other instruments issued by the Guarantor may be/form part of a Reference Item in Index Linked Warrants, Equity Linked Warrants or other type of Warrants. The Guarantor will have material information in relation to such Warrants which the Guarantor will not be obliged to disclose to a purchaser of Warrants.

#### 3.3.1 It may not be possible to use the Warrants as a perfect hedge against the market risk associated with investing in a Reference Item

Potential purchasers intending to purchase Warrants to hedge against the market risk associated with investing in a Reference Item should recognise the complexities of utilising Warrants in this manner. For example, the value of the Warrants may not exactly match the value of the Reference Item. Due to fluctuating supply and demand for the Warrants, there is no assurance that their value will match movements in the value of the Reference Item. For these reasons, among others, it may not be possible to purchase or liquidate Warrants in a portfolio at the prices used to calculate the value of any Reference Item.

#### 3.3.2 There may be regulatory consequences to the holder of holding Warrants linked to a certain Reference Item

There may be regulatory and other consequences associated with the ownership by certain purchasers of Warrants linked to a certain Reference Item. Each purchaser of Warrants must conduct its own investigation into its regulatory position with respect to the potential purchase of Warrants, and neither the Issuer nor the Guarantor assumes any obligation or liability whatsoever to such purchaser in such regard.

#### 3.3.3 There are specific risks with regard to Warrants with a combination of Reference Items

An investment in Warrants with a combination of Reference Items will entail significant risks. A combination of the risks associated to the Reference Items may be significantly higher than the risks of each Reference Item considered on its own. On exercise of this type of Warrant, the Warranholders will receive a Cash Settlement Amount or Entitlement (if any) determined by reference to the value of a combination of a number of different Reference Items.

#### 3.3.4 A Warrabtgikder dies bit gave rights of ownership in the Reference Item(s)

Purchasers of Warrants should be aware that the relevant Reference Item(s) will not be held by the Issuer for the benefit of the purchasers of such Warrants, and as such, purchasers will not obtain any rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to any Reference Item referenced by such Warrants. For the avoidance of doubt, no BBVA affiliate is under any obligation whatsoever to acquire and hold any Reference Item. As a result, warranholders will not be able to exercise rights they would have as owner or have any recourse to any issuer of a Reference Item.

#### 3.3.5 The past performance of a Reference Item is not indicative of future performance

Any information about the past performance of the Reference Item at the time of the issue of the Warrants should not be regarded as indicative of the range of, or trends in, fluctuations in the Reference Item that may occur in the future. It is therefore possible that the future performance of a Reference Item may differ form and be worse than, such past performance.

#### 3.3.6 There are specific risks Risks relating to Index Linked Warrants

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The Issuer may issue Warrants where the Settlement Amount (if any) is dependent upon the level of an index or indices (“**Index Linked Warrants**”).

Potential investors in any such Warrants should be aware that depending on the terms of the Index Linked Warrants (i) settlement may occur at a different time than expected and (ii) they may lose all substantial portion of their investment if the value of the index/indices does not move in the anticipated direction. In addition, movements in the level of the index or 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 return to investors, even if the average level is consistent with their expectations.

If the Settlement Amount (if any) 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 the amount of potential losses incurred, will be magnified. See also risk factor “There are Risks Associated with Leveraged Exposures” above.

The market price of such Warrants may be volatile and may depend on the time remaining to the exercise 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 securities comprising the index or indices may be traded. The index may reference equities, bonds or other securities, or it may be a property index referencing certain property price data which will be subject to market price fluctuations. A property index may include valuations only and not actual transactions and the property data sources used to compile the index may be subject to change, which may adversely affect the return on the Warrants.

### *Adjustment to indices for Index Linked Warrants*

If an index adjustment event (as described in “*Additional Terms and Conditions for Index Linked Warrants*”) occurs the Issuer may require the Calculation Agent to make such adjustments as it determines appropriate to the terms of the Warrants or cancel the Warrants. Such action may have an adverse effect on the value and liquidity of the affected Warrants.

### *A change in the composition or discontinuance of an index could adversely affect the market value of the Warrants*

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

### *3.3.7 The Issuer and/or the Guarantor may have confidential information relating to the Reference Item and the Warrants*

The Issuer and/or the Guarantor or its affiliates may from time to time, by virtue of their status as underwriter, advisor or otherwise, possess or have access to information relating to the Warrants, the Reference Item and any derivatives referencing them. Such affiliates will not be obliged to disclose any such information to a purchaser of the Warrants provided that when such information constitutes inside information for the purposes of the Market Abuse Regulation 596/2014 (“**MAR**”), then the provisions of MAR and of any other conduct rules will be of application in relation to the same.

### *3.3.8 The value of Warrants linked to a relevant Reference Item may be influenced by unpredictable factors*

The value of the Warrants may be influenced by several factors beyond the Issuer’s, and/or its Affiliates and, where applicable, the Guarantor’s control including:

- (a) Valuation of the relevant Reference Item. The value of a Warrant at any time is expected to be affected primarily by changes in the level of the relevant Reference Item to which the Warrants are linked. It is impossible to predict how the level of the relevant Reference Item will vary over time. The historical performance value (if any) of the relevant Reference Item does not indicate the future performance of the relevant Reference Item. Factors which may have an effect on the value of the relevant Reference Item

include the rate of return of the relevant Reference Item and, where relevant, the financial position and prospects of the issuer of the relevant Reference Item, the market price or value of the applicable underlying security, index,

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fund (including mutual funds and hedge funds) exchange traded fund (“ETF”) or basket of securities, indices, funds (including mutual funds and hedge funds) or ETFs. In addition, the level of the relevant Reference Item may depend on a number of inter-related factors, including economic, financial and political events and their effect on the capital markets generally and relevant stock exchanges. Potential purchasers should also note that whilst the value of the Warrants is linked to the relevant Reference Item and will be influenced (positively or negatively) by the relevant Reference Item, any change may not be comparable and may be disproportionate. It is possible that while the relevant Reference Item is increasing in value, the value of the Warrants may fall. Further, the Conditions of the Warrants will allow the Calculation Agent to make adjustments or take any other appropriate action if circumstances occur where the Warrants or any exchanges or price sources are affected by market disruption, adjustment events or circumstances affecting normal activities;

- (b) Volatility. The term “volatility” refers to the actual and anticipated frequency and magnitude of changes of the market price with respect to a relevant Reference Item. Volatility is affected by a number of factors such as macroeconomic factors (i.e. those economic factors which have broad economic effects), speculative trading and supply and demand in the options, futures and other derivatives markets. Volatility of a relevant Reference Item will move up and down over time (sometimes more sharply than at other times) and different relevant Reference Items will most likely have separate volatilities at any particular time;
- (c) Dividend Rates and other Distributions. The value of Warrants could, in certain circumstances, be affected by fluctuations in the actual or anticipated rates of dividend (if any) or other distributions on a relevant Reference Item;
- (d) Creditworthiness. Any prospective purchaser who purchases the Warrants is relying upon the creditworthiness of the Issuer and, if applicable, the Guarantor and has no rights against any other person. If the Issuer or the Guarantor, if applicable, becomes insolvent, purchasers may suffer potential loss of their entire investment irrespective of any favourable development of the other value determining factors, such as a relevant Reference Item; and
- (e) Exchange Rates. Even where payments in respect of the Warrants are not expressly linked to a rate or rates of exchange between currencies, the value of the Warrants could, in certain circumstances, be affected by such factors as fluctuations in the rates of exchange between any currency in which any payment in respect of the Warrants is to be made and any currency in which a relevant Reference Item is traded, appreciation or depreciation of any such currencies and any existing or future or governmental or other restrictions on the exchangeability of such currencies. There can be no assurance that rates of exchange between any relevant currencies which are current rates at the date of issue of the Warrants will be representative of the relevant rates of exchange used in computing the value of the Warrants at any time thereafter.

Some or all of the above factors will influence the price purchasers will receive if a purchaser sells its Warrants prior to exercise. For example, purchasers may have to sell certain Warrants at a substantial discount from the investment amount if the market price or value of the applicable relevant Reference Item is at, below, or not sufficiently above the initial market price or value.

### 3.4 Risk Factors relating to the structure of a particular issue of Warrants

#### 3.4.1 Purchasers may lose the entire amount paid in respect of the Warrants

Purchasers may lose up to the entire amount of the price paid for the relevant Warrants as a result of the occurrence of any one or more of the following events:

- (a) the Issuer and the Guarantor of the Warrants are subject to insolvency proceedings or some other event impairing the ability of each to meet its obligations under the Warrants;
- (b) the purchaser seeks to sell the relevant Warrants prior to their exercise in full, and the sale price of the Warrants in the secondary market is less than the amount originally paid by such purchaser for the relevant Warrants; and
- (c) the Warrants are subject to certain adjustments in accordance with the terms and conditions of such Warrants that may result in the scheduled amount to be paid or asset(s) to be delivered upon maturity being reduced to or being valued at an amount less than the amount originally paid by such purchaser for the relevant Warrants.

Notwithstanding that the relevant Warrants may be linked to the performance of one or more Reference Items, purchasers of such Warrants do not have and shall not receive any rights in respect of any Reference Item and shall have no right to call for any Reference Item to be delivered to them (unless otherwise provided in the Final Terms). Neither the Issuer nor the Guarantor shall be required to hold any Reference Item.

#### 3.4.2 There are risks associated with leveraged exposures

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Leverage involves the use of a number of financial techniques to increase the exposure to a Reference Item, and can therefore magnify both returns and losses. While the use of leverage allows for potential multiples of a return (assuming a return is achieved) when the Reference Item moves in the anticipated direction, it will conversely magnify losses when the Reference Item moves against expectations. If the relevant Warrants include leverage, potential holders of such Warrants should note that these Warrants will involve a higher level of risk, and that whenever there are losses such losses will be higher (other things being equal) than those of a similar Warrant which is not leveraged. Purchasers should therefore only invest in leveraged Warrants if they fully understand the effect of leverage.

3.4.3 If an investor holds Warrants which are not issued in, and/or do not settle in the investor's home currency, that investor will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Warrant could result in an investor not receiving payments (if any) on those Warrants

The Issuer will settle the Warrants, and the Guarantor will make any payments under the Guarantee in the Specified Currency or, where Settlement Exchange Rate provisions apply, the Settlement Currency (such currency, the "**Currency of Payment**"). 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 Currency of Payment. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Currency of Payment or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Currency of Payment would decrease (1) the Investor's Currency equivalent yield on the Warrants, (2) the Investor's Currency equivalent value of the Settlement Amount (if any) payable on the Warrants and (3) the Investor's Currency equivalent market value of the Warrants.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or Guarantor to make payments in respect of the Warrants.

3.4.4 There are Certain Considerations Associated with Warrants Linked to Emerging Markets

The Issuer may issue Warrants where the settlement amount (if any) is linked to Reference Items which consist of (i) securities, funds, ETFs or indices comprising securities of issuers that are located in, or subject to regulation in, emerging or developing countries, or (ii) securities which are denominated in the currency of, or are traded in, emerging or developing countries or (iii) currencies of emerging or developing countries. Prospective investors should note that additional risks may be associated with investment in such Warrants, including risks associated with political and economic uncertainty, adverse governmental policies, restrictions on foreign investment and currency convertibility, currency exchange rate fluctuations, possible lower levels of disclosure and regulation, and uncertainties as to the status, interpretation and application of laws including, but not limited to, those relating to expropriation, nationalisation and confiscation. Warrants traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile. In addition, settlement of trades in some such markets may be slower and more subject to failure than in markets in developed countries.

The probability of the occurrence of a disruption event and consequently loss of investment or profit by an investor may be higher for certain developing or emerging markets.

3.4.5 Where the Warrants are denominated in an emerging market currency or linked to one or more emerging market currencies, such emerging market currencies can be significantly more volatile than currencies of more developed markets

Where the Warrants are issued in or settle in an emerging market currency or linked to one or more emerging market currencies, amounts determined to be due or deliverable in respect of such Warrants may be significantly more volatile and subject to less certainty as to future rates than if the Warrants were linked to currencies of more developed markets, for example emerging markets' currencies are highly exposed to the risk of a currency crisis happening in the future.

In particular, policies or actions of any relevant governments of the jurisdictions of such emerging market currencies to which the warrants may be linked (the "**Currency Jurisdictions**") could adversely affect the relevant exchange rate(s) (such as through market interventions of their central banks or equivalent bodies; governmental action which changes or interferes with currency valuations or currency fluctuations that would otherwise occur in response to economic forces; and restrictions on foreign investment and currency convertibility or movement across borders). Non-governmental action may also directly or indirectly adversely affect the relevant exchange rates (such as through weak overall growth and performance of each applicable Currency Jurisdiction's economy and stock exchanges; political, economic and social uncertainty, including risks of nationalisation and expropriation of assets and natural disasters; or wars which affect any Currency Jurisdiction directly or indirectly).

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Investors should note that the risk of occurrence and the severity of consequence of the matters described above may be greater with respect to any emerging market jurisdiction than they otherwise would be in relation to more developed countries. Economies in emerging markets are generally more heavily dependent upon international trade, and accordingly, may be affected adversely by trade barriers, foreign exchange controls

(including taxes), managed adjustments in relative currency values and other protectionist measures imposed or negotiated with countries with which they trade.

The occurrence of any of the above circumstances may have an adverse effect on the value of the Warrants and amounts due (if any) or assets deliverable (if any), or the date for payment thereunder.

Additionally, investors should note that if a disruption event occurs which prohibits or prevents the Issuer from making a payment in respect of the Warrants, such payment will be postponed to a date falling 14 calendar days after the date on which such disruption event is no longer occurring and no interest shall accrue or Event of Default occur as a result of such postponement. In the event that the disruption event is continuing on the date which is one year after the last scheduled payment date in respect of the Warrants, the Issuer shall make payment of the relevant amount U.S. dollars or euros.

### 3.4.6 Warrants may be issued in one currency and settled in another currency

If the Issue Terms specify that the Settlement Exchange Rate Provisions are applicable, then such Warrants are issued in one currency but all amounts due thereunder (if any) are settled in another currency (the “**Settlement Currency**”). As such, the applicable amounts are converted by converting such amounts by reference to the applicable Settlement Exchange Rate specified in the applicable Issue Terms or, if not so specified, determined by the Calculation Agent in accordance with the terms and conditions of the Warrants.

If the currency of issue depreciates against the Settlement Currency, this will reduce the Settlement Currency amounts received (if any) under the Warrants

Investors should understand, where a fixed Settlement Exchange Rate is not specified in the Issue Terms, that neither the Issuer nor the Guarantor have control over the Settlement Exchange Rate and will not make any adjustment or change in the terms of the Warrants in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of other developments affecting the settlement currency, the settlement currency or any foreign currency. Investors will bear those risks. In addition, if an Unscheduled Holiday or a Price Source Disruption occurs in respect of the applicable Settlement Exchange Rate, the applicable disruption fallbacks may provide that the scheduled settlement exchange rate valuation date for such rate will be postponed, then this may result in deferral of the corresponding settlement date under the Warrants. If a date for payment is so postponed, this could adversely affect an investor’s investment schedule, timetable or plans as they will receive settlement amounts (if any) in respect of the Warrants later than the originally scheduled date for payment. No interest will accrue or other amount will be payable by the Issuer in the event of any such delay.

3.4.7 If a Reference Item Linked Note includes Market Disruption Events or Failure to Open of an Exchange and the Calculation Agent determines such an event has occurred, any consequential postponement of the Valuation Date, Observation Date, Automatic Early Expiration Valuation Date, Knock-in Determination Day, Knock-out Determination Day or an Averaging Date may have an adverse effect on the Warrants

If an issue of Warrants includes provisions dealing with the occurrence of a Market Disruption Event or failure to open of an exchange on a Valuation Date, Observation Date, Automatic Early Expiration Valuation Date, Knock-in Determination Day, Knock-out Determination Day or an Averaging Date and the Calculation Agent determines that a Market Disruption Event or failure to open of an exchange has occurred or exists on such date, any consequential postponement of the Valuation Date, Observation Date, Automatic Early Expiration Valuation Date, Knock-in Determination Day, Knock-out Determination Day or Averaging Date or any alternative provisions for valuation provided in any such Warrants may have an adverse effect on the value of such Warrants. The timing of such dates (as scheduled or as so postponed or adjusted) may affect the value of the relevant Warrants such that the Warrantholder may receive a lower cash Settlement Amount or other payment under the relevant Warrants than otherwise would have been the case. The occurrence of such a Market Disruption Event or failure to open of an exchange in relation to any Reference Item comprising a basket may also have such an adverse effect on Warrants related to such basket. In addition, any such

consequential postponement may result in the postponement of the date of settlement of the Warrants. These details of the events are described in the Annexes

### 3.4.8 There are risks associated with Physical Delivery Warrants

In the case of Physical Delivery Warrants, if a Settlement Disruption Event occurs or exists on the Settlement Date,

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settlement will be postponed until the next Settlement Business Day in respect of which there is no Settlement Disruption Event. The Issuer in these circumstances also has the right to pay the Disruption Cash Settlement Price in lieu of delivering the Entitlement. As further described below, the Disruption Cash Settlement Price may be less than the fair market value of the Entitlement.

### 3.4.9 Warrantholders may be required to pay certain Taxes and Expenses in relation to Warrants subject to Physical Delivery

Holder of Physical Delivery Warrants must pay all Taxes and Expenses relating to delivery of such Warrants. As defined in General Condition 3(e) Physical Delivery Warrants), “**Expenses**” means, in this Risk Factor, any expenses, costs or charges or other payments (including depository, custodial, registration, transaction and exercise charges) incurred by the Issuer in respect of the delivery of the Entitlement, and “**Taxes**” means, in this Risk Factor, all applicable stamp tax, stamp duty reserve tax, estate, inheritance, gift, transfer, capital gains, corporation, income, property, withholding, other taxes, duties and charges incurred by the Issuer in respect of the delivery of the Entitlement.

### 3.4.10 There are certain requirements to be fulfilled and payments to be made by the holder in order to receive Physical Delivery Warrants and failure to comply with such requirements may lead to the Warrant becoming void

In order to receive the Entitlement in respect of a Physical Delivery Warrant, the holder of such Warrant must deliver or send to the relevant Warrant Agent (in the case of any Bearer Warrants) or to the Registrar (in the case of any Registered Warrants), with a copy to the Calculation Agent, of an Exercise Notice on or prior to the relevant time on the relevant cut-off date and pay the relevant Taxes and Expenses. In the case of a Warrantholder participating in a Global Warrant or Global Warrant Certificate, the relevant Exercise Notice must be delivered to the relevant Clearing System(s) in accordance with their respective rules and procedures. If such Exercise Notice is not delivered before the relevant deadline, the Warrant shall become void.

### 3.4.11 There are risks associated with Warrants to which Option to Vary Settlement applies

If so indicated in the Issue Terms, the Issuer may, in its sole and absolute discretion, elect to vary the settlement of the Warrants, by (i) in the case of Cash Settled Warrants, delivering or procuring delivery of the Entitlement instead of making payment of the Settlement Amount to the relevant Warrantholders or (ii) in the case of Physical Delivery Warrants, making payment of the Settlement Amount to the relevant Warrantholders instead of delivering or procuring delivery of the Entitlement.

### 3.4.12 Currency exchange conversions may affect payments on some Warrants

Warrants may be issued and settled in a currency (the “**Currency**”) that is not the same currency or currency unit as that in which a purchaser’s financial activities are denominated (the “**Purchaser’s Currency**”). This gives rise to certain risks, including the risk that exchange rates may significantly change (including changes due to devaluation of the Currency or revaluation of the Purchaser’s Currency) and the risk that authorities with jurisdiction over the Purchaser’s Currency may impose or modify exchange controls. An appreciation in the value of the Purchaser’s Currency relative to the Currency would decrease the Purchaser’s Currency equivalent value of the Warrants.

### 3.4.13 Option to Substitute Assets or to Pay the Alternate Cash Amount

The Issuer may, in its sole and absolute discretion, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprise assets which are not freely tradable, elect either (i) to substitute a Substitute Asset or Substitute Assets, as the case may be, for the Relevant Asset or Relevant Assets or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant holders, but in lieu thereof to make payment to the relevant holders on the Settlement Date of the Alternate Cash Amount.

## 3.5 Risk Factors regarding the Warrants generally

### 3.5.1 Claims of Holders under the Warrants are effectively junior to those of certain other creditors

The BRRD and Law 11/2015 contemplate that Warrants may be subject to the application of the general bail-in tool.

In addition the Warrants and any guarantee in respect of them (the “**Guarantees**”) are unsecured and unsubordinated obligations of the Issuer and the Guarantor, respectively. Subject to statutory preferences, the Warrants and the Guarantees will rank equally with any of the Issuer’s and the Guarantor’s other unsecured and

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unsubordinated indebtedness. However, the Warrants and the Guarantees will be effectively subordinated to all of, respectively, the Issuer's and the Guarantor's secured indebtedness, to the extent of the value of the assets securing such indebtedness, and other preferential obligations under Spanish law.

### **3.5.2 An active secondary market in respect of the Warrants may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Warrants**

Warrants may be unlisted or listed on a recognised stock exchange and there can be no assurance regarding the ability of holders of Warrants to sell their Warrants or the price at which they may be able to do so. Warrants may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Warrants easily or at prices that will provide them with a return comparable to similar investments that have a developed secondary market. This is particularly the case for Warrants 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. Illiquidity may have a severely adverse effect on the market value of Warrants.

3.5.3 The Calculation Agent, which will generally be the Guarantor or an affiliate of the Guarantor, has broad discretionary powers which may not take into account the interests of the Warrantholders

As the Calculation Agent will generally be the Guarantor or an affiliate of the Guarantor, potential conflicts of interest may exist between the Calculation Agent and the Warrantholders, including with respect to the exercise of the very broad discretionary powers of the Calculation Agent. For example, the Calculation Agent has the authority (i) to determine whether certain specified events and/or matters so specified in the conditions relating to a Series of Warrants have occurred and (ii) to determine any resulting adjustments and calculations or substitutions as described in such conditions. Potential purchasers should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Warrants. Any such discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest or proven error) shall be binding on the relevant Issuer and all Warrantholders.

3.5.4 Warrants may be amended without the consent of the Warrantholders or with the consent of only some of the Warrantholders binding all the Warrantholders

Subject as provided below, the Terms and Conditions of the Warrants may be amended by the Issuer and the Guarantor with the approval of the Principal Warrant Agent but without the consent of the Warrantholders if the amendment relates to:

- (b) any modification of the Warrants or the Warrant Agreement which is not materially prejudicial to the interests of the Warrantholders; or
- (c) any modification of the Warrants or the Warrant Agreement which is of a formal, minor or technical nature or is made to cure, correct or supplement any defective provision or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer or the Guarantor are incorporated or the law governing the Warrants.

In addition, other changes may be made to the terms and conditions with the consent of the Warrantholders. In order to make such changes without the unanimous consent of all the Warrantholders of the relevant Series, the Issuer requires the consent of not less than three quarters of the votes cast in respect of a resolution voted on at a meeting of Warrantholders convened for such purpose. Any such meeting will be quorate if at least one more than half (or three quarters, in the case of certain reserved matters) of the aggregate number of outstanding Warrants of the relevant Series are represented, and in the case of an adjourned meeting, one quarter. Any dissenting Warrantholders will be bound by such changes. Therefore the Issuer may be able to make a change which some Warrantholders of the relevant Series have not consented to if the relevant portion of Warrantholders of the entire Series of Warrants has consented to the change.

3.5.5 Potential conflicts of interest relating to distributors or other entities involved in the offer or listing of the Warrants

Potential conflicts of interest may arise in connection with the Warrant, as any distributors or other entities involved in the offer and/or the listing of the Warrants as indicated in the Final Terms, may act pursuant to a mandate from the Issuer and/or the Guarantor and may receive commissions and/or fees on the basis of the services performed in relation to such offer and/or listing.

3.5.6 The Issuer of the Warrants may be substituted without the consent of the Warrantholders

The Issuer of the Warrants may be replaced as obligor under such Warrants with the Guarantor or any company from BBVA's group. Warrantholders will not have the right to object to such substitution. See General Condition 12(a) (Substitution of the Issuer).



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### 3.5.7 The Guarantor of the Warrants may be substituted without the consent of the Warrantholders

The Guarantor of the Warrants may be replaced as guarantor under such Warrants with another company incorporated anywhere in the world. Warrantholders will not have the right to object to such substitution. See General Condition 12(b) (Substitution of the Guarantor).

### 3.5.8 The value of the Warrants could be adversely affected by a Change in English Law or administrative practice

The Conditions of the Warrants are governed by English law, or in the case of the Guarantee, Spanish law, in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to an administrative practice or change to English law or Spanish law, as applicable, after the date of this Base Prospectus.

### 3.5.9 The Issue Price of the Warrants may be more than the market value of such Warrants as at the Issue Date and the price of the Warrants in the secondary market

The Issue Price in respect of any Warrant specified in the relevant Issue Terms may be more than the market value of such Warrants as at the Issue Date, and more than the price, if any, at which the Dealer or any other person is willing to purchase such Warrants in the secondary market. In particular, the Issue Price in respect of any Warrants may take into account amounts with respect to commissions relating to the issue, placement and sale of such Warrants and amounts relating to the hedging of the Issuer's obligations under such Warrants.

Any such difference may have an adverse effect on the value of the Warrants, particularly immediately following the Issue Date relating to such Warrants, where any such commissions may be deducted from the price at which such Warrants can be sold by the initial investor in the secondary market.

### 3.5.10 Because the Warrants may be held by or on behalf of Euroclear or Clearstream, Luxembourg purchasers will have to rely on their procedures for transfer, payment and communication with the Issuer

Warrants issued under the Program may be represented by one or more temporary global warrants (each a "**Temporary Global Warrant**") or permanent global warrants (each a "**Permanent Global Warrant**" and together with the Temporary Global Warrant, the "**Global Warrants**"). Such Global Warrants may be deposited with a common depository or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Warrant, purchasers will not be entitled to receive definitive Warrants. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Warrants. While the Warrants are represented by one or more Global Warrant, purchasers will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg.

### 3.5.11 U.S. Foreign Account Tax Compliance Act Withholding

Whilst the Warrants are in global form and held within the Clearing Systems, in all but the most remote circumstances it is not expected that the new reporting regime and potential withholding tax imposed by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") will affect the amount of any payment received by the Clearing Systems (see "**Taxation—Foreign Account Tax Compliance Act**").

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 custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and 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 Warrants are discharged once it has made payment to, or to the order of, the common depository or common safekeeper for the Clearing Systems and the Issuer has therefore no responsibility for any amount thereafter transmitted through the Clearing Systems and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an "**IGA**") are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

### 3.5.12 Hiring Incentives to Restore Employment Act withholding may affect payments on the Warrants

The U.S. Hiring Incentives to Restore Employment Act introduced Section 871(m) of the Code, which imposes a 30 per cent. withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met, beginning 1 January 2017. If the Issuer or any

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withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) to the Warrants.

### 3.5.13 Spanish Tax Rules

If according to certain criteria issued by the Spanish tax authorities, a particular warrant cannot be considered as an option for Spanish tax purposes but as a financial asset, any gain or loss deriving from the warrant will qualify as income obtained from the use of third party capital rather than a capital gain or loss. If this is the case, reporting obligations would be applicable and if they would not be met, payments would be made net of the applicable Spanish withholding tax (this is currently at the rate of 19%), as described in “Spanish Taxation

(B) Alternative Spanish Tax Treatment” on page 251.

The procedure described in this Base Prospectus for the provision of information required by Spanish laws and regulations if a particular warrant is considered as a financial asset is a summary only and none of the Issuer, the Guarantor or the Dealers, assumes any responsibility therefore. In the event that the currently applicable procedures are modified, amended or supplemented by, among other things, any Spanish law, regulation, interpretation or ruling of the Spanish tax authorities, the relevant Issuer will notify the holders of such information procedures and their implications, as the relevant Issuer may be required to apply withholding tax on distributions in respect of the relevant securities if the holders do not comply with such information procedures. Warrant holders must seek their own advice to ensure that the relevant procedures comply with the correct tax treatment of their warrants.

### 3.5.14 Effect on the Warrants of hedging transactions by the Issuer

The Issuer may use a portion of the total proceeds from the sale of the Warrants for transactions to hedge the risks of the Issuer relating to the Warrants. In such case, the Issuer or any of its Affiliates may conclude transactions that correspond to the obligations of the Issuer under the Warrants. As a rule, such transactions are concluded prior to or on the issue date of the relevant Warrants, but it is also possible to conclude such transactions after such date. On or before a valuation date the Issuer or any of its Affiliates may take the steps necessary for closing out any hedging transactions. It cannot, however, be ruled out that the price of a relevant Reference Item will be influenced by such transactions. Entering into or closing out these hedging transactions may influence the probability of occurrence or non-occurrence of determining events in the case of Warrants with a value based on the occurrence of a certain event in relation to a relevant Reference Item.

### 3.5.15 Limitations on exercise of Warrants

If so indicated in the Issue Terms, the Issuer will have the option to limit the number of Warrants exercisable on any date (other than the final exercise date) to the maximum number specified in the Issue Terms and, in conjunction with such limitation, to limit the number of Warrants exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Warrants being exercised on any date (other than the final exercise date) exceeds such maximum number and the Issuer elects to limit the number of Warrants exercisable on such date, a Warrant holder may not be able to exercise on such date all the Warrants that such Warrant holder desires to exercise. In any such case, the number of Warrants to be exercised on such date will be reduced until the total number of Warrants exercised on such date no longer exceeds such maximum, such Warrants being selected at the discretion of the Issuer or in any other manner specified in the Issue Terms. Unless otherwise specified in the Issue Terms, the Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Warrants may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

### 3.5.16 Minimum exercise amount of Warrants

If so indicated in the Issue Terms, a Warrant holder must tender or, in the case of automatic exercise, hold, a specified number of Warrants at any one time in order to exercise. Thus, Warrant holders with fewer than the specified minimum number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such

Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount (in the case of Cash Settled Warrants) or the value of the Entitlement (in the case of Physical Delivery Warrants) of such Warrants.

### 3.5.17 Time lag after exercise of Warrants

In the case of any exercise of Warrants, there will be a time lag between the time that a Warrant holder gives instructions to exercise and the time the applicable Cash Settlement Amount (in the case of Cash Settled Warrants) or the value of the Entitlement (in the case of Physical Delivery Warrants) relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount or value of the

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Entitlement will be specified in the Issue Terms. However, such delay could be significantly longer, particularly in the case of a delay in the exercise of Warrants arising from any daily maximum exercise limitation, the occurrence of a Market Disruption Event or the failure to open of an exchange (if applicable) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies) in the case of Foreign Exchange (FX) Rate Linked Warrants. The applicable Cash Settlement Amount or Entitlement may change significantly during any such period, and such movement or movements could decrease the Cash Settlement Amount or Entitlement of the relevant Warrants, and may result in such Cash Settlement Amount or Entitlement being zero.

#### **4. There are specific risks relating to Inflation Linked Warrants**

The Issuer may issue Warrants where the Settlement Amount (if any) is dependent upon the level of an inflation index or indices (“**Inflation Linked Warrants**”).

Potential investors in any such Warrants should be aware that depending on the terms of the Inflation Linked Warrants (i) settlement may occur at a different time than expected and (ii) they may lose all or a substantial portion of their investment. In addition, the movements in the level of the inflation index or 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 inflation index or indices may affect the return to investors, even if the average level is consistent with their expectations. In certain circumstances following cessation of publication of the inflation index, the Calculation Agent may determine that there is no appropriate alternative inflation index, in which case the Issuer may cancel the Warrants. Such action may have an effect on the value of the Warrants.

If the Settlement Amount (if any) 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 share or shares on the amount of potential losses will be magnified. See also risk factor “*There are Risks Associated with Leveraged Exposures*” above.

The market price of such Warrants may be volatile and may depend on the time remaining to the exercise date and the volatility of the level of the inflation index or indices. The level of the inflation index or indices may be affected by the economic, financial and political events in one or more jurisdictions.

#### **5. The Issuer, the Guarantor and its affiliates may take positions in or deal with Reference Item(s)**

The Issuer, the Guarantor and its affiliates may:

- (a) in the ordinary course of business, effect transactions for their own account or for the account of their customers and hold long or short positions in the Reference Item(s) or related derivatives;
- (b) in connection with an offering of Warrants, enter into one or more hedging transactions with respect to the Reference Item(s) or related derivatives; and/or
- (c) in connection with such hedging or market-making activities or with respect to proprietary or other trading activities, enter into transactions in the Reference Item(s) or related derivatives which may adversely (or positively) affect the price, liquidity or value of the relevant Warrants and which could therefore be adverse to the interests of the relevant Warrant holders.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the Central Bank, shall be incorporated in, and form part of, this Base Prospectus:

- (a) the audited annual financial statements of the Issuer for the financial years ended on 31 December 2019 ([https://www.ise.ie/debt\\_documents/BBVA%20Global%20Markets%20B.V.%20Audited%20Financial%20Statements%202019\\_3549ba09-cec5-4f8e-a6e3-eeee431634d.pdf](https://www.ise.ie/debt_documents/BBVA%20Global%20Markets%20B.V.%20Audited%20Financial%20Statements%202019_3549ba09-cec5-4f8e-a6e3-eeee431634d.pdf)) and 31 December 2018 (<https://www.ise.ie/app/announcementDetails.aspx?ID=14055155>) prepared in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code;
- (b) the English translation of the unaudited consolidated interim financial statements, interim consolidated Management Report of the Guarantor for the three month period ended 30 June 2020 (which includes for comparison purposes financial data for the period ended on 30 June 2019) and the audit report, published by the Guarantor on 31 July 2020 has been filed with the Central Bank of Ireland and made available on the Guarantor's website ([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2020/07/Interim-and-Management-Consolidated-Report-June-2020\\_Eng.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2020/07/Interim-and-Management-Consolidated-Report-June-2020_Eng.pdf));
- (c) the English translation of the audited consolidated financial statements of the Guarantor as at, and for, the financial year ended 31 December 2019 (which includes for comparison purposes financial data for the years ended on 31 December 2018 and 2017), and the audit report issued in respect thereof, prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (the "IFRS-IASB"), the EU-IFRS, considering the Bank of Spain Circular 4/2017, and with any other legislation governing financial reporting applicable to the Group in Spain and the audit report issued in respect thereof and the information on alternative performance measures on pages 143 to 151 (inclusive) of the Management Report 2019 ([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2020/01/5.Annual\\_Report\\_BBVA\\_GROUP\\_2019.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2020/01/5.Annual_Report_BBVA_GROUP_2019.pdf)) and have been filed with the Central Bank of Ireland; and
- (d) the English translation of the audited consolidated financial statements of the Guarantor as at, and for, the financial year ended 31 December 2018 (which includes for comparison purposes financial data for the years ended on 31 December 2017 and 2016), and the audit report issued in respect thereof, prepared in compliance with the IFRS-IASB, the EU-IFRS, considering the Bank of Spain Circular 4/2017, and with any other legislation governing financial reporting applicable to the Group in Spain and the audit report issued in respect thereof and the information on alternative performance measures on pages 118 to 124 (inclusive) of the Management Report 2018 ([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2019/02/5.Annual\\_Report\\_BBVA\\_GROUP\\_2018.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2019/02/5.Annual_Report_BBVA_GROUP_2018.pdf)) and have been filed with the Central Bank of Ireland.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and/or the Guarantor and approved by the Central Bank in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the Issuer and the Guarantor at Calle Azul, 4, 28050, Madrid or on the Guarantor's website ([www.bbva.com](http://www.bbva.com)).

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Issuer and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Warrants, prepare a supplement to this Base Prospectus or publish a new base prospectus for use in connection with any subsequent issue of Warrants.

The Guarantor files periodic reports (including Annual Reports on Form 20-F) and other information with the U.S. Securities and Exchange Commission (the "SEC"), which are available on the SEC's website (<http://www.sec.gov>), and investors are referred to such reports and other information for current information with respect to the Guarantor.

## TERMS AND CONDITIONS OF THE WARRANTS

The following are the terms and conditions of the Warrants (the “**General Conditions**”, and each, a “**General Condition**”) which will be completed for each Tranche of Warrants and incorporated by reference into each Global Warrant (as defined below) and endorsed upon each definitive Warrant. The Issue Terms (as defined below) (or the relevant provisions thereof and, in the case of a Series Prospectus (as defined in the Base Prospectus), any applicable schedule or annex thereto) will be endorsed upon, or attached to, each Global Warrant, and each definitive Warrant, as applicable.

The additional terms and conditions contained in Annex 1 in respect of payouts (the “**Payout Conditions**”), Annex 2 in the case of Index Linked Warrants (the “**Index Linked Conditions**”), Annex 3 in the case of Equity Linked Warrants (the “**Equity Linked Conditions**”), Annex 4 in the case of ETF Linked Warrants (the “**ETF Linked Conditions**”), Annex 5 in the case of Fund Linked Warrants (the “**Fund Linked Conditions**”), Annex 6 in the case of Inflation Linked Warrants (the “**Inflation Linked Conditions**”), and, Annex 7 in the case of Foreign Exchange (FX) Rate Linked Warrants (the “**Foreign Exchange (FX) Linked Conditions**”) (each as defined below, an “**Annex**”, and together, the “**Annexes**”) will apply to the Warrants if so specified in the Issue Terms.

Where there are references to Issuer Terms in these General Conditions, these references shall be deemed to include references to a Series Prospectus. For the purposes of Warrants which are neither admitted to trading on a regulated market in the European Economic Area or in the United Kingdom nor offered in the European Economic Area or in the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation (“**Exempt Warrants**”), references in these Terms and Conditions to “Issue Terms” shall be deemed to be references to the relevant pricing supplement document (the “**Pricing Supplement**”) which will be endorsed upon, or attached to, each Global Warrant, and each definitive Warrant, as applicable. The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129 (as, as amended or superseded) All references to Regulations or Directives include in relation to the UK, those Regulations or Directives as they form part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 or have been implemented in UK domestic law, as appropriate. Any reference to a “Non-Exempt Warrant” are to a Warrant that is not an Exempt Warrant. References to the “Issue Terms”, “Final Terms” or “Pricing Supplement”, as the case may be, are, unless otherwise stated, to Part A of the Final Terms or the Pricing Supplement, as appropriate (or the relevant provision thereof) attached to or endorses on this Warrant.

In the case of Non-Exempt Warrants, reference should be made to the applicable Final Terms (for a description of the content of issue terms which will include the definitions of certain terms used in these General Conditions or specify which of such terms are to apply in relation to the relevant Warrants). In the case of Exempt Warrants, reference should be made to the applicable Pricing Supplement for a description of the content of issue terms which will include the definitions of certain terms used in these General Condition or specify which of such terms are to apply in relation to the relevant Warrants.

Each Warrant is one of a Series (as defined below) of Warrants issued by BBVA Global Markets B.V. as issuer (the “**Issuer**”), pursuant to the Warrant Agreement (as defined below).

References herein to the “**Warrants**” shall be references to the Warrants of a Series and shall mean:

- (i) in relation to any Warrants represented by a Global Warrant (as defined below) or a Global Warrant Certificate, each Warrant in such Series;
- (ii) any Global Warrant or Global Warrant Certificate and;
- (iii) any definitive Warrants in bearer form (“**Definitive Bearer Warrants**”) issued in exchange for a Global Warrant (as defined below) and in registered form “**Registered Warrants**” (as defined below);

The Warrants have the benefit of an Amended and Restated Warrant Agreement (such Warrant Agreement as amended and/or supplemented and/or restated from time to time, the “**Warrant Agreement**”) dated 7 September 2020 and made between BBVA Global Markets B.V. as issuer (the “**Issuer**”), Banco Bilbao Vizcaya Argentaria, S.A. as guarantor (in such capacity, the “**Guarantor**”) and, unless otherwise specified in the Issue Terms, Banco Bilbao Vizcaya Argentaria, S.A. as calculation agent (the “**Calculation Agent**”, which expression shall include any successor calculation agent or any other calculation agent specified in the Issue Terms), Deutsche Bank AG, London Branch as principal warrant agent (the “**Principal Warrant Agent**”) and Deutsche Bank Luxembourg S.A. as Luxembourg warrant agent, registrar and transfer agent (the “**Luxembourg Warrant Agent**”, “**Registrar**” and “**Transfer Agent**”), which expressions shall include any successor Luxembourg warrant agent or registrar or any successor or additional transfer agents). The Principal Warrant Agent, Luxembourg Warrant Agent, Registrar and Transfer Agent, together with any other agent specified in the Issue Terms, are referred to collectively herein as the “**Warrant Agents**”, which expression shall include any successor principal warrant agent or any successor or additional warrant agent.

## TERMS AND CONDITIONS OF THE WARRANTS

The final terms for each Warrant (or the relevant provisions thereof) are set out in Part A of the Issue Terms attached to or endorsed on the relevant Warrant which supplement, and will be read in conjunction with, these General Conditions. References to the “**Issue Terms**” are to such final terms (or the relevant provision thereof) as are attached or endorsed on the relevant Warrant.

The payment and non-cash delivery obligations in respect of the Warrants have been guaranteed by the Guarantor pursuant to a guarantee (the “**Guarantee**”) dated 7 September 2020 and executed by the Guarantor. The original of the Guarantee is held by the Principal Warrant Agent on behalf of the Warrantholders.

Any reference to “**Warrantholders**” or “**holders**” in relation to any Warrants shall, subject as provided in General Condition 1(a), mean: (i) (in the case of Bearer Warrants (as defined below)) the holders of the Warrants and (in the case of Registered Warrants (as defined below)) the persons in whose name the Warrants are registered and (ii) in relation to any Warrants represented by a Global Warrant or a Global Warrant Certificate, be construed as provided below. As used herein, “**Tranche**” means Warrants which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Warrants together with any further Tranche or Tranches of Warrants which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, and/or Issue Prices (each as defined below).

The Warrantholders are entitled to the benefit of the Deed of Covenant (the “**Deed of Covenant**”) dated 7 September 2020 and made by the Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear Bank S.A./N.V. or any successor thereto (“**Euroclear**”) and Clearstream Banking, société anonyme or any successor thereto (“**Clearstream, Luxembourg**”).

Copies of the Guarantee, the Deed of Covenant, the Warrant Agreement and the Issue Terms (subject as set out above) are available for inspection during normal business hours at the specified offices of the Principal Warrant Agent. The Warrantholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Warrant Agreement, the Guarantee and the Issue Terms which are applicable to them. The statements in the General Conditions include summaries of, and are subject to, the detailed provisions of the Warrant Agreement.

Words and expressions defined in the Warrant Agreement or used in the Issue Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Warrant Agreement and the Issue Terms, the Final Terms will prevail.

### 1. Form, Title and Transfer

Warrants may be issued in bearer form (“**Bearer Warrants**”) or in registered form (“**Registered Warrants**”).

#### (a) Form and Title

##### (i) Bearer Warrants

- (A) *Form*: Each tranche of Warrants in global bearer form (a “**Global Warrant**”) will be initially issued in the form of a temporary global warrant (a “**Temporary Global Warrant**”) or a permanent global warrant (a “**Permanent Global Warrant**”) as indicated in the Issue Terms which will be delivered on or prior to the original issue date to a common depository for Euroclear and Clearstream, Luxembourg. Bearer Warrants in definitive form will be serially numbered.
- (B) *Title*: Title to the Bearer Warrants will pass by delivery. “**Warrantholder**” or “**holder**” means the holder of such Bearer Warrant.
- (C) *Ownership*: The holder of any Bearer Warrant shall (except as otherwise required by law) be treated as its absolute owner for all purposes (regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

##### (ii) Registered Warrants

- (A) *Form*: Registered Warrants may be evidenced by either an individual certificate if in definitive form (“**Individual Warrant Certificate**”) or a global certificate if in global form (“**Global Warrant Certificate**”).
- (B) *Title*: Title to the Registered Warrants passes by registration in the register which is kept by the Registrar in accordance with the provisions of the Warrant Agreement (the “**Register**”). A certificate (a “**Warrant Certificate**”) will be issued to each holder of Registered Warrants in respect of its registered holding. Each Warrant Certificate will be numbered serially with an

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identifying number which will be recorded in the Register. “**Warrantholder**” or “**holder**” means the person in whose name such Registered Warrant is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof).

- (C) *Ownership*: The holder of any Registered Warrant shall (except as otherwise required by law) be treated as its absolute owner for all purposes (regardless of any notice of ownership, trust or any other interest therein, any writing thereon or on the Warrant Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

### (b) Transfers of Warrants

- (i) *Transfers*: Subject to General Conditions 1(b)(iv) (*Closed Periods*) and 1(b)(v) (*Regulations concerning transfers and registration*) below, a Registered Warrant may be transferred upon surrender of the relevant Warrant Certificate, with the endorsed form of transfer duly completed, at the specified office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer. Where not all the Registered Warrants represented by the surrendered Warrant Certificate are the subject of the transfer, a new Warrant Certificate in respect of the balance of the Registered Warrants will be issued to the transferor.
- (ii) *Registration and Delivery*: Within five business days of the surrender of a Warrant Certificate in accordance with General Condition 1(b)(i) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Warrant Certificate of a like number or nominal amount to the Registered Warrants transferred to each relevant holder at its specified office or (as the case may be) the specified office of any Transfer Agent or (at the request and risk of any such relevant holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant holder. In this General Condition 1(b)(ii) (*Registration and Delivery*), “**business day**” means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its specified office.
- (iii) *No charge*: The transfer of a Registered Warrant will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (iv) *Closed Periods*: Holders of Registered Warrants may not require transfers to be registered during the period of 15 days ending on the due date for any payment or on the due date for delivery of any Reference Item in respect of the Registered Warrants.
- (v) *Regulations concerning transfers and registration*: All transfers of Registered Warrants and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Warrants scheduled to the Warrant Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any holder of Registered Warrants who requests in writing a copy of such regulations.

### (c) General provisions relating to the Warrants

Warrants will be issued in an “**Aggregate Number of Warrants**” on the Issue Date as specified in the Issue Terms. The “**Notional Amount per Warrant**”, the “**Aggregate Notional Amount of the Series**” and the “**Aggregate Notional Amount of the Tranche**” may each be included for information purposes as an amount in the Specified Currency as specified in the Issue Terms. The Notional Amount per Warrant may be an amount in the Specified Currency that is different from the Issue Price for such Warrant and may be set out in the Issue Terms. The Issue Price per Warrant will be the amount in the Specified Currency specified in the Issue Terms and may also be expressed as a percentage of the Notional Amount per Warrant. If so specified in the Issue Terms, interests in any Warrants will be transferable in a minimum amount of such number of Warrants (the “**Minimum Transfer Number**”) as is specified in the Issue Terms.

Warrants may not be offered, sold, delivered or otherwise transferred at any time within the United States or for the account or benefit of U.S. persons (as such are used in Regulation S under the Securities Act or, in the case

## TERMS AND CONDITIONS OF THE WARRANTS

of Bearer Warrants, the United States Internal Revenue Code of 1986, as amended, and the CEA) and each Warrant will have a legend to such effect.

### 2. Status of the Warrants and the Guarantee

#### (a) Status of the Warrants

The Warrants are direct, unsecured and unsubordinated obligations of the Issuer and rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditor's right.

In the event of insolvency of the Issuer, the court having jurisdiction to open an insolvency proceeding and the law applicable to those proceedings and their effects will be determined in accordance with the provisions of Council Regulation (EU) No 2015/848, of 20 May 2015, on insolvency proceedings (“**Regulation 1346/2000**”), the Spanish Insolvency Law 22/2003, of 9 July 2003, as amended (the “**Spanish Insolvency Law**”) and the Dutch Insolvency Law (*faillissementswet*) of 30 September 1893, amended (the “**Dutch Insolvency Law**”). Pursuant to these provisions, the courts of the place where the Issuer has its centre of main interests shall have jurisdiction to open insolvency proceedings against it and the law applicable to the insolvency proceedings and their effects will be the law of the place where such proceedings are opened.

Under Regulation 2015/848 the centre of main interests should correspond to the place where the debtor conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. In the case of a company or legal person, Regulation 2015/848 presumes, in the absence of proof to the contrary, that the place of its registered office is the centre of main interests. Based on this presumption a Dutch court may consider that it has jurisdiction to open insolvency proceedings against the Issuer. Notwithstanding this presumption, it is arguable that the centre of main interests of the Issuer should be considered to be located in Spain and that the Spanish courts should be the courts with jurisdiction to open insolvency proceedings against it. In addition, even if the centre of main interests of the Issuer were not in Spain, Spanish court could still open insolvency proceedings (named territorial insolvency proceedings) if they consider that the Issuer has an establishment within the territory of Spain, the effects of which would be limited to the assets of the Issuer situated in Spain

In the event of insolvency (*faillissement*) of the Issuer declared by a Dutch court (either principal or territorial proceedings), claims relating to Warrants will be *pari passu* claims (*concurrente vorderingen*) as defined in the Dutch Insolvency Law. Ordinary claims rank below claims against the insolvency estate (*boedelschuld*) and claims with a privilege (*voorrecht*). Ordinary claims rank above subordinated credits and the rights of shareholders.

In the event of insolvency (*concurso*) of the Issuer declared by a Spanish court (either principal or territorial insolvency proceedings) claims relating to Warrants (assuming that the Warrantholders are not related to the Issuer under article 92 of the Spanish Insolvency Law) will be ordinary credits (*créditos ordinarios*) as defined in the Spanish Insolvency Law. Ordinary credits rank below credits against the insolvency estate (*créditos contra la masa*) and credits with a privilege (*créditos privilegiados*). Ordinary credits rank above subordinated credits and the rights of shareholders.

#### (b) Status of the Guarantee

The payment and non-cash delivery obligations in respect of the Warrants have been irrevocably and jointly and severally (*solidariamente*) guaranteed by the Guarantor pursuant to the Guarantee.

The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

In the event of insolvency (*concurso*) of the Guarantor, under the Spanish Insolvency Law, claims of Warrantholders (which are not subordinated pursuant to article 92 of the Insolvency law) will be ordinary credits (*créditos ordinarios*) as defined in the Spanish Insolvency Law. Ordinary credits rank below credits against the insolvency estate (*créditos contra la masa*) and privileged credits (*créditos privilegiados*) (including, without limitation, any deposits for the purposes of Additional Provision 14.1 of Law 11/2015) which shall be paid in full before ordinary credits. The claims of all creditors against the Guarantor considered as “ordinary



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credits” will be satisfied pro rata in insolvency. Ordinary credits rank above subordinated credits and the rights of shareholders.

The obligations of the Guarantor under the Guarantee are also subject to the application of the general bail-in tool by the Fondo de Reestructuración Ordenada Bancaria or any successor resolution authority (the FROB) pursuant to Law 11/2015.

### 3. Exercise of Warrants

The Issue Terms will indicate whether the Warrants are American style Warrants (“**American Style Warrants**”), European style Warrants (“**European Style Warrants**”) or Bermudan style Warrants (“**Bermudan Style Warrants**”) and whether settlement shall be by way of cash payment and/or physical delivery. In the case of Warrants which are specified in the Issue Terms to be Cash Settled Warrants, the Issue Terms will also indicate whether automatic exercise (“**Automatic Exercise**”) is applicable.

#### (a) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day prior to the expiry of the Exercise Period.

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the Issue Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in General Condition 4 (Exercise Procedure), at or prior to 10.00 a.m. (London time) on the last Exercise Business Day of the Exercise Period (the “**Expiration Date**”), shall become void.

If the Warrants are Cash Settled Warrants (as defined below) and Automatic Exercise is specified as applying in the Issue Terms, any such American Style Warrant shall become void unless automatically exercised on or prior to the Expiration Date. If automatically exercised the provisions of General Condition 4(a) (*Automatic Exercise*) shall apply.

The (i) Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m. (Local Time) to the relevant Clearing System and the copy thereof is received by the Principal Warrant Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the Issue Terms, the Exercise Business Day on which the Warrants are automatically exercised, is referred to herein as the “**Actual Exercise Date**”.

If any Exercise Notice is received by the relevant Clearing System or if the copy thereof is received by the Principal Warrant Agent, in each case, after 10.00 a.m. (London time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date.

#### (b) European Style Warrants

European Style Warrants are only exercisable on the Specified Exercise Date.

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the Issue Terms or (ii) if the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in General Condition 4 (*Exercise Procedure*), at or prior to 10.00 a.m. (London time) on the Specified Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the Issue Terms, any such European Style Warrant shall be automatically exercised on the Specified Exercise Date and the provisions of General Condition 4(a) (*Automatic Exercise*) shall apply.

#### (c) Bermudan Style Warrants

Bermudan Style Warrants are exercisable on the Potential Exercise Dates specified in the Issue Terms prior to the expiry of the Exercise Period.

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the Issue Terms or (ii) if the Warrants are Physical Delivery Warrants, any Bermudan Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in General Condition 4 (*Exercise Procedure*), at or prior to 10.00 a.m. (London time) (the “**Latest Exercise**”

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**Time**”), on any Potential Exercise Date on or before the final such Potential Exercise Date (the “**Final Potential Exercise Date**”), shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the Issue Terms, any such Bermudan Style Warrant shall become void unless previously automatically exercised on any Potential Exercise Date or on the Final Potential Exercise Date. If automatically exercised the provisions of General Condition 4(a) (Automatic Exercise) shall apply.

### (d) *Cash Settlement*

Unless previously exercised or purchased and cancelled, if the Warrants are specified in the Issue Terms as being Cash Settled Warrants and, in circumstances where more than one settlement method applies, the Warrants are to be settled by cash settlement (“**Cash Settled Warrants**”), then, each such Warrant entitles its holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to an amount calculated in accordance with the Issue Terms (the “**Settlement Amount**”) in the currency (the “**Specified Currency**” or subject to the Settlement Exchange Rate Provisions being applicable, the “**Settlement Currency**” as the case may be) specified in the Issue Terms (the “**Cash Settlement Amount**”).

In relation to any Cash Settled Warrants where Automatic Exercise is specified as applying in the Issue Terms, the expressions “**exercise**”, “**due exercise**” and related expressions shall be construed to apply to any such Cash Settled Warrants which are automatically exercised in accordance with the above provisions.

### (e) *Payment Disruption*

If “Payment Disruption Event” is specified as applicable in the Issue Terms, where the Calculation Agent determines that a Payment Disruption Event has occurred or is likely to occur:

- (A) the next date for payment of any amount due in respect of the Warrants will be postponed to the earliest to occur of (i) the date falling 2 Business Days after the date on which the Calculation Agent determines that Payment Disruption Event is no longer occurring or (ii) the date falling 30 calendar days following the any scheduled due date for payment of the relevant amount (the “**Postponed Settlement Date**”) which, for the avoidance of doubt, may be later than the scheduled Settlement Date. No interest shall accrue and no Event of Default will result on account of such postponement; and
- (B) (i) in the case of (A)(i) above, the Issuer will pay the relevant amount due in respect of the Warrants in the Specified Currency on the Postponed Settlement Date, or (ii) in the case of (A)(ii) above, the Issuer shall give notice to the Warrantholders in accordance with Condition 10, and (i) convert the relevant amount due in respect of the Warrants into U.S. Dollars using the rate of exchange between the Specified Currency and the U.S. Dollar that the Calculation Agent determines 5 Business Days prior to the Postponed Settlement Date and taking into consideration all information that it deems relevant. The Issuer will pay such amount in U.S. Dollars less the cost to the Issuer and/or any of its Affiliates (if any) of unwinding any underlying related hedging arrangements in connection with such Payment Disruption Event and/or the related payment, and the Issuer shall have no further obligations whatsoever under the Warrants or (ii) if the Calculation Agent determines that it is not possible to determine the rate of exchange, the Issuer will settle the Warrants at an amount in U.S. Dollars determined by the Calculation Agent as the fair market value of the Warrants taking into account all factors which the Calculation Agent determines relevant less all costs (if any) incurred by the Issuer and/or any of its Affiliates in connection with the settlement, including, without limitation, any costs associated with unwinding any underlying related hedging arrangements, and all other expenses related thereto, as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

For the purposes of the above, “**Payment Disruption Event**” means an event which (a) prevents, restricts or delays the Issuer from converting or delivering relevant currencies, (b) imposes capital or exchange controls, (c) implements changes to laws relating to foreign investments or, (d) otherwise prohibits or prevents the Issuer from making a payment or performing an obligation required of it as a result of war, catastrophe, governmental action or other event beyond its control, including the relevant currencies exclusion as full settlement currency in the clearing systems where the Warrants settled on the Issue Date.

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### (f) *Physical Settlement*

- (i) *Physical Delivery Warrants*: If the Warrants are specified in the Issue Terms as being Physical Delivery Warrants and in circumstances where more than one settlement method applied, the Warrants are to be settled by physical delivery (“**Physical Delivery Warrants**”), then upon the exercise of a Warrant by a Warrantholder and subject to certification as to non-U.S. beneficial ownership, the Issuer will deliver or procure the delivery of the Entitlement in respect of such Warrant on the Settlement Date to the account of the Clearing System specified, or as may otherwise be specified for that purpose by such Warrantholder in the relevant Exercise Notice, following payment by such Warrantholder to or to the order of the Issuer on or before the Exercise Price Payment Date of the Exercise Price (plus an amount equal to all applicable stamp tax, stamp duty reserve tax, estate, inheritance, gift, transfer, capital gains, corporation, income, property, withholding, other taxes, duties and charges (“**Taxes**”) or expenses, costs or charges or other payments (including depository, custodial, registration, transaction and exercise charges) (“**Expenses**”) due by reason of the exercise of such Warrant and the purchase for, and credit to or to the order of such Warrantholder of such Entitlement, all as more fully described in General Condition 4 (*Exercise*)). Physical Delivery Warrants may not be automatically exercised.
- (ii) *Settlement Disruption*: If, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date, then such Settlement Date for such Warrants shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. In the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement. For so long as delivery of the Entitlement 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 Warrant by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the holders in accordance with General Condition 10 (Notices). Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the holders in accordance with General Condition 10 (Notices). The Calculation Agent shall give notice as soon as practicable to the holders in accordance with General Condition 10 (Notices) that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Warrant in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or the Guarantor.

For the purposes hereof:

“**Disruption Cash Settlement Price**” in respect of any relevant Warrant shall be the fair market value of such Warrant (disregarding, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/ or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion, plus, if applicable and if already paid, the Exercise Price (or, whereas provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion);

“**Settlement Business Day**” in respect of each Warrant, has the meaning specified in the Issue Terms relating to such Warrant; and

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“**Settlement Disruption Event**” means, in the opinion of the Calculation Agent an event beyond the control of the Issuer or the Guarantor as a result of which the Issuer or the Guarantor, as the case may be, cannot make or procure delivery of the Relevant Asset(s).

- (iii) *Failure to Deliver due to Illiquidity*: If “Failure to Deliver due to Illiquidity” is specified as applying in the Issue Terms and, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the “**Affected Relevant Assets**”) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a “**Failure to Deliver due to Illiquidity**”), then:
- (1) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated date of settlement in accordance with this General Condition 3(e); and
  - (2) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrants by payment to the relevant Warrantholder of the Failure to Deliver Settlement Amount (as defined below) on the fifth Business Day following the date that notice of such election is given to the Warranholders in accordance with General Condition 10. Payment of the Failure to Deliver Settlement Amount will be made in such manner as shall be notified to the Warranholders in accordance with General Condition 10. The Calculation Agent shall give notice as soon as practicable to the Warranholders in accordance with General Condition 10 that the provisions of this General Condition 3(e)(iv) apply.

For the purposes hereof, “**Failure to Deliver Settlement Amount**” means, in respect of any relevant Warrant, the fair market value of such Warrant (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or any of its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion.

- (iv) *Issuer’s Option to Substitute Assets or to pay the Alternate Cash Settlement Amount*: Notwithstanding any provision of these General Conditions to the contrary, the Issuer may, in its sole and absolute discretion in respect of Warrants to which this General Condition 3(e) applies, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises assets which are not freely tradable, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other assets which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the “**Substitute Asset**” or the “**Substitute Assets**”, as the case may be) or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, to the relevant Warranholders, but in lieu thereof to make payment to the relevant Warranholder on the Delivery Date of an amount equal to the fair market value of the Entitlement on or about the time of so electing as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the “**Alternate Cash Settlement Amount**”). Notification of any such election will be given to Warranholders in accordance with General Condition 10 and in the event that the Issuer elects to pay the Alternate Cash Settlement Amount such notice shall give details of the manner in which such amount shall be paid.

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

- (v) *Rights of Warranholders and Calculations* None of the Issuer, the Guarantor (if applicable), the Calculation Agent, any Delivery Agent and the Agents shall have any responsibility for any errors or omissions in any calculation or determination in respect of the Warrants.

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

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### (g) Rounding

The Cash Settlement Amount will be rounded to the nearest two decimal places in the Specified Currency or, if applicable, the Settlement Currency, 0.005 being rounded upwards, with Warrants exercised at the same time by the same Warrantholder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants.

### (h) Definitions

For the purposes of these General 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;

“**Assessed Value Payment Amount**” means, in respect of a Warrant, an amount determined by the Calculation Agent to be the fair market value of the assets comprised in the Entitlement in respect of such Warrant less the cost to the Issuer and/or its Affiliates of unwinding any underlying relating hedging arrangements, all as determined by the Issuer;

“**Business Day**” means a day which is both:

- (i) (a) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant currency (and which, if the currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (b) in relation to any sum payable in euro, a day (a “**Target Settlement Day**”) on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the “**TARGET System**”) is open; and
- (ii) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the Issue Terms;

“**Cash Settlement Date**” means the date specified as such in the Issue Terms or, if such date is not a Business Day, the next succeeding Business Day unless specified otherwise in the applicable Issue Terms and if no such date is specified then the Cash Settlement Date shall be the date falling five Business Days following the relevant Exercise Date;

“**CEA**” means the United States Commodity Exchange Act, as amended;

“**Entitlement**” means, in relation to a Physical Delivery Warrant and (if applicable) each Calculation Amount, the quantity of Relevant Asset(s), as the case may be, which a Warrantholder is entitled to receive on the Settlement Date in respect of each such Warrant or each such Calculation Amount, as the case may be, following payment of the Exercise Price (including any Taxes and Expenses) equal to the Entitlement Amount specified in the Issue Terms (plus any cash amount to be delivered as a result of rounding down), as determined by the Calculation Agent, (and including any documents evidencing such Entitlement);

“**Exercise Business Day**” means a day that is a Business Day and, in the case of Index Linked Warrants or Equity Warrants Linked also a Scheduled Trading Day and in the case of Fund Linked Warrants, a Fund Business Day also;

“**Exercise Date**” means, in respect of any Warrant, (i) if Automatic Exercise is specified as being applicable in the Issue Terms, the Actual Exercise Date, Specified Exercise Date or Potential Exercise Date on which such Warrant is automatically exercised in accordance with General Condition 4(a) (Automatic Exercise in respect of Global Warrants or Global Warrant Certificates), or (ii) the Automatic Early Expiration Date, Actual Exercise Date, Specified Exercise Date or Potential Exercise Date in respect of which an Exercise Notice relating to that Warrant is delivered in accordance with the provisions of General Condition 4(b) (Exercise Notice);

“**Exercise Notice**” means any notice in the form scheduled to the Warrant Agreement (or such other form as may from time to time be agreed by the Issuer and the Principal Warrant Agent) which is delivered by a Warrantholder in accordance with General Condition 4(b) (*Exercise Notice*);

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“**Exercise Period**” has the meaning given to it in the Issue Terms;

“**Exercise Price**” means, in respect of any Series of Warrants, the price, level or amount specified as such or otherwise determined as provided in the Issue Terms;

“**Exercise Price Payment Date**” has the meaning given to it in the Issue Terms;

“**Exercise Receipt**” means a receipt issued by a Warrant Agent or the Registrar to a depositing Warrantholder upon deposit of a Warrant with such Warrant Agent or the Registrar by any Warrantholder wanting to exercise a Warrant;

“**Issue Price**” has the meaning given to it in the Issue Terms;

“**Maximum Exercise Number**” has the meaning given to it in the Issue Terms;

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

“**Physical Delivery Settlement Date**” means, in relation to an Entitlement to be delivered following exercise of a Warrant on an Exercise Date, the first day on which settlement of a sale of such Entitlement on that Exercise Date customarily would take place through the relevant Clearing System, unless a Settlement Disruption Event prevents delivery of such Entitlement, or of some or all of the Relevant Assets included within such Entitlement, on that day in which case the day of settlement shall be postponed as provided in General Condition 3(e)(iv) (*Settlement Disruption*);

“**Potential Exercise Date**” means each date specified as such in the Issue Terms (or, if such date is not an Exercise Business Day, the next following Exercise Business Day);

“**Reference Item**” means one or more underlying reference assets or bases, as specified in the Final Terms;

“**Relevant Assets**” means shares, bonds, other debt securities, other securities or other property specified as such in the Issue Terms, and “Relevant Asset” shall be construed accordingly;

“**Settlement Date**” means a Cash Settlement Date or a Physical Delivery Settlement Date, as the case may be; and

“**Specified Exercise Date**” means the date specified as such in the Issue Terms (or, if such date is not a Exercise Business Day the next following date that is a Exercise Business Day).

### 4. Exercise Procedure

#### (a) Automatic Exercise

This General Condition only applies to Cash Settled Warrants other than Warrants in definitive or individual certificate form and, where an Automatic Exercise is specified as applying in the Issue Terms. In such circumstances, the Warrants shall be automatically exercised as provided in General Condition 3(a) (*American Style Warrants*), General Condition 3(b) (*European Style Warrants*) or General Condition 3(c) (*Bermudan Style Warrants*) and this General Condition 4(a), in each case subject to any adjustments as may be specified in the applicable Annex(es).

No Exercise Notice is required to be submitted or any other action required to be taken by any relevant Warrantholder in order to receive the Cash Settlement Amount in respect of such Warrant. The Issuer shall transfer or cause to be transferred to each Clearing System through which such Warrants are held an amount equal to the aggregate of the Cash Settlement Amounts (if any) in respect of the Warrants held in each such Clearing System and each such Clearing System shall, subject to having received such aggregate Cash Settlement Amount, on the Settlement Date credit the account of each holder of such Warrant(s) in its books with an amount equal to the aggregate Cash Settlement Amount relating to the Warrant(s) held by such holder and on the Settlement Date debit such account with the number of Warrants exercised and in respect of which such Cash Settlement Amount is being paid. Neither the Issuer nor, if applicable, the Guarantor shall have any responsibility for the crediting by the relevant Clearing System of any such amounts to any such accounts.

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### (b) *Exercise Notice*

- (i) Warrants may be exercised by a Warrantholder (at its own expense) at such time and on such day(s) as provided in General Condition 3(a) (*American Style Warrants*), 3(b) (*European Style Warrants*) or 3(c) (*Bermudan Style Warrants*), as applicable, in each case subject to any adjustments as may be specified in the applicable Annex(es), by (i) depositing from a location outside the United States the relevant definitive Bearer Warrant or Individual Warrant Certificate (as applicable) and delivering from a location outside the United States a duly completed and signed Exercise Notice to a Warrant Agent (in the case of any Bearer Warrants) or to the Registrar (in the case of any Registered Warrants) and (ii) delivering a copy of such Exercise Notice to the Calculation Agent.
- (ii) Any Exercise Notice delivered (a) after the Expiration Date, in the case of American Style Warrants, shall be void, (b) after 10.00 a.m. (London time) on the Specified Exercise Date, in the case of European Style Warrants, shall be void, and (c) after the Latest Exercise Time on the Final Potential Exercise Date in the case of Bermudan Style Warrants, shall be void.
- (iii) The relevant Warrant Agent or the Registrar (as applicable) with which a definitive Bearer Warrant or Individual Warrant Certificate is so deposited shall deliver a duly completed Exercise Receipt to the depositing Warrantholder.
- (iv) No definitive Bearer Warrant or Individual Warrant Certificate, once deposited with a duly completed Exercise Notice in accordance with this General Condition 4 (*Exercise Procedure*), may be withdrawn; provided however that if, following due presentation of any such definitive Bearer Warrant or Individual Warrant Certificate, payment of the moneys falling due is improperly withheld or refused by the Issuer, the relevant Warrant Agent or the Registrar (as applicable) shall mail notification thereof to the depositing Warrantholder at such address as may have been given by such Warrantholder in the relevant Exercise Notice and shall hold such definitive Bearer Warrant or individual Warrant Certificate at its specified office for collection by the depositing Warrantholder against surrender of the relevant Exercise Receipt.

### (c) *Form of Exercise Notice for Cash Settled Warrants*

If the Warrants are Cash Settled Warrants, the Exercise Notice shall:

- (i) specify the name, address, telephone and facsimile details of the Warrantholder in respect of the Warrants being exercised;
- (ii) specify the number of Warrants of the relevant Series being exercised by the Warrantholder (which must not be less than the Minimum Exercise Number);
- (iii) include an irrevocable undertaking to pay any applicable Taxes due and Expenses payable by reason of exercise of the relevant Warrants and, if such amounts have not been paid prior to the Settlement Date, an authority to the Issuer to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder (on the Settlement Date) and to credit the specified account of the Principal Warrant Agent (for the account of the relevant Issuer) with an amount or amounts in respect thereof;
- (iv) specify the details of the relevant account of the Warrantholder to be credited with the relevant Cash Settlement Amount;
- (v) contain a representation and warranty from the Warrantholder to the effect that the Warrants to which the Exercise Notice relates are free from all liens, charges, encumbrances and other third party rights;
- (vi) give a certification as to the non-U.S. beneficial ownership of the Warrants being exercised therewith (an "**Ownership Certificate**").

### (d) *Form of Exercise Notice for Physical Delivery Warrants*

If the Warrants are Physical Delivery Warrants, the Exercise Notice shall:

- (i) specify the name, address, telephone and facsimile details of the Warrantholder in respect of the Warrants being exercised;
- (ii) specify the number of Warrants of the relevant Series being exercised by the Warrantholder (which must not be less than the Minimum Exercise Number);

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- (iii) in the case of Physical Delivery Warrants, include an irrevocable undertaking to pay on or prior to the Exercise Price Payment Date to the specified account of the Principal Warrant Agent (for the account of the Issuer) the aggregate Exercise Price in respect of the Warrants being exercised (plus any applicable Taxes and Expenses);
  - (iv) include an irrevocable undertaking to pay to the specified account of the Principal Warrant Agent (for the account of the Issuer) any applicable Taxes due and Expenses payable by reason of the transfer (if any) of the Entitlement to the account specified by the Warrantholder to the account of the Issuer with an amount in respect thereof;
  - (v) specify the details of the Warrantholder's account to be credited with the Entitlement;
  - (vi) contain a representation and warranty from the Warrantholder to the effect that the Warrants to which the Exercise Notice relates are free from all liens, charges, encumbrances and other third party rights;
  - (vii) give an Ownership Certificate in respect of the Warrants being exercised therewith; and
- (e) *Verification of the Warrantholder*
- (i) To exercise Warrants the holder thereof must duly complete an Exercise Notice. The relevant Warrant Agent or the Registrar shall, in accordance with its normal operating procedures, verify that each person exercising the Warrants and Certificates is the holder thereof.
  - (ii) If, in the determination of the relevant Warrant Agent or the Registrar:
    - (A) the Exercise Notice is not complete or not in proper form;
    - (B) the person submitting an Exercise Notice is not validly entitled to deliver such Exercise Notice on behalf of the relevant Warrantholder (in the case of Bearer Warrants) or the person submitting an Exercise Notice is not validly entitled to exercise the relevant Warrants or not validly entitled to deliver such Exercise Notice (in the case of Registered Warrant); or
    - (C) the relevant Warrantholder does not provide evidence, at the reasonable request of the relevant Warrant Agent or the Registrar, that sufficient funds equal to any applicable Taxes, Expenses and the aggregate Exercise Price (if any) will be available on the Exercise Date,that Exercise Notice will be treated as void and a new duly completed Exercise Notice must be submitted if exercise of the holder's Warrants is still desired. The Issuer shall procure that the Principal Warrant Agent, upon being informed of the defective Exercise Notice in accordance with General Condition 4(f)(i), below, informs the person submitting such defective Exercise Notice of the defect(s) and of the requirement to submit a new duly completed Exercise Notice if such person intends to exercise the relevant Warrants on the relevant Exercise Date.
  - (iii) Any determination by the relevant Warrant Agent or the Registrar as to any of the matters set out in General Condition 4(e)(ii) above shall, in the absence of manifest error, be conclusive and binding upon the Issuer and the holder of the Warrants purported to be exercised.
  - (iv) In the case of Warrants the exercise of which would require the Issuer to deliver indebtedness in bearer form, the issue of, payment on and delivery of the Warrants and the indebtedness will be subject to the limitations set out in these Conditions (including the requirement of the holders to provide an Ownership Certificate).
- (f) *Notification to the Principal Warrant Agent*
- (i) Subject to the verification set out in General Condition 4(e) (*Verification of the Warrantholder*) above, the relevant Warrant Agent or the Registrar will either (a) confirm to the Principal Warrant Agent (copied to the Issuer and the Calculation Agent) the receipt of the Exercise Notice and the number of Warrants being exercised, or (b) inform the Principal Warrant Agent (copied to the Issuer and the Calculation Agent) of the defective Exercise Notice.
  - (ii) Upon the exercise in part of the total number of Warrants represented by a definitive Bearer Warrant or an individual Registered Warrant, the Principal Warrant Agent or the Registrar, as the case maybe, will note such exercise and, in the case of Bearer Warrants and Bearer Certificates, the Principal Warrant Agent or, in the case of the Registered Warrants, the Registrar, shall cancel the relevant definitive Bearer Warrant or individual Registered Warrant (as applicable) deposited and issue the



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holder of the relevant Warrant with a new definitive Bearer Warrant or individual Registered Warrant (as applicable) representing the number of the holder's Warrants not exercised.

### (g) *Payment and delivery—Bearer Warrants*

- (i) In respect of Bearer Warrants which have been exercised and which are Cash Settled Warrants payments in respect of any amounts in respect of a Bearer Warrant shall be made only following presentation and surrender of such Bearer Warrants at the specified office of the relevant Warrant Agent outside the United States by cheque drawn in the currency in which the payment is due on, or upon application of a holder or a Bearer Warrant, by transfer to the account specified by the relevant Warrantholder in the Exercise Notice denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the principal financial centre of that currency.
- (ii) In respect of Bearer Warrants which have been exercised and which are Physical Delivery Warrants to transfer of the Exercise Price (plus any applicable Taxes and Expenses) by the Warrantholder to the relevant account of the Principal Warrant Agent (in favour of the Issuer) as aforesaid, the Issuer shall, on the Settlement Date deliver or procure the delivery of the Entitlement in respect of each Bearer Warrant for credit to the account specified in the relevant Exercise Notice. The Issuer shall be entitled, if it so elects, to divide any Entitlement to be transferred into such number of lots of such size as it desires to facilitate its delivery obligations.
- (iii) Exercise of the Bearer Warrants and payments and deliveries by the Issuer and the Warrant Agents will be subject in all cases to all applicable fiscal and other laws, regulations and practices in force at the relevant time (including, without limitation, any relevant exchange control laws or regulations) and none of the Issuer, the Guarantor or any Warrant Agent 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 and practices.
- (iv) If the due date for payment or delivery in respect of the Bearer Warrants is not a Business Day, the holder of the Bearer Warrants shall not be entitled to payment or delivery until the next following Business Day and shall not be liable for any payment in respect of such delay.

### (h) *Payment and delivery—Registered Warrants*

- (i) In respect of Registered Warrants which have been exercised in full and which are Cash Settled Warrants, payments shall be made only following surrender of the relevant Warrant Certificate at the specified office of the Registrar outside the United States by cheque drawn in the currency in which the payment is due on, or, upon application of a holder of a Registered Warrant, by transfer to the account specified by the relevant Warrantholder in the Exercise Notice denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the principal financial centre of that currency not later than the Business Day that is not later than fifteen days prior to the due date for payment.
- (ii) In respect of Registered Warrants which have been exercised and which are Physical Delivery Warrants, subject to transfer of the Exercise Price (plus any applicable Taxes and Expenses) from the relevant account of the Warrantholder to the relevant account of the Principal Warrant Agent (in favour of the Issuer) as aforesaid, the Issuer shall, on the Settlement Date deliver or procure the delivery of the Entitlement in respect of each Registered Warrant for credit to the account specified in the relevant Exercise Notice. The Issuer shall be entitled, if it so elects, to divide any Entitlement to be transferred into such number of lots of such size as it desires to facilitate its delivery obligations.
- (iii) Exercise of the Registered Warrants and payments and deliveries by the Issuer and the Warrant Agents will be subject in all cases to all applicable fiscal and other laws, regulations and practices in force at the relevant time (including, without limitation, any relevant exchange control laws or regulations) and none of the Issuer, the Guarantor or any Warrant Agent 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 and practices.
- (iv) Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed on the later of the due date for payment and the day on which the relevant Warrant Certificate is surrendered at the specified

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office of the Registrar. A holder of a Registered Warrant shall not be entitled to any payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Business Day or (B) a cheque mailed in accordance with this General Condition 4 (*Exercise Procedure*) arriving after the due date for payment or being lost in the mail.

- (v) Each payment or delivery in respect of a Registered Warrant will be made to the person shown as the holder in the Register at the opening of business in the place of the Registrar's specified office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where the payment in respect of a Registered Warrant is to be made by cheque, the cheque will be mailed to the address of the holder in the Register at the close of the business on the relevant Record Date.
- (i) *Effect of Exercise Notice*
- (i) For so long as any Warrant is held by a Warrant Agent, the Registrar or the Transfer Agent in accordance with this General Condition 4 (*Exercise Procedure*), the depositor of the relevant definitive Bearer Warrant or Individual Warrant Certificate and not such Warrant Agent, Registrar or Transfer Agent (as applicable) shall be deemed to be the Warrantholder for all purposes.
  - (ii) Delivery of an Exercise Notice shall constitute an irrevocable election and undertaking by the Warrantholder to exercise the Warrants specified therein, provided that, in the case of a Registered Warrant, the person exercising and delivering such Exercise Notice is the person then appearing in the Register as the holder of the relevant Registered Warrant. If the person exercising and delivering the Exercise Notice is not the person so appearing, such Exercise Notice shall for all purposes become void and shall be deemed not to have been so delivered.
  - (iii) After the delivery of an Exercise Notice (other than an Exercise Notice which shall become void pursuant to General Condition 4(b)(ii)) by a Warrantholder, such Warrantholder shall not be permitted to transfer either legal or beneficial ownership of the Warrants exercised thereby. Notwithstanding this, if any Warrantholder does so transfer or attempt to transfer such Warrants, the Warrantholder will be liable to the Issuer and the Guarantor for any losses, costs and expenses suffered or incurred by either of them including those suffered or incurred as a consequence of their having terminated any related hedging operations in reliance on the relevant Exercise Notice and subsequently: (i) entering into replacement hedging operations in respect of such Warrants; or (ii) paying any amount on the subsequent exercise of such Warrants without having entered into any replacement hedging operations.
- (j) *General*
- (i) *Aggregation*: Warrants held by the same Warrantholder may be aggregated for the purpose of determining the aggregate Entitlement in respect of such Warrants, provided that, the aggregate Entitlement in respect of the same Warrantholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Warrantholder.
  - (ii) *Dividends in respect of Physical Delivery Warrants*: If, in the case of Physical Delivery Warrants, the Relevant Assets to be delivered on the Settlement Date include shares, all dividends on the relevant shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the shares executed on the Settlement Date and to be delivered in the same manner as such relevant shares. Any such dividends to be paid to a Warrantholder will be paid to the account specified by the Warrantholder in the relevant Exercise Notice as referred to in General Condition 4 (*Exercise Procedure*).
  - (iii) *Limitation on rights of Warrantholders during Intervening Period*: For such period of time after delivery of the Entitlement as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the Relevant Assets (the "**Intervening Period**"), none of the Issuer, the Guarantor, the Warrant Agents, the Registrar or the Transfer Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Warrantholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such Relevant Assets, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such Relevant Assets or (iii) be under any liability to

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a Warrantholder in respect of any loss or damage which such Warrantholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such Relevant Assets.

- (iv) *Replacements*: If any Warrant or Warrant Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Warrant Agent, in the case of Bearer Warrants, or the Registrar, in the case of Registered Warrants, during normal business hours (and, if the Warrants are then admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Warrant Agent or a Transfer Agent in any particular place, the Warrant Agent or Transfer Agent having its specified office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced forms must be surrendered before replacements will be issued.

(k) *Force Majeure, Illegality and Administrator/Benchmark Event*

- (i) Subject to General Condition 4(k)(iii) below, the Issuer shall have the right to cancel the Warrants if it shall have determined, in its sole and absolute discretion, that (i) its performance thereunder shall have become or will be unlawful in whole or in part as a result of compliance in good faith by the Issuer or the Guarantor with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power (“**applicable law**”), or (ii) results in an Administrator/Benchmark Event.
- (ii) In such circumstances the Issuer will, however, if and to the extent permitted by applicable law, pay to each Warrantholder in respect of each Warrant held by it an amount determined by the Calculation Agent, in its sole and absolute discretion, as representing the fair market value of such Warrant immediately prior to such cancellation (ignoring such illegality) less the cost to the Issuer of, or the loss realised by the Issuer or any of its affiliates on, unwinding any related underlying hedging arrangements, the amount of such cost or loss being as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9 (*Notices*).
- (iii) Notwithstanding General Condition 4(k)(i) and (ii) above, in the event that the Calculation Agent determines that an Administrator/Benchmark Event has occurred, the Calculation Agent, shall give notice to the Issuer, and the Warrantholders as soon as reasonably practicable of the occurrence of such Administrator/Benchmark Event. The Calculation Agent shall then use reasonable endeavours to determine what amendments (if any) may be made to the terms and conditions of the Warrants that would result in such Administrator/Benchmark Event ceasing to apply within 20 calendar days of the Issuer receiving notice of the occurrence of such Administrator/Benchmark Event. In the event that the Calculation Agent proposes amendments to the terms and conditions of the Warrants in accordance with General Condition 4(k)(i), the Issuer shall make such amendments to the terms and conditions of the Warrants and there shall be no cancellation of the Warrants. In the event that the Calculation Agent determines, within 20 calendar days of the Issuer receiving notice of an Administrator/Benchmark Event, that no amendments may be made to the terms and conditions of the Warrants, (i) the Calculation Agent shall notify the Issuer of the same and (ii) upon, the Issuer having given not less than 10 nor more than 30 days’ notice to the Warrantholders in accordance with General Condition 10 (*Notices*) (which notice shall be irrevocable), the Warrants shall be cancelled in accordance with Condition 4(k)(ii).

For the purposes of this Condition 4(k):

“**Administrator/Benchmark Event**” means, in relation to any Benchmark, the occurrence of a Benchmark Modification or Cessation Event, a Non-Approval Event, a Rejection Event or a Suspension/Withdrawal Event.

“**Benchmark**” means any figure which is a benchmark as defined in BMR and where any amount payable under the Warrants, or the value of the Warrants, is determined by reference to such figure, all as determined by the Calculation Agent.

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“Benchmark Modification or Cessation Event” means, in respect of the Benchmark,:

- (i) any material change in such Benchmark; or
- (ii) the permanent cancellation or cessation in the provision of such Benchmark.

“**BMR**” means the EU Benchmark Regulation (Regulation (EU) 2016/1011). “**Non-Approval Event**” means, in respect of the Benchmark:

- (i) any authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the Benchmark or the administrator of the Benchmark is not obtained or will not be obtained;
- (ii) the Benchmark or the administrator of the Benchmark is not or will not be included in an official register; or
- (iii) the Benchmark or the administrator of the Benchmark does not or will not fulfil any legal or regulatory requirement applicable to the Issuer, the Calculation Agent or the Benchmark,

in each case, as required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Warrants. For the avoidance of doubt, a Non-Approval Event shall not occur if the Benchmark or the administrator of the Benchmark is not included in an official register because its authorisation, registration, recognition, endorsement, equivalence or approval is suspended if, at the time of such suspension, the continued provision and use of the Benchmark is permitted in respect of the Warrants under the applicable law or regulation during the period of such suspension.

“**Rejection Event**” means, in respect of the Benchmark, the relevant competent authority or other relevant official body rejects or refuses, or will reject or refuse any application for authorisation, registration, recognition, endorsement, equivalence, approval or inclusion in any official register which, in each case, is required in relation to the Benchmark or the administrator of the Benchmark under any applicable law or regulation for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Warrants.

“**Suspension/Withdrawal Event**” means, in respect of the Benchmark:

- (i) the relevant competent authority or other relevant official body suspends or withdraws, or will suspend or withdraw any authorisation, registration, recognition, endorsement, equivalence decision or approval in relation to the Benchmark or the administrator of the Benchmark which is required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Warrants; or
- (ii) the Benchmark or the administrator of the Benchmark is or will be removed from any official register where inclusion in such register is required under any applicable law in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Warrants.

For the avoidance of doubt, a Suspension/Withdrawal Event shall not occur if such authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or where inclusion in any official register is withdrawn if, at the time of such suspension or withdrawal, the continued provision and use of the Benchmark is permitted in respect of the Warrants under the applicable law or regulation during the period of such suspension or withdrawal.

### 5. Limitations on Rights of Warrantholders and Calculations

- (i) *Relevant Assets*: The purchase of Warrants does not confer on any holder of such Warrants any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.
- (ii) *Calculations*: Any discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest or proven error) shall be binding on the Issuer and all Warrantholders. None of the Issuer, the Guarantor or the Calculation Agent shall have any responsibility for any errors or omissions in any calculation or determination in respect of the Warrants.

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### 6. Limitations on the number of Warrants exercisable

#### (a) *American Style Warrants*

This General Condition 6(a) applies only to American Style Warrants.

- (i) The number of Warrants exercisable on any Actual Exercise Date (whether pursuant to Automatic Exercise or by delivery of an Exercise Notice by the relevant Warrantholder, in each case as determined by the Issuer), must not be less than the Minimum Exercise Number (if any) specified in the Issue Terms. If the number of Warrants purported to be exercised by a Warrantholder on any Actual Exercise Date (or, in the case of Automatic Exercise, the number of Warrants held by such Warrantholder on the Actual Exercise Date) is greater than any Minimum Exercise Number specified in the Issue Terms, such Warrants may only be exercised in integral multiples of the such Minimum Exercise Amount. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the “**Quota**”), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

#### (b) *European Style Warrants*

This General Condition 6(b) applies only to European Style Warrants.

The number of Warrants exercisable by any Warrantholder on the Specified Exercise Date, as determined by the Issuer, must not be less than the Minimum Exercise Number (if any) specified in the Issue Terms. If the number of Warrants purported to be exercised by a Warrantholder on the relevant Specified Exercise Date is greater than any Minimum Exercise Number specified in the Issue Terms, such Warrants may only be exercised in integral multiples of such Minimum Exercise Amount. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

#### (c) *Bermudan Style Warrants*

This General Condition 6(c) applies only to Bermudan Style Warrants.

- (i) The number of Warrants exercisable by any Warrantholder on any Potential Exercise Date (or, in the case of Automatic Exercise, the number of Warrants held by any Warrantholder on the Final Potential Exercise Date, in each case as determined by the Issuer), must not be less than the Minimum Exercise Number (if any) specified in the Issue Terms. If the number of Warrants purported to be exercised by a Warrantholder on any Potential Exercise Date (or, in the case of Automatic Exercise, the number of Warrants held by such Warrantholder on the Final Potential Exercise Date) is greater than any Minimum Exercise Number specified in the Issue Terms, such Warrants may only be exercised in integral multiples of the such Minimum Exercise Amount. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (ii) If the Issuer determines that the number of Warrants being exercised on any Potential Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Quota, the Issuer may deem the Potential Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Potential Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each succeeding Potential Exercise Date until all such Warrants have been attributed with a Potential Exercise Date, provided, however, that the deemed Potential Exercise Date for any such Warrants which would thereby fall after the Final Potential Exercise Date shall fall on the Final Potential Exercise Date. In any case where more than the Quota of Warrants are exercised on the same day by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

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### 7. Taxation

- (a) Neither the Issuer nor the Guarantor shall be liable for, or otherwise obliged to pay, any Taxes in The Netherlands which may arise as a result of the ownership, transfer or exercise of any Warrants.
- (b) If it is specified in the Issue Terms that a particular warrant is considered as an “option” for Spanish tax purposes neither the Issuer nor the Guarantor shall be liable for, or otherwise obliged to pay, any Taxes in the Kingdom of Spain which may arise as a result of the ownership, transfer or exercise of any Warrants.
- (c) If it is specified in the Issue Terms that a particular warrant is considered as a “financial asset” for Spanish tax purposes, all payments in respect of the Warrants by the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Spain or any political subdivision or authority thereof or therein having the power to tax unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Warrants after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Warrants, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Warrants:
  - (i) Presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Warrant by reason of his having some connection with Spain other than the mere holding of such Warrant; or
  - (ii) Presented for payment more than 30 days after the relevant Date as defined below except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Date (as defined also below); or
  - (iii) to, or to a third party on behalf of, a holder if such taxes or duties may be avoided by complying with any relevant requirement of Spanish law or by making a declaration of non-residence or other similar claim for exemption to any authority of or in Spain, unless such holder proved that he is not entitled so to comply or to make such declaration or claim, or
  - (iv) Presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Warrant to another Warrant Agent in a Member State of the European Union.
- (d) Both the Issuer and the Guarantor shall be permitted to withhold or deduct any amounts required by the rules of United States Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions) or pursuant to any agreement with the U.S. Internal Revenue Service (“**FATCA withholding**”) as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA withholding. Neither the Issuer nor the Guarantor shall be liable for, or otherwise obliged to pay, any FATCA withholding deducted or withheld by the Issuer, any Warrant Agent or any other party.

In these General Conditions, the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Warrant Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Warrant holders in accordance with General Condition 10.

Likewise, the “**Payment Date**” means any day which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

- (A) either (i) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant currency (if other than the place of presentation, any Financial Centre and which, (x) if such currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or
- (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open;

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- (B) each city specified as a Financial Centre (each, a “**Financial Centre**”) in the Issue Terms; and
- (C) in relation to Warrants in definitive form, the relevant place of presentation.

### 8. Prescription

Claims for payment or delivery in respect of the Warrants shall become void unless the Warrants are presented for payment or delivery within ten years of the appropriate Relevant Due Date for payment or delivery.

For the purposes of this Condition 8, “**Relevant Due Date**” means the date on which such payment first becomes due.

### 9. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Warrantholders to create and issue further Warrants having terms and conditions the same as the Warrants or the same in all respects save for the amount and so that the same shall be consolidated and form a single Series with the outstanding Warrants.

### 10. Notices

All notices regarding the Bearer Warrants will be deemed to be validly given if published in one leading English language daily newspaper of general circulation in Europe (which is expected to be the Financial Times). In relation to Warrants which are not Exempt Warrants, the Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or any other relevant authority on which the Bearer Warrants are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Warrants will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Warrants are listed on a stock exchange or admitted to trading by another relevant authority, such notice will be published in a manner which complies with the rules of that stock exchange or relevant authority.

Until such time as any definitive Warrants are issued, notice may be given (so long as any Global Warrants or Global Warrant Certificates representing the Warrants are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg (instead of by way of publication in a newspaper or mailing)) by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Warrants. Any such notice shall be deemed to have been given to the holders of the Warrants on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg. For so long as any Warrants are listed on a stock exchange or admitted to listing by another relevant authority, any such notice provided to any Clearing System will be also published in a manner which complies with the rules of that stock exchange or relevant authority by the Issuer.

Notices to be given by any Warrantholder shall be in writing and given by lodging the same, together (in the case of any Warrants in definitive form) with the relative Warrant or Warrants, with the Principal Warrant Agent (in the case of Bearer Warrants) or the Registrar (in the case of Registered Warrants). Whilst any of the Warrants are represented by a Global Warrant or Global Warrant Certificate, such notice may be given by any holder of a Warrant to the Principal Warrant Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, in such manner as the Principal Warrant Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg may approve for this purpose.

### 11. Warrant Agents

The names of the initial Warrant Agents, Registrar and Transfer Agent (collectively, the “**Agents**” and each, an “**Agent**”) and their initial specified offices are set out below.

The Issuer and the Guarantor are entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) so long as any Bearer Warrant is outstanding, there will at all times be a Principal Warrant Agent;

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- (b) so long as any Registered Warrant is outstanding, there will at all time be a Registrar and a Transfer Agent;
- (c) in relation to Warrants which are not Exempt Warrants, so long as the Warrants are admitted to listing, trading and/or quotation by any relevant listing authority, stock exchange and/or quotation system, there will at all times be a Warrant Agent with a specified office in such place as may be required by the rules and regulations of such listing authority, stock exchange and/or quotation system; and
- (d) there will at all times be a Warrant Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to any European Council Directive or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any variation, termination, appointment or change in Agents shall only take effect, in accordance with the terms of the Warrant Agreement, (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Warranholders in accordance with General Condition 10 (Notices) provided that no such variation, termination, appointment or change in Agents shall take effect (except in the case of insolvency) within 7 days of the Settlement Date of any Warrant. Notice of all changes in the identities or specified offices of any Agent will be given promptly by the Issuer or, as the case may be, the Guarantor to the Warranholders in accordance with General Condition 10 (Notices).

In acting under the Warrant Agreement, the Agents will act solely as agents of each of the Issuer and Guarantor and do not assume any obligations or relationship of agency or trust to or with the Warranholders.

### 12. Modifications

The Warrant Agreement contains provisions for convening meetings of Warranholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these General Conditions or any provisions of the Warrant Agreement. The Issuer may modify these Terms and Conditions without the consent of the Warranholders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Warranholders or such modification is of a formal, minor or technical nature or to correct a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein or otherwise to comply with mandatory provisions of the law of the jurisdiction of incorporation of the Issuer or the Guarantor, or the law governing the Warrants. Notice of any such modification will be given to the Warranholders in accordance with General Condition 10 (Notices) but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

### 13. Substitution

#### (a) *Substitution of the Issuer*

- (i) The Issuer may, without the consent of the Warranholders (and by subscribing any Warrants, each Warranholder expressly consents to it), be replaced and substituted by the Guarantor or any other company of which 100 per cent. of the shares or other equity interests (as the case may be) carrying the right to vote are directly or indirectly owned by the Guarantor as principal obligor (in such capacity, the "**Substituted Obligor**") in respect of the Warrants provided that:
  - (A) a deed poll and such other documents (if any) shall be executed by the Substituted Obligor, the Issuer and (if the Substituted Obligor is not the Guarantor) the Guarantor as may be necessary to give full effect to the substitution (together the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Obligor shall undertake in favour of each Warranholder to be bound by the Terms and Conditions of the Warrants and the provisions of the Warrant Agreement and the deed of covenant in respect of any Warrants in global form dated 7 September 2020 (the "**Deed of Covenant**") as fully as if the Substituted Obligor had been named in the Warrants, the Warrant Agreement and the Deed of Covenant as the principal obligor in respect of the Warrants in place of the Issuer (or any previous substitute) and (if the Substituted Obligor is not the Guarantor) pursuant to which the Guarantor shall unconditionally and irrevocably guarantee (the "**New Guarantee**") in favour of each Warranholder the payment of all sums payable by the Substituted Obligor as such principal obligor on the same terms *mutatis mutandis* as the Guarantee;



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- (B) without prejudice to the generality of General Condition 12(a)(i)(A), where the Substituted Obligor is incorporated, domiciled or resident for taxation purposes in a territory other than Spain, the Documents shall contain a covenant by the Substituted Obligor and/or such other provisions as may be necessary to ensure that each Warrantholder has the benefit of a covenant in terms corresponding to the provisions of General Condition 6 (*Taxation*) with the substitution for the references to The Netherlands or the Kingdom of Spain of references to the territory in which the Substituted Obligor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Obligor and (if the Substituted Obligor is not the Guarantor) the Guarantor to indemnify and hold harmless each Warrantholder against all Taxes or duties which arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred or levied against such Warrantholder as a result of any substitution pursuant to this General Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, any and all Taxes or duties which are imposed on any such Warrantholder by any political sub-division or taxing authority of any country in which such Warrantholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
- (C) the Documents shall contain a warranty and representation by the Substituted Obligor and (if the Substituted Obligor is not the Guarantor) the Guarantor that the Substituted Obligor and (if the Substituted Obligor is not the Guarantor) the Guarantor have obtained all necessary governmental and regulatory approvals and consents for such substitution and (if the Substituted Obligor is not the Guarantor) for the giving by the Guarantor of the New Guarantee in respect of the obligations of the Substituted Obligor on the same terms *mutatis mutandis* as the Guarantee, that each of the Substituted Obligor and the Guarantor (if the Substituted Obligor is not the Guarantor) has obtained all necessary governmental and regulatory approvals and consents for the performance by each of the Substituted Obligor and the Guarantor (if the Substituted Obligor is not the Guarantor) of its obligations under the Documents and that all such approvals and consents are in full force and effect;
- (D) in relation to Warrants which are not Exempt Warrants, each stock exchange which has the Warrants listed thereon shall not have stated or otherwise indicated that following the proposed substitution of the Substituted Obligor the Warrants would be de-listed from such stock exchange;
- (E) the Substituted Obligor shall have appointed a process agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Warrants or the Documents.
- (ii) Upon the execution of the Documents as referred to in General Condition 12(a)(i) above, the Substituted Obligor shall be deemed to be named in the Warrants as the principal obligor in place of the Issuer (or of any previous substitute under these provisions) and the Warrants shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer (or such previous substitute as aforesaid) from all of its obligations in respect of the Warrants.
- (iii) The Documents shall be deposited with and held by the Principal Warrant Agent for so long as any Warrant remains outstanding and for so long as any claim made against the Substituted Obligor or (if the Substituted Obligor is not the Guarantor) the Guarantor by any Warrantholder in relation to the Warrants or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Obligor and (if the Substituted Obligor is not the Guarantor) the Guarantor shall acknowledge in the Documents the right of every Warrantholder to the production of the Documents for the enforcement of any of the Warrants or the Documents.
- (iv) Not later than 15 London Business Days after the execution of the Documents, the Substituted Obligor shall give notice thereof to the Warrantholders in accordance with General Condition 10 (Notices).
- (b) *Substitution of the Guarantor*
- (i) The Guarantor may, without the consent of the Warrantholders (and by subscribing any Warrants, each Warrantholder expressly consents to it), be replaced and substituted by another company

## TERMS AND CONDITIONS OF THE WARRANTS

incorporated anywhere in the world as the guarantor (in such capacity, the “**Substituted Guarantor**”) in respect of the Warrants provided that:

- (A) a deed poll and such other documents (if any) shall be executed by the Guarantor and the Substituted Guarantor as may be necessary to give full effect to the substitution (together the “**Documents**”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Guarantor shall undertake in favour of each Warrantheader to be bound by the Terms and Conditions of the Warrants and the provisions of the Warrant Agreement, and the Guarantee as fully as if the Substituted Guarantor had been named in the Warrants, the Warrant Agreement and the Guarantee as the guarantor in respect of the Warrants in place of the Guarantor (or any previous substitute) and pursuant to which the Substituted Guarantor shall unconditionally and irrevocably guarantee (the “**New Guarantee**”) in favour of each Warrantheader the payment of all sums payable by the Issuer as such principal obligor on the same terms mutatis mutandis as the Guarantee;
  - (B) the Documents shall also contain a covenant by the Substituted Guarantor to indemnify and hold harmless each Warrantheader against all liabilities, costs, charges and expenses provided that insofar as the liabilities, costs, charges and expenses are Taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred or levied against such Warrantheader as a result of any substitution pursuant to this General Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all Taxes or duties which are imposed on any such Warrantheader by any political sub-division or taxing authority of any country in which such Warrantheader resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
  - (C) the Documents shall contain a warranty and representation by the Substituted Guarantor that the Substituted Guarantor has obtained all necessary governmental and regulatory approvals and consents for such substitution and for the giving by the Substituted Guarantor of the New Guarantee, that the Substituted Guarantor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substituted Guarantor of its obligations under the Documents and that all such approvals and consents are in full force and effect;
  - (D) in relation to Warrants which are not Exempt Warrants, each stock exchange which has the Warrants listed thereon shall have shall not have stated or otherwise indicated that following the proposed substitution of the Substituted Guarantor the Warrants would be de-listed from such stock exchange;
  - (E) the Substituted Guarantor shall have appointed a process agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Warrants or the Documents;
  - (F) the Substituted Guarantor has ratings for long-term senior debt assigned by Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies Inc. or Moody’s Investors Service, Inc. which are the same as or higher than the credit rating for long-term senior debt of the Guarantor or any previous Substituted Guarantor immediately prior to such substitution; and
  - (G) the substitution complies with all applicable requirements established under any applicable law.
- (ii) Upon the execution of the Documents as referred to in General Condition 12(b)(i) above, the Substituted Guarantor shall be deemed to be named in the Warrants as the guarantor in place of the Guarantor (or of any previous substitute under these provisions) and the Warrants shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Guarantor (or such previous substitute as aforesaid) from all of its obligations in respect of the Warrants and the Guarantees.
  - (iii) The Documents shall be deposited with and held by the Principal Warrant Agent for so long as any Warrant remains outstanding and for so long as any claim made against the Substituted Guarantor by any Warrantheader in relation to the Warrants or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Guarantor shall acknowledge in the Documents the

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right of every Warrantholder to the production of the Documents for the enforcement of any of the Warrants or the Documents.

- (iv) No later than 15 London Business Days after the execution of the Documents, the Substituted Guarantor shall give notice thereof to the Warrantholders in accordance with General Condition 10 (Notices).

### 14. Contracts (Rights of Third Parties) Act 1999

The Warrants shall not confer any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Warrants, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

### 15. Purchase by the Issuer or the Guarantor

Each of the Issuer and the Guarantor may at any time purchase Warrants at any price in the open market or by tender or private treaty. Any Warrants so purchased may be held, surrendered for cancellation or reissued or resold, and Warrants so reissued or resold shall for all purposes be deemed to form part of the original Series of Warrants.

### 16. Governing Law and Submission to Jurisdiction

#### (a) *Governing law*

The Warrants and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. The Guarantee (including the status of the Guarantee pursuant to General Condition 2(b) (*Status of the Guarantee*)) and any non-contractual obligations arising out of or in connection with the Guarantee, are governed by, and shall be construed in accordance with, Spanish law.

#### (b) *Submission to jurisdiction*

The Issuer agrees for the exclusive benefit of the Warrantholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Warrants (including any disputes relating to any non-contractual obligations arising out of or in connection with them) and that accordingly any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with the Warrants (including any non-contractual obligations arising out of or in connection with them) may be brought in such courts.

The Issuer (if applicable) hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this General Condition shall limit any right to take Proceedings against the Issuer (if applicable) 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.

#### (c) *Appointment of Process Agent*

The Issuer appoints the Guarantor at its registered office for the time being in England as its agent for service of process, and undertakes that, in the event of the Guarantor ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

## ANNEX 1

### ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

If specified as applicable in the Issue Terms, the terms and conditions applicable to payouts shall comprise the General Conditions and the additional terms and conditions for payouts set out below (the “**Payout Conditions**”), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between (i) the General Conditions and/or any other Annex and (ii) the Payout Conditions, the Payout Conditions shall prevail.

#### 1. Structured Warrants

##### (a) Use of Payout Conditions

These Payout Conditions set out the methodology for determining various payouts and product features in respect of the Warrants. The applicable text shown in Payout Conditions 2, 3, 4, 5 and 6 below will be extracted, included and completed at the paragraph indicated in the Issue Terms on the basis that

(i) applicable text (including, where appropriate, section headings and terms defined in Payout Condition 6 which are required to be completed) from the relevant Payout Condition will be set out at the paragraph indicated in the Issue Terms and (ii) inapplicable text (and any terms defined in Payout Condition 6 which are not required to be completed) need not be included. Where the Issue Terms specify that a table may be inserted, such table will set out amounts, entities, dates, items, rates, value levels, triggers, figures and other information which completes the definitions that appear in the relevant subparagraphs of the Issue Terms, the Terms and Conditions of the Warrants and the applicable Annex(es) to the Terms and Conditions of the Warrants. Notwithstanding the above, a table may be inserted in any section of the Issue Terms whether or not is so specified that a table may be inserted in such section of the Issue Terms.

##### (b) Use of Terms

Terms in these Payout Conditions or in the Issue Terms may be attributed a numerical or letter suffix value when included in the Issue Terms. Without limitation, the suffix can be denoted as “j”, “k”, “m”, “q”, “n”, “t”, “A”, “B”, “C” or “1”, “2”, “3” etc. And the term may be completed on the basis of the number or numbers represented by “j”, “k”, “m”, “q”, “n”, “p”, “r”, “s”, “A”, “B”, “C” or 1, 2, 3 etc, as chosen at the time of an issue of Warrants. Moreover suffixes may be placed in series as necessary, such as “A(1)”, “B(1)”, “C(1)” etc. When applicable and in order to improve the reading and intelligibility of the formula(e) in the Issue Terms, the applicable suffixes may be included, completed and the relation between the term and the suffix will be explained and may be presented as a table, if necessary, in the Issue Terms. A term in Payout Condition 6 may be included in the applicable Issue Terms section more than once if there is more than one number represented by the term n, t or i. Conjunctions (e.g. or, and, but) and punctuation may also be included where appropriate. Suffixes may denote that a relevant term relates to an asset, item or date associated with that suffix.

The constituent parts of any formula(e) or term(s) used in these Payout Conditions and that are to be specified in the Issue Terms may be replaced in the Issue Terms by the prescribed amount, level, or percentage or other value or term (the “**Variable Data**”). If a Variable Data has a value of either 0 (zero) or 1 (one), or is not applicable in respect of the relevant formula(e), then the related formula(e) may be simplified, for the purpose of improving the reading and intelligibility in the formula(e) in Issue Terms, by deleting such Variable Data.

##### (c) Types of Warrants

The Issue Terms will specify whether the Warrants are: Index Linked Warrants, each an “**Index Linked Warrant**”; Equity Linked Warrants, each an “**Equity Linked Warrant**”, ETF Linked Warrants, each an “**ETF Linked Warrant**”, Fund Linked Warrants, each a “**Fund Linked Warrant**”, Inflation Linked Warrants, each an “**Inflation Linked Warrant**”; Foreign Exchange Linked Warrant, each a “**Foreign Exchange (FX) Linked Warrant**” or any combination thereof, a “**Combination Warrant**”.

#### 2. Final Payout Formula(e)

For insertion and completion into Paragraph 24 “Final Payout” in the Issue Terms

##### (i) “Final Payout (i)—European Call”

Max [0 per cent.; Leverage\* (FS Value – Strike Percentage)]

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

- (ii) **“Final Payout (ii)—European Put”**  
Max [0 per cent.; Leverage\* (Strike Percentage – FS Value)]
- (iii) **“Final Payout (iii)—European Call Spread”**  
Min [Cap Percentage; Max [0 per cent.; Leverage\* (FS Value – Strike Percentage)]]
- (iv) **“Final Payout (iv)—European Put Spread”**  
Min [Cap Percentage; Max [0 per cent.; Leverage\* (Strike Percentage – FS Value)]]
- (v) **“Final Payout (v)—Call Knock-In”**  
(A) If a Knock-in Event has occurred:  
Max [0 per cent.; Leverage\* (FS Value – Strike Percentage)]; or  
(B) If no Knock-in Event has occurred:  
Zero
- (vi) **“Final Payout (vi)—Put Knock-In”**  
(A) If a Knock-in Event has occurred:  
Max [0 per cent.; Leverage\* (Strike Percentage – FS Value)]; or  
(B) If a Knock-in Event has occurred:  
Zero
- (vii) **“Final Payout (vii)—Bonus Call”**  
(A) If a Knock-in Event has occurred:  
Max [Bonus Percentage; Leverage\* (FS Value – Strike Percentage)]; or  
(B) If no Knock-in Event has occurred:  
Zero
- (viii) **“Final Payout (viii)—Bonus Put”**  
(A) If a Knock-in Event has occurred:  
Max [Bonus Percentage; Leverage\* (Strike Percentage – FS Value)]; or  
(B) If no Knock-in Event has occurred:  
Zero
- (ix) **“Final Payout (ix)—Strike Podium n Conditions”**  
(A) If the Barrier Condition [1] is satisfied in respect of the [ST Valuation Date][ST Valuation Period]:  
Constant Percentage 1; or  
(B) If the Barrier Condition [2] is satisfied in respect of the [ST Valuation Date][ST Valuation Period] and Barrier Condition [1] is not satisfied in respect of a [ST Valuation Date][ST Valuation Period]  
Constant Percentage 2; or  
(C) Otherwise:  
Zero  
(The above provisions of (B) may be duplicated in case more than two Barrier Conditions apply)
- (x) **“Final Payout (x)—Range”**  
(A) If the Range Condition is satisfied in respect of the [ST Valuation Date][ST Valuation Period]:  
Constant Percentage ; or

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

- (B) Otherwise:  
Zero
- (xi) **“Final Payout (xi)—Reverse Range”**
- (A) If the Range Condition is not satisfied in respect of the [ST Valuation Date][ST Valuation Period]:  
Constant Percentage; or
- (B) Otherwise:  
Zero
- (xii) **“Final Payout (xii)—Twin Win”**
- (A) If Barrier Condition 1 is satisfied in respect of the [ST Valuation Date][ST Valuation Period]:  
Leverage 1\* (FS Value – Strike Percentage 1); or
- (B) If Barrier Condition 2 is satisfied in respect of the [ST Valuation Date][ST Valuation Period] and Barrier Condition 1 is not satisfied in respect of the [ST Valuation Date][ST Valuation Period]:  
Leverage 2\* (Strike Percentage 2 – FS Value); or
- (C) Otherwise:  
Zero
- (xiii) **“Final Payout (xiii)—Twin Win Spread”**
- (A) If Barrier Condition 1 is satisfied in respect of the [ST Valuation Date][ST Valuation Period]:  
Min [Cap Percentage 1; Leverage 1\* (FS Value – Strike Percentage 1)]; or
- (B) If Barrier Condition 2 is satisfied in respect of the [ST Valuation Date][ST Valuation Period] and Barrier Condition 1 is not satisfied in respect of the [ST Valuation Date][ST Valuation Period]:  
Min [Cap Percentage 2; Leverage 2\* (Strike Percentage 2 – FS Value)]; or
- (C) Otherwise:  
Zero
- (xiv) **“Final Payout (xiv)—Twin Win Bonus”**
- (A) If Barrier Condition 1 is satisfied in respect of the [ST Valuation Date][ST Valuation Period]:  
Max [Bonus Percentage 1; Leverage 1\* (FS Value – Strike Percentage 1)]; or
- (B) If Barrier Condition 2 is satisfied in respect of the [ST Valuation Date][ST Valuation Period] and Barrier Condition 1 is not satisfied in respect of the [ST Valuation Date][ST Valuation Period]:  
Max [Bonus Percentage 2; Leverage 2\* (Strike Percentage 2 – FS Value)]; or
- (C) Otherwise:  
Zero
- (xv) **“Final Payout (xv)—Bonus Flex”**
- (A) If Range Condition 1 is satisfied in respect of the [ST Valuation Date][ST Valuation Period]:  
Constant Percentage 1; or
- (A) If Range Condition 2 is satisfied in respect of the [ST Valuation Date][ST Valuation Period] and Range Condition 1 is not satisfied in respect of the [ST Valuation Date][ST Valuation Period]:  
Constant Percentage 2; or
- (B) Otherwise:  
Zero

**ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS**

**(xvi) “Final Payout (xvi)—Twin Win Podium”**

- (A) If Barrier Condition 1 is satisfied in respect of the [ST Valuation Date][ST Valuation Period]:  
Constant Percentage 1; or
- (B) If Barrier Condition 2 is satisfied in respect of the [ST Valuation Date][ST Valuation Period] and Barrier Condition 1 is not satisfied in respect of the [ST Valuation Date][ST Valuation Period]  
Constant Percentage 2; or
- (C) If Barrier Condition 3 is satisfied in respect of the [ST Valuation Date][ST Valuation Period] and Barrier Condition 1 and 2 are not satisfied in respect of the [ST Valuation Date][ST Valuation Period]  
Constant Percentage 3; or
- (D) If Barrier Condition 4 is satisfied in respect of the [ST Valuation Date][ST Valuation Period] and Barrier Condition 1, 2 and 3 are not satisfied in respect of the [ST Valuation Date][ST Valuation Period]  
Constant Percentage 4; or
- (E) Otherwise:  
Zero

**(xvii) “Final Payout (xvii)—Digital”**

- (A) If a Knock-in Event has occurred:  
Constant Percentage; or
- (B) If no Knock-in Event has occurred:  
Zero

**(xviii) “Final Payout (xviii)—Replace”:**

*(Insert the following if local floor is applicable)*

$$\text{Leverage} * \text{Max} \left[ 0; \sum_{k=1}^K (\text{RIWeighting}(k) * \text{Max}[\text{Floor Percentage}(i); \text{Modified Value}(i, k) - \text{Strike Percentage}(i)]) \right]$$

*(Insert the following if local floor is not applicable)*

$$\text{Leverage} * \text{Max} \left[ 0; \sum_{k=1}^K (\text{RIWeighting}(k) * (\text{Modified Value}(i, k) - \text{Strike Percentage}(i))) \right]$$

**(xix) “Final Payout (xix)—Himalaya”:**

$$\text{ConstantPercentage} + \text{Leverage} * \text{Max} \left[ \frac{1}{\text{TotalM}} * \sum_{i=1}^M \text{Max}[\text{BestLockValue}(i) - \text{StrikePercentage}(i); \text{LocalFloorPercentage}(i)]; 0 \right]$$

**(xx) “Final Payout (xx)”**

*(insert the following if a floor is applicable)*

$$\text{Max} [\text{Floor Percentage}; \text{Leverage} * (\text{FS Value} - \text{Strike Percentage})] + \text{Constant Percentage}$$

*(insert the following if a cap and a floor are applicable)*

$$\text{Min} [\text{Cap Percentage}; \text{Max} [\text{Floor Percentage}; \text{Leverage} * (\text{FS Value} - \text{Strike Percentage}) + \text{Constant Percentage}]$$

*(insert the following if a floor is applicable)*

$$\text{Max} [\text{Floor Percentage}; \text{Leverage} * (\text{Strike Percentage} - \text{FS Value})] + \text{Constant Percentage}$$

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

*(insert the following if a cap and a floor is applicable)*

Min [Cap Percentage; Max [Floor Percentage; Leverage\* (Strike Percentage – FS Value)]] + Constant Percentage

**(xxi) “Final Payout (xxi)—Strike Podium n Barriers”:**

(A) If Barrier Condition 1 is satisfied in respect of a [ST Valuation Date][ST Valuation Period]:

[Constant Percentage 1][*select and insert the final payout formula from “Final Payout (xx)”*][no Cash Settlement Amount will be payable and Physical Delivery will apply]; or

(B) If Barrier Condition [2] is satisfied in respect of a [ST Valuation Date][ST Valuation Period] and Barrier Condition [1] is not satisfied in respect of a [ST Valuation Date][ST Valuation Period]

[Constant Percentage 2][*select and insert the final payout formula from “Final Payout (xx)”*]; for the avoidance of doubt the selected final payout formula for this paragraph (B) may be different from the final payout formula for paragraph (A)][no Cash Settlement Amount will be payable and Physical Delivery will apply]

(C) Otherwise:

[Constant Percentage 3][*select and insert the final payout formula from “Final Payout (xx)”*]; for the avoidance of doubt the selected final payout formula for this paragraph (C) may be different from the final payout formula for any of the preceding paragraphs][no Cash Settlement Amount will be payable and Physical Delivery will apply].

(The above provisions of (B) may be duplicated in case more than two barriers apply)

**(xxii) “Final Payout (xxii)—Knock-in”:**

(A) If no Knock-in Event has occurred:

[Constant Percentage 1][*select and insert the final payout formula from “Final Payout (xx)”*] [no Cash Settlement Amount will be payable and Physical Delivery will apply]; or

(B) If a Knock-in Event has occurred:

[Min [Constant Percentage 2; FS Value]][ *select and insert the final payout formula from “Final Payout (xx)”*]; for the avoidance of doubt the selected final payout formula for this paragraph (B) may be different from the final payout formula for paragraph (A)] [no Cash Settlement Amount will be payable and Physical Delivery will apply].

**(xxiii) “Final Payout (xxiii)—Barrier and Knock-in Standard”:**

(A) If Barrier Condition is satisfied in respect of a [ST Valuation Date][ST Valuation Period]:

[100% + FS Additional Rate][*select and insert the final payout formula from “Final Payout (xx)”*] [no Cash Settlement Amount will be payable and Physical Delivery will apply]; or

(B) If Barrier Condition is not satisfied in respect of a [ST Valuation Date][ST Valuation Period] and no Knock-in Event has occurred:

[Constant Percentage][*select and insert the final payout formula from “Final Payout (xx)”*]; for the avoidance of doubt the selected final payout formula for this paragraph (B) may be different from the final payout formula for paragraph (A)] [no Cash Settlement Amount will be payable and Physical Delivery will apply]; or

(C) If Barrier Condition is not satisfied in respect of a [ST Valuation Date][ST Valuation Period] and a Knock-in Event has occurred:

[Min [Constant Percentage; FS Value]][*select and insert the final payout formula from “Final Payout (xx)”*]; for the avoidance of doubt the selected final payout formula for this paragraph (C) may be different from the final payout formula for any of the preceding paragraphs] [no Cash Settlement Amount will be payable and Physical Delivery will apply].



## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

**(xxiv) “Final Payout (xxiv)—Booster”**

- (A) If the Booster Condition is satisfied in respect of the ST Valuation Date: 100 per cent. + Participation\* (Final Value – 100 per cent.); or
- (B) If the Booster Condition is not satisfied in respect of the ST Valuation Date and no Knock-in Event has occurred:  
100 per cent.; or
- (C) Otherwise:  
Final Value

**(xxv) “Final Payout (xxv)—Booster with Cap”**

- (A) If the Booster Condition is satisfied in respect of the ST Valuation Date:  
100 per cent. + Participation\* Min [Cap Percentage; Final Value – 100 per cent.]; or
- (B) If the Booster Condition is not satisfied in respect of ST Valuation Date and no Knock-in Event has occurred:  
100 per cent.; or
- (C) Otherwise:  
Final Value

**(xxvi) “Final Payout (xxvi)—Autocall”**

- (A) If the Final Condition is satisfied in respect of the ST Valuation Date: 100 per cent. + Final Digital Return; or
- (B) If the Final Condition is not satisfied in respect of the ST Valuation Date and no Knock-in Event has occurred:  
100 per cent.; or
- (C) Otherwise:  
Final Value

**(xxvii) “Final Payout (xxvii)—Booster Autocall”**

- (A) If the Final Condition is satisfied in respect of the ST Valuation Date:  
100 per cent. + Max [Final Digital Return; Participation\* (Final Value – 100 per cent.)]; or
- (B) If the Final Condition is not satisfied in respect of the ST Valuation Date and no Knock-in Event has occurred:  
100 per cent.; or
- (C) Otherwise:  
Final Value

**(xxviii) “Final Payout (xxviii) - Call Knock-Out”**

- (A) If no Knock-out Event has occurred:  
Max [0 per cent.; Leverage\* (FS Value – Strike Percentage)]; or
- (B) If a Knock-out Event has occurred:  
Zero

**(xxix) “Final Payout (xxix)—Put Knock-Out”**

- (A) If no Knock-out Event has occurred:  
Max [0 per cent.; Leverage\* (Strike Percentage – FS Value)]; or If a Knock-out Event has occurred:

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

(B) If a Knock-out Event has occurred:

Zero

### 3. Automatic Early Expiration

If Automatic Early Expiration is specified as applicable in the Issue Terms and an Automatic Early Expiration Event occurs, then the Automatic Early Expiration Amount will be one of the following formulae as specified in the applicable Issue Terms:

For insertion in Paragraph 25 (xiv) "Automatic Early Expiration Payout"

(i) **"Automatic Early Expiration Amount (i)"**

Zero.

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

(ii) **“Automatic Early Expiration Amount (ii)”**

Calculation Amount\* (AEE Percentage + AEE MT)

(iii) **“Automatic Early Expiration Amount (iii)”**

Calculation Amount\* Max [AEE Percentage; Constant Percentage + Leverage\* AEE Value]

(iv) **“Automatic Early Expiration Amount (iv)”: Autocall**

Calculation Amount\* (100 per cent. + Digital Return(i))

(v) **“Automatic Early Expiration Amount (v)”: Booster Autocall**

Calculation Amount\* [100 per cent. + Max [Digital Return(i); Participation\* (Booster Value – 100 per cent.)]]

### 4. Entitlement Amounts for Physical Delivery Warrants

For insertion into Paragraph 26 of the Issue Terms (Provisions applicable to Physical Delivery):

(i) **“Entitlement Amount (i)”:**

[Specify number [per Warrant] [of the] [the Reference Item][the Worst Performing Reference Item][Best Performing Reference Item]

(ii) **“Entitlement Amount (ii)”:**

Calculation Amount / (Constant Percentage\* Performing RI Strike Price\* FX)

The Entitlement Amount will be rounded down to the nearest unit of each Relevant Asset capable of being delivered (the **“Equity Element”**) and in lieu thereof the Issuer will pay a residual amount (the **“Residual Amount”**) equal to:

(Entitlement Amount – Equity Element)\* Physical Delivery Price\* FX

### 5. Definitions

#### 5.1. General Definitions

**“AEE MT”** means [the product of (a) [specify percentage] and (b) the number of [ST Valuation Dates][Automatic Early Expiration Valuation Dates] from and including the Issue Date to [and including][but excluding] the [the date of the relevant Automatic Early Expiration Valuation Date]] [specify percentage].

**“AEE Percentage”** means [specify percentage].

**“AEE Value”** means in respect of a [ST Valuation Date][ST Valuation Period]and in respect of [each][of] Reference Item (k=[specify]] to (k=[specify])) [specify value from Payout Condition 5.2].

**“Barrier [1][2][3][4]”** means [specify amount or percentage or number].

**“Barrier Percentage Strike Price”** means [specify percentage].

**“Barrier Value”** means, in respect of a [ST Valuation Date][ST Valuation Period] [and in respect of [each][of] Reference Item (k=[specify]] to (k=[specify])) [specify defined term from Payout Condition 5.2].

**“Basket”** means: (a) if the relevant Reference Items are Indices, the Basket of Indices (as defined in the Index Linked Conditions) as specified in the Issue Terms; (b) if the relevant Reference Items are Shares, the Basket of Shares (as defined in the Equity Linked Conditions) as specified in the Issue Terms; (c) if the relevant Reference Item are Inflation Indices, a basket composed of each Inflation Index specified in the Issue Terms (d) if the relevant Reference Items are ETF Shares, the ETF Basket (as defined in the ETF Linked Conditions) as specified in the Issue Terms; (e) if the relevant Reference Items are Fund Shares, the Fund Basket (as defined in the Fund Linked Conditions) as specified in the Issue Terms; (f) if the relevant Reference Item are Subject Currencies, a basket composed of each Subject Currency specified in the Issue Terms; and (g) in the case of Reference Items which are Shares, ETFs and/or Indices, where applicable, a basket of Shares, ETFs and/or Indices, as specified in the applicable Issue Terms, in each case subject to Weightings.

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

“**Basket Ranking**” means, in respect of a ST Valuation Date, the ranking of each Basket by Basket Value from highest Basket Value to lowest Basket Value in respect of such ST Valuation Date.

“**Best Lock Value(i)**” means, in respect of a [ST Valuation Date] [or ST Valuation Period], the highest RI Value on such [ST Valuation Date] [ST Valuation Period] of the Reference Item(s) in Himalaya Basket(i).

“**Best Replace Percentage**” means [*specify percentage*].

“**Bonus Percentage**” means [*specify percentage*]

“**Booster Value**” means in respect of an Automatic Early Expiration Valuation Date and in respect of [each][the] Reference Item (k=[*specify*] to (k=[*specify*)]), the [RI Value][Best Value][Worst Value][Basket Value][Ranked Value][expressed as a percentage].

“**Calculation Amount**” means an amount per Warrant as specified in the Issue Terms.

“**Cap Percentage [1][2]**” means [*specify percentage*].

“**Constant Percentage [1][2][3][4]**” means [*specify percentage*].

“**Digital Return**” means, in respect of [each][all][the] Automatic Early Expiration Valuation Date[s], [*specify percentage*]

“**Final Digital Return**” means, [*specify percentage*]

“**Final Level**” means, [*specify percentage*]

“**Final Value**” means, in respect of the ST Valuation Date and in respect of [each][the] Reference Item (k=[*specify*] to (k=[*specify*)]), the [RI Value][Best Value][Worst Value][Basket Value][Ranked Value].

“**Floor Percentage [1][2]**” means [*specify percentage*].

“**FS Additional Rate**” means [FS Rate][FS MT up Rate][FS Rate DCF][FS Rate MT].

“**FS Cap Percentage**” means [*specify percentage*].

“**FS Constant Percentage**” means [*specify percentage*].

“**FS Floor Percentage**” means [*specify percentage*].

“**FS Leverage**” means [*specify percentage*].

“**FS MT up Rate**” means:

(*insert if cap is applicable*)

[Min [Max [FS Floor Percentage; FS Leverage\* (FS Value – FS Strike Percentage) + FS Spread]; FS Cap Percentage] + FS Constant Percentage].]

(*insert if cap is not applicable*)

[Max [FS Floor Percentage; FS Leverage\* (FS Value – FS Strike Percentage) + FS Spread + FS Constant Percentage].]

“**FS Rate**” means [*specify rate*].

“**FS Rate DCF**” means a percentage calculated as the product of the FR Rate and the applicable Day Count Fraction.

“**FS Rate MT**” means the product of (a) [*specify rate*] and (b) the number of ST Valuation Dates from and including the Issue Date to [and including][but excluding] the date of the relevant ST Valuation Date.

“**FS Strike Percentage**” means [*specify percentage*].

“**FS Value**” means, in respect of a [ST Valuation Date] or [ST Valuation Period], [*specify defined term from Payout Condition 5.2.*]

“**FX**” is the relevant RI FX Level (i) on the relevant Valuation Date or if that is not a Business Day the immediately succeeding Business Day.

“**Himalaya Basket(i)**” means, in respect of a ST Valuation Date(i), a Basket comprising each Reference Item in Himalaya Basket(i-1) but excluding the Reference Item in relation to Best Lock Value(i-1).

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

“**K**” means [*specify number*], being the total number of Reference Items in the Basket.

“**Knock-in Value**” means, in respect of a [ST Valuation Date] or [ST Valuation Period], [and in respect of [each][of] Reference Item (k=[*specify*])] to (k=[*specify*]]) , [*specify defined term from Payout Condition 5.2.*].

“**Knock-out Value**” in respect of a [ST Valuation Date] [ST Valuation Period] [and in respect of [each][of] Reference Item (k=[*specify*])] to (k=[*specify*]]) , [*specify defined term from Payout Condition 5.2.*].

“**Leverage**” means [*specify percentage*].

“**Local Floor Percentage**” means [*specify percentage*].

“**M**” means a series of ST Valuation Dates or ST Valuation Periods.

“**Max**” followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

“**Min**” followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi-colon inside those brackets.

“**Modified Value**” means:

If the FS Value(I,k) is one of the nfixed greatest value in the basket of Reference Items, the Best Replace Percentage; and

otherwise, FS Value

“**nfixed**” means [*specify number*].

“**Option FX**”: If Option FX is specified as applicable in respect of any Formula(e) in the Issue Terms, the RI FX Rate will be applied to the calculation of the relevant payout formula as further specified in the relevant Issue Terms.

“**Participation**” means [*specify percentage*].

“**Physical Delivery Price**” means, in respect of a ST Valuation Date, the RI Closing Value in respect of the Reference Item [with the] [Worst Value][Best Value][Ranked Value][on such ST Valuation Date].

“**Ranked RI Weighting**” means, in respect of a Reference Item, the percentage specified for the ordinal positioning of the Reference Item in the Ranking.

“**Range Value**” means, in respect of a [ST Valuation Date] or [ST Valuation Period], [*specify defined term from Payout Condition 5.2.*]

“**Ranking**” means, in respect of a ST Valuation Date, the ranking of each Reference Item by RI Value from highest RI Value to lowest RI Value in respect of such ST Valuation Date.

“**Reference Item [1][2]....[N]**” the asset or reference basis specified as such in the applicable Issue Terms.

“**RI Weighting**” means, in respect of a Reference Item, [*specify number, amount or percentage*].

“**Spread**” means [*specify percentage*].

“**Strike Percentage [1][2]**” means [*specify percentage*].

“**Total M**” means [*specify number*] being the total number of [ST Valuation Dates][ST Valuation Periods] for the Warrants. (REVISAR)

“**Weighting**” means [*specify in relation to each Reference Item comprising the Basket*].

### 5.2. Value Definitions

“**Average Basket Value**” means, in respect of a ST Valuation Period, the arithmetic average of the Basket Values on each ST Valuation Date in such ST Valuation Period.

“**Average Best Value**” means, in respect of a ST Valuation Period, the arithmetic average of the Best Values on each ST Valuation Date in such ST Valuation Period.

“**Average Rainbow Value**” means, in respect of a ST Valuation Period, the arithmetic average of the Rainbow Values on each ST Valuation Date in such ST Valuation Period.

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

“**Average Worst Value**” means, in respect of a ST Valuation Period, the arithmetic average of the Worst Values on each ST Valuation Date in such ST Valuation Period.

“**Barrier Initial Price**” means a price equal to the product of (x) the RI Closing Value for a Reference Item on the [Strike Date][Initial Calculation Date] and (y) the Barrier Percentage Strike Price.

“**Barrier Initial Maximum Price**” means a price equal to the product of (x) the greatest RI Closing Value for a Reference Item on any [Strike Day in the Strike Period] [Initial Calculation Day in the Initial Calculation Period] and (y) the Barrier Percentage Strike Price.

“**Barrier Initial Minimum Price**” means an amount equal to the product of (x) the lowest RI Closing Value for such Reference Item on any [Strike Day in the Strike Period] [Initial Calculation Day in the Initial Calculation Period] and (y) the Barrier Percentage Strike Price.

“**Barrier Initial Average Price**” means an amount equal to the product of (x) the arithmetic average of the RI Closing Values for a Reference Item on each [Strike Day in the Strike Period] [Initial Calculation Day in the Initial Calculation Period] and (y) the Barrier Percentage Strike Price.

“**Basket Performance**” means in respect of an ST Valuation Date, (a) the Basket Value in respect of such day minus (b) 100 per cent.

“**Basket Value**” means, in respect of a ST Valuation Date, the sum of the values calculated for each Reference Item in the Basket as (a) the RI Value for such Reference Item in respect of such ST Valuation Date multiplied by (b) the relevant RI Weighting.

“**Basket Intraday Value**” means, in respect of a ST Valuation Date and any time at which a value for all the Reference Items in the Basket is calculated], the sum of the values calculated for each Reference Item in the Basket at such time as (a) the RI Intraday Value for such Reference Item is calculated in respect of such ST Valuation Date multiplied by (b) the relevant RI Weighting.

“**Best Intraday Value**” means, in respect of a ST Valuation Date, the RI Intraday Value for the Reference Item(s) with the highest or equal highest RI Intraday Value for any Reference Item in the Basket in respect of such ST Valuation Date.

“**Best Performance**” means, in respect of a ST Valuation Date, the Performance for the Reference Item(s) with the highest or equal highest Performance for any Reference Item in the Basket in respect of such ST Valuation Date.

“**Best Performing Reference Item**” means, in respect of a ST Valuation Date, the Reference Item(s) with highest or equal highest RI Value for any Reference Item in the Basket in respect of such ST Valuation Date

“**Best Value**” means, in respect of a ST Valuation Date, the RI Value for the Reference Item(s) with the highest or equal highest RI Value for any Reference Item in the Basket in respect of such ST Valuation Date.

“**FX Average Level**” means the arithmetic average of the RI FX Levels for a Reference Item on each [Strike Day in the Strike Period] [Initial Calculation Day in the Initial Calculation Period].

“**FX Closing Level**” means the RI FX Level for a Reference Item on the [Strike Date][Initial Calculation Date].

“**FX Maximum Level**” means the greatest RI FX Level for a Reference Item on any [Strike Day in the Strike Period] [Initial Calculation Day in the Initial Calculation Period].

“**FX Minimum Level**” means the lowest RI FX Level for a Reference Item on any [Strike Day in the Strike Period] [Initial Calculation Day in the Initial Calculation Period].

“**FX Value**” means, in respect of a Reference Item and any day, either (i) the RI FX Level for such day divided by the RI FX Strike Level or (ii) the RI FX Strike Level divided by the RI FX Level for such day, as specified in the Issue Terms.

“**Highest Basket Value**” means, in respect of a ST Valuation Period, the highest or equal highest Basket Value on any ST Valuation Date in such ST Valuation Period.

“**Highest Best Intraday Value**” means, in respect of a ST Valuation Period, the highest or equal highest Best Intraday Value on any ST Valuation Date in such ST Valuation Period.

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

**“Highest Best Value”** means, in respect of a ST Valuation Period, the highest or equal highest Best Value on any ST Valuation Date in such ST Valuation Period.

**“Highest Rainbow Value”** means, in respect of a ST Valuation Period, the highest or equal highest Rainbow Value on any ST Valuation Date in such ST Valuation Period.

**“Highest RI Intraday Value”** means, in respect of a Reference Item and a ST Valuation Period, the highest or equal highest RI Intraday Value for such Reference Item on any ST Valuation Date in such ST Valuation Period.

**“Highest RI Value”** means, in respect of a Reference Item and a ST Valuation Period, the highest or equal highest RI Value for such Reference Item on any ST Valuation Date in such ST Valuation Period.

**“Highest Worst Value”** means, in respect of a ST Valuation Period, the highest or equal highest Worst Value on any ST Valuation Date in such ST Valuation Period.

**“Inflation Rate”** means, in respect of a [ST Valuation Date] [ST Valuation Period], [specify defined term from Payout Condition 5.2 for a Reference Item which is an Inflation Index.]

**“Initial Average Price”** means for a Reference Item, the arithmetic average of the RI Closing Value for a Reference Item on each Strike Day in the Strike Period. [Initial Calculation Day in the Initial Calculation Period]

**“Initial Closing Price”** means the RI Closing Value of a Reference Item on [the Strike Date][the Initial Calculation Date].

**“Initial Maximum Price”** means the highest RI Closing Value for a Reference Item on any [Strike Day in the Strike Period] [Initial Calculation Day in the Initial Calculation Period].

**“Initial Minimum Price”** means the lowest RI Closing Value for a Reference Item on any [Strike Day in the Strike Period] [Initial Calculation Day in the Initial Calculation Period].

**“Intraday Level”** means, in respect of an Index and subject to the Index Linked Conditions, an amount equal to the level (which shall be deemed to be an amount in the currency of the Index) of such Index as determined by the Calculation Agent at any relevant time during the regular trading session hours of the relevant Exchanges, without regard to after hours or any other trading outside of the regular trading session hours, on the relevant ST Valuation Date [multiplied by the FX Value].

**“Intraday Price”** means, in respect of (i) a Share, an ETF Share or a Fund Share and subject to the Equity Linked Conditions the ETF Linked Conditions or the Fund Linked Conditions, as applicable, an amount equal to the price of such Share or Fund Share quoted on the relevant Exchange as determined by the Calculation Agent at any relevant time during the regular trading session hours of the relevant Exchange, without regard to after hours or any other trading outside of the regular trading session hours, on the relevant ST Valuation Date [multiplied by the FX Value]; and (ii) in respect of a Subject Currency and subject to the Foreign Exchange (FX) Rate Conditions, a rate determined by reference to the definition of Settlement Price in the Foreign Exchange (FX) Conditions by the Calculation Agent and for such purpose the applicable Valuation Time shall be any relevant time on the relevant ST Valuation Date.

**“Inverse Performance”** means, in respect of a Reference Item and a ST Valuation Date, (a) the RI Inverse Value in respect of such day minus (b) 100 per cent. [and multiplied by (c) the FX Value]

**“Lowest Basket Value”** means, in respect of a ST Valuation Period, the lowest or equal lowest Basket Value on any ST Valuation Date in such ST Valuation Period.

**“Lowest Best Value”** means, in respect of a ST Valuation Period, the lowest or equal lowest Best Value on any ST Valuation Date in such ST Valuation Period.

**“Lowest Rainbow Value”** means, in respect of a ST Valuation Period, the lowest or equal lowest Rainbow Value on any ST Valuation Date in such ST Valuation Period.

**“Lowest RI Intraday Value”** means, in respect of a Reference Item and a ST Valuation Period, the lowest or equal lowest RI Intraday Value for such Reference Item on any ST Valuation Date in such ST Valuation Period.

**“Lowest RI Value”** means, in respect of a Reference Item and a ST Valuation Period, the lowest or equal lowest RI Value for such Reference Item for all the ST Valuation Dates in such ST Valuation Period.

## ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

“**Lowest Worst Intraday Value**” means, in respect of a ST Valuation Period, the lowest Worst Intraday Value on any ST Valuation Date in such ST Valuation Period.

“**Lowest Worst Value**” means, in respect of a ST Valuation Period, the lowest or equal lowest Worst Value on any ST Valuation Date in such ST Valuation Period.

“**Performance**” means, in respect of a Reference Item and a ST Valuation Date, (a) the RI Value for such Reference Item in respect of such day minus (b) 100 per cent. [, and multiplied by (c) the FX Value]

“**Performance Difference**” means in respect of a ST Valuation Date, the Performance for Reference Item (k=[*specify*]) in respect of such ST Valuation Date minus the Performance for Reference Item (k=[*specify*]) in respect of such ST Valuation Date.

“**Performing RI Strike Price**” means, in respect of a ST Valuation Date, the RI Initial Value in respect of the Reference Item [with the][Worst Value][Best Value][Ranked Value] [on such ST Valuation Date].

“**Rainbow Value**” means, in respect of a ST Valuation Date, the sum of the values calculated for each Reference Item in the Basket as (a) the RI Value for such Reference Item in respect of such ST Valuation Date multiplied by (b) the relevant Ranked RI Weighting.

“**Ranked Basket Value**” means, in respect of a ST Valuation Date, the Basket Value in respect of the Basket with the [first][second][specify] ordinal positioning in the Basket Ranking in respect of such ST Valuation Date.

“**Ranked Value**” means, in respect of a ST Valuation Date, the RI Value in respect of the Reference Item with the [first][second][specify] ordinal positioning in the Ranking in respect of such ST Valuation Date.

“**Restrike Performance**” means, in respect of a Reference Item and a ST Valuation Date (a) (i) the RI Closing Value for such Reference Item in respect of such day divided by (ii) the RI Closing Value for such Reference Item in respect of the immediately preceding ST Valuation Date or if none, the [Strike Date][Initial Calculation Date] (b) less 100 per cent. [, and multiplied by (c) the FX Value].

“**RI Average Value**” means, in respect of a Reference Item and a ST Valuation Date, [(a)] the arithmetic average of the RI Closing Value for such Reference Item in respect of each [set of] Averaging Date[s] specified in relation to such ST Valuation Date, [multiplied by (b) the FX Value].

“**RI Closing Value**” means, in respect of a Reference Item and a ST Valuation Date:

- (a) if the relevant Reference Item is an Index, the Settlement Level (as defined in the Index Linked Conditions);
- (b) if the relevant Reference Item is a Share, the Settlement Price (as defined in the Equity Linked Conditions);
- (c) if the relevant Reference Item is an Inflation Index, the Relevant Level (as defined in the Inflation Linked Conditions);
- (d) if the relevant Reference Item is an Exchange Traded Fund, the Settlement Price of the ETF Share (as defined in the ETF Linked Conditions);
- (e) if the relevant Reference Item is a Fund, the NAV per Fund Share (as defined in the Fund Linked Conditions); [and/or]
- (f) if the relevant Reference Item is a Subject Currency, the Settlement Price (as defined in the Foreign Exchange (FX) Rate Linked Conditions);

in each case on such ST Valuation Date.

“**RI FX Level**” means, in respect of a ST Valuation Date, and for the purpose of converting an amount in respect of a Reference Item into the Specified Currency, [the Settlement Exchange Rate on the RI FX Observation Date immediately following such ST Valuation Date.][the FX rate determined as set out in paragraph 29 in the Issue Terms.][(*include relevant rate or page/service and, if applicable, observation time*)](or any successor to such page or service)] or if it is not reasonably practicable to determine the RI FX Level from such source, the RI FX Level will be determined by the Calculation Agent as the rate it determines would have prevailed but for such impracticability, by reference to any such source(s) and/or any information that the Calculation Agent deems relevant as soon as reasonably practicable thereafter.]



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“**RI FX Rate**” means (i) the RI FX Level, (ii) the FX Value or (iii) the number, as specified in the applicable Issue Terms

“**RI FX Strike Level**” means, in respect of a Reference Item, [*specify rate*][FX Closing Level][FX Maximum Level][FX Minimum Level][FX Average Level].

“**RI Growing Average Value**” means, in respect of a Reference Item and a ST Valuation Date, the arithmetic average of [(a)][i] the RI Closing Value for such Reference Item in respect of each Averaging Date[s] specified in relation to such ST Valuation Date on which the RI Closing Value is [equal to or][higher than] the RI Closing Value in respect of the immediately preceding Averaging Date or if none, the RI Initial Value, divided by [ii] the relevant RI Initial Value [multiplied by (b) the FX Value].

“**RI Initial Value**” means, in respect of a Reference Item, [*specify price*] [Exercise Price] [Initial Closing Price] [Initial Maximum Price] [Initial Minimum Price][Initial Average Price] [Barrier Initial Price] [Barrier Initial Maximum Price] [Barrier Initial Minimum Price] [Barrier Initial Average Price].

“**RI Intraday Level**” means:

- (a) if the relevant Reference Item is an Index, the Intraday Level; or
- (b) if the relevant Reference Item is a Share, an ETF Share or a Fund Share, the Intraday Price; or
- (c) if the relevant Reference Item is a Subject Currency, the Intraday Price.

“**RI Intraday Value**” means, in respect of a Reference Item and a ST Valuation Date, [(a)] (i) the RI Intraday Level for such Reference Item in respect of such ST Valuation Date (ii) divided by the relevant RI Initial Value [multiplied by (b) FX Value].

“**RI Inverse Value**” means, in respect of a Reference Item and a ST Valuation Date, [(a)] (i) the RI Initial Value divided by (ii) the [RI Closing Value][RI Average Value] for such Reference Item in respect of such ST Valuation Date [multiplied by (b) the FX Value].

“**RI Restrike Value**” means, in respect of a Reference Item and a ST Valuation Date (a) the RI Closing Value for such Reference Item in respect of such ST Valuation Date divided by (b) the RI Closing Value for such Reference Item in respect of the immediately preceding ST Valuation Date or if none, the [Strike Date] [Initial Calculation Date].

“**RI Value**” means, in respect of a Reference Item and a ST Valuation Date, [(a)] (i) the [RI Closing Value][RI Average Value] for such Reference Item in respect of such ST Valuation Date, divided by (ii) the relevant RI Initial Value [multiplied by (b) the FX Value] [(*expressed as a percentage*)].

“**RI Value Difference**” means, in respect of a ST Valuation Date, the RI Value for Reference Item (k[=*specify*]) in respect of such ST Valuation Date minus the RI Value for Reference Item (k[=*specify*]) in respect of such ST Valuation Date.

“**Worst Intraday Value**” means, in respect of a ST Valuation Date, the RI Intraday Value for the Reference Item(s) with the lowest or equal lowest RI Intraday Value for any Reference Item in the Basket in respect of such ST Valuation Date.

“**Worst Inverse Value**” means, in respect of ST Valuation Date, the RI Inverse Value for the Reference Item(s) with the lowest or equal lowest RI Inverse Value for any Reference Item in the Basket in respect of such ST Valuation Date.

“**Worst Performance**” means, in respect of a ST Valuation Date, the Performance for the Reference Item(s) with the lowest or equal lowest Performance for any Reference Item in the Basket in respect of such ST Valuation Date.

“**Worst Performing Reference Item**” means, in respect of a ST Valuation Date, the Reference Item(s) with the lowest or equal lowest RI Value for any Reference Item in the Basket in respect of such ST Valuation Date.

“**Worst Value**” means, in respect of a ST Valuation Date, the RI Value for the Reference Item(s) with the lowest or equal lowest RI Value for any Reference Item in the Basket in respect of such ST Valuation Date.

### 5.3. Dates and Periods

Payments under the Warrants may be associated with ST Valuation Dates and/or ST Valuation Periods, as the case may be, as specified in the Issue Terms. For the avoidance of doubt, several set of dates may be used for

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the determination and calculation of a particular payout. If, as a result of application of any provision of these Conditions, the date on which any determination in respect of a payment is due to be made (including, without limitation, any Valuation Date) is postponed (the “**Postponed Date**”) and would consequently fall on or after such relevant payment date (including, without limitation any Automatic Early Expiration Date), the date for such payment shall be postponed to first Business Day immediately succeeding the Postponed Date.

“**RI FX Observation Date**” means, in respect of the RI FX level and a ST Valuation Date, the SER Valuation Date (as may be adjusted in accordance with the Settlement Exchange Rate Provisions) immediately following such ST Valuation Date.

“**ST Valuation Date**” means each [of the][Strike Date][Exercise Date][Exercise Business Day][Specified Exercise Date][Potential Exercise Date] [Final Potential Exercise Date] [Expiration Date][Automatic Early Expiration Valuation Date][Averaging Date][Valuation Date][Settlement Price Date] [Observation Date] [Determination Date] [Knock-in Determination Day][Knock-out Determination Day][Settlement Level Date][Settlement Price Date][Calculation Date][Initial Calculation Date][Final Calculation Date][Fund Valuation Date]

“**ST Valuation Period**” means each [Automatic Early Expiration Valuation Period][ST-Exercise Period][Exercise Period] [Knock-in Determination Period][Knock-out Determination Period] ][Valuation Period][Exercise Period][Observation Period]

### 5.4. Conditional Conditions

If one or more conditions defined below are applicable for the determination and calculation of a payout formula(e), the definition shall be inserted, completed and adjusted in the Issue Terms in order to take into account any value definitions in Payout Condition 5.2, relevant Date(s) and or Periods, and/or other Variable Data.

“**Barrier Condition**” means, in respect of a [ST Valuation Date][ST Valuation Period], that the Barrier Value [on such ST Valuation Date][in respect of ST Valuation Period], as determined by the Calculation Agent, is [greater than][less than][equal to or greater than][less than or equal to] the Barrier.

“**Barrier Condition 1**” means, in respect of a [ST Valuation Date][ST Valuation Period], that the Barrier Value [on such ST Valuation Dates] [in respect of such ST Valuation Period], as determined by the Calculation Agent is [greater than][less than][equal to or greater than][less than or equal to] Barrier 1.

“**Barrier Condition 2**” means, in respect of a [ST Valuation Date] [ST Valuation Period] that the Barrier Value on such [ST Valuation Date] [in respect of such ST Valuation Period], as determined by the Calculation Agent is [greater than][less than][equal to or greater than][less than or equal to] Barrier [1][, but is [greater than][less than][equal to or greater than][less than or equal to] Barrier 2.]

“**Booster Condition**” means, in respect of the ST Valuation Date, that the Final Value on such ST Valuation Date, as determined by the Calculation Agent, is equal to or greater than the Final Level.

“**Final Condition**” means, in respect of the ST Valuation Date, that the Final Value on such ST Valuation Date, as determined by the Calculation Agent, is equal to or greater than the Final Level.

“**Range Condition [1][2]**” means, in respect of a [ST Valuation Date] [ST Valuation Period] that the Range Value on such [ST Valuation Date] [in respect of such ST Valuation Period], as determined by the Calculation Agent is [greater than][greater than or equal to] the Barrier [1] and [less than][less than or equal to] the Barrier [2].

### 5.5. Enumeration Convention

Without prejudice to any other provision of these Payout Conditions and as a general rule the following suffixes in relation to the payout terms will be used. Other suffix terms may be selected and may be included in the Issue Terms with other definitions or provisions from the Payout Conditions:

“**i**” [from i = [specify] to i = [specify]] or “**m**” [from m = [specify] to m = [specify]] in relation to the relevant ST Valuation Date or ST Valuation Period.

“**j**” [from j = [specify] to j = [specify]] means the relevant Strike Date.

“**k**” [from k = [specify] to k = [specify]] means the relevant Reference Item.

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“**q**” [from q = [specify] to q = [specify] or “**t**” [from t = [specify] to t = [specify] means the relevant Observation Date or ST Valuation Date.

Any of these suffixes will be inserted, completed and explained, if necessary, in the Issue Terms and a table for a better understanding may be included, especially in case two or more suffixed apply.

### 6. Settlement Exchange Rate Provisions

If Settlement Exchange Rate Provisions are specified as applicable in the Issue Terms, then notwithstanding the Warrants are denominated in, and calculations made in respect of, the Specified Currency (the “**SER Subject Currency**”), “), as shall be specified in the Issue Terms either, (i) all payments or (ii) only those payments to which the Settlement Exchange Rate Provisions are specified to apply, in respect of the Warrants shall be made in the Settlement Currency (the “**Settlement Currency**”).

Unless SER—Intermediate Currency Requirements are specified as applicable in the Issue Terms, the Calculation Agent will determine the amount to be paid in the SER Base Currency by applying the Settlement Exchange Rate to the amount that would have been payable in the SER Subject Currency were it not for the provisions of this Payout Condition 6.

If SER Intermediate Currency Requirements are specified as applicable in the Issue Terms, the Calculation Agent will determine the amount to be paid in the SER Base Currency by (i) applying the Settlement Exchange Rate to the amount that would have been payable in the SER Subject Currency were it not for the provisions of this Payout Condition 6 to produce an amount denominated in the SER Intermediate Currency, and then (ii) applying the Second Settlement Exchange Rate to such amount denominated in the SER Intermediate Currency.

Any such payment shall be made on the date such payment would have otherwise been due provided that, if limb (b) of the definition of “Settlement Exchange Rate” below applies, such payment may be deferred in accordance with Payout Condition 6.1(e) below if the SER Valuation Date is postponed as set out herein. No additional amount shall be payable in respect of any such delay.

#### 6.1. SER Valuation and Disruption Provisions

The provisions of this Payout Condition 6.1 apply only in respect of the SER Subject Currency, where Settlement Exchange Rate Provisions are specified as applicable in the Issue Terms and limb (b) and/or (c) of the definition of “Settlement Exchange Rate” below applies.

##### (a) SER Disruption Events

The occurrence of any of the following events shall be a “**SER Disruption Event**”:

Where the Settlement Exchange Rate is specified in the Issue Terms as USD/PEN, USD/CLP or USD/ COP, unless otherwise specified in the Issue Terms, the occurrence of a Price Source Disruption, or any other event that, in the opinion of the Calculation Agent, is analogous thereto and/or, where so specified in the Issue Terms, the occurrence of any of the events set out in sub-paragraphs (ii) to (viii) below or any other event that in the opinion of the Calculation Agent is analogous thereto.

In respect of any other Settlement Exchange Rate, if so specified in the Issue Terms, the occurrence of any of the following events:

- (i) Price Source Disruption;
- (ii) Illiquidity Disruption;
- (iii) Dual Exchange Rate;
- (iv) General Inconvertibility;
- (v) General Non-Transferability;
- (vi) Material Change in Circumstance;
- (vii) Nationalisation;
- (viii) Price Materiality; and/or

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any other event that, in the opinion of the Calculation Agent, is analogous to any of (i) to (viii) above.

The Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with General Condition 10 of the occurrence of a SER Disrupted Day on any day that but for the occurrence of the SER Disrupted Day would have been a SER Valuation Date.

### (b) Consequences of a SER Disruption Event

Upon a SER Disruption Event occurring or continuing on any SER Valuation Date (or, if different, the day on which prices for that date would, in the ordinary course, be published by the relevant SER Price Source) as determined by the Calculation Agent, the Calculation Agent shall apply in determining the consequences of the SER Disruption Event: (a) Calculation Agent Determination where the applicable SER Disruption Event is other than Price Source Disruption or Price Materiality; and (b) the applicable SER Disruption Fallback where the applicable SER Disruption Event is a Price Source Disruption or Price Materiality.

### (c) SER Unscheduled Holiday

If the Calculation Agent determines that a date that would otherwise have been a SER Valuation Date is a SER Unscheduled Holiday in respect of the SER Subject Currency then such date shall be the immediately succeeding SER Scheduled Trading Day after the occurrence of the SER Unscheduled Holiday, subject as provided above, and Provided That if such SER Valuation Date has not occurred on or before the SER Maximum Days of Postponement then the next SER Scheduled Trading Day after such period that would have been a SER Scheduled Trading Day but for the SER Unscheduled Holiday shall be deemed to be the relevant date for valuation and the Settlement Exchange Rate shall be determined by the Calculation Agent on such day in its sole discretion acting in good faith having taken into account relevant market practice and by reference to such additional source(s) as it deems appropriate.

### (d) SER Cumulative Events

If “SER Cumulative Events” is specified as applicable in the Issue Terms, then, in no event shall the total number of consecutive calendar days during which a SER Valuation Date is deferred due to either (i) a SER Unscheduled Holiday or (ii) a SER Valuation Postponement (or a combination of both (i) and (ii)) exceed the SER Maximum Cumulative Days of Postponement in the aggregate. If a SER Valuation Date is postponed by the number of calendar days equal to the SER Maximum Cumulative Days of Postponement and at the end of such period (i) a SER Unscheduled Holiday shall have occurred or be continuing on the day immediately following such period (the “**Final Day**”), then such Final Day shall be deemed to be the relevant SER Valuation Date and (ii) if a Price Source Disruption shall have occurred or be continuing on the Final Day, then Valuation Postponement shall not apply and the Settlement Exchange Rate shall be determined in accordance with the next applicable SER Disruption Fallback. Unless otherwise specified in the Issue Terms, SER Cumulative Events will be deemed to be specified as applicable for the purposes of this Condition (d) if the Settlement Exchange Rate is specified in the Issue Terms as either USD/PEN, USD/CLP or USD/COP.

### (e) Postponement of payment or settlement days

Where any SER Valuation Date is postponed as a consequence of the provisions of this Payout Condition 6.1, then the corresponding date for payment or delivery of any assets shall fall on the later of

(a) the date for such payment or delivery otherwise determined in accordance with the Issue Terms and (b) (i) where the Settlement Exchange Rate is specified in the Issue Terms as USD/PEN, USD/CLP or USD/COP, the day falling two SER Number of Postponement Settlement Days after the SER Valuation Date, unless otherwise specified in the Issue Terms, and (ii) in the case of any other Settlement Exchange Rate, the day falling the SER Number of Postponement Settlement Days specified in the Issue Terms (or, if none are so specified, two Business Days) after the SER Valuation Date.

## 6.2. Consequences of a SER Additional Disruption Event

Other than where limb (a) of the definition of “Settlement Exchange Rate” below applies, if the Calculation Agent determines that a SER Additional Disruption Event has occurred, the Issuer may settle the Warrants by giving notice to Warrantholders in accordance with General Condition 10. If the Warrants are so settled the Issuer will pay an amount to each Warrantholder (if any) in respect of each Warrant held by him which amount shall be the fair market value of a Warrant (which may be zero), taking into account the SER Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging

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arrangements all as determined by the Calculation Agent in its sole and absolute discretion. Payments (if any) will be made in such manner as shall be notified to the Warrantholders in accordance with General Condition 10.

### 6.3. Definitions

**“Change in Law”** means that, on or after the Trade Date (as specified in the Issue Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it is unable to perform its obligations in respect of the Warrants or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Warrants.

**“Dual Exchange Rate”** means that the SER Subject Currency splits into dual or multiple currency exchange rates.

**“EMTA”** means EMTA, Inc., the trade association for the Emerging Markets.

**“Exchange Rate Divergence”** means:

- (i) if the Settlement Exchange Rate specified in the Issue Terms is USD/ARS, that, in the reasonable opinion of not less than 5 unaffiliated EMTA Members notified to EMTA (or its successor) by no later than 4 p.m., Buenos Aires time on the SER Valuation Date, the SER Price Source has failed, for a period of not less than three consecutive SER Scheduled Trading Days (for any reason, including due to a split in the currency exchange rate or other event) to reflect the current prevailing Argentine Peso bid and offer rates for a standard size Argentine Peso/U.S. Dollar financial transaction for same-day settlement in the Buenos Aires marketplace on the SER Valuation Date; and
- (ii) if the Settlement Exchange Rate specified in the Issue Terms is USD/BRL, that, in the reasonable and independent judgement, as notified to EMTA in accordance with the EMTA BRL Exchange Rate Divergence Procedures, of not less than 7 unaffiliated EMTA members that are recognized market makers active in the BRL/U.S. Dollar foreign exchange market (no less than 4 of which shall be active participants in the onshore BRL/USD spot market), the SER Price Source (following a split of the exchange rates in Brazil or otherwise) no longer reflects the then-prevailing Brazilian Reais / U.S. Dollar spot rate for standard-size wholesale financial transactions involving the exchange of Brazilian Reais for U.S. Dollars delivered outside of Brazil, and
- (iii) if the Settlement Exchange Rate specified in the Issue Terms is a rate other than USD/ARS or USD/BRL but, it is specified in the relevant EMTA Template Terms as determined by the Calculation Agent as of the Issue Date and in respect of such Settlement Exchange Rate, that Price Source Disruption shall include Exchange Rate Divergence, then Exchange Rate Divergence shall have the meaning given in the relevant EMTA Template Terms with respect to such Settlement Exchange Rate.

**“General Inconvertibility”** means the occurrence of any event that generally makes it impossible to convert a SER Subject Currency into the SER Base Currency or a SER Subject Currency into the SER Intermediate Currency in a SER Subject Currency Jurisdiction through customary legal channels.

**“General Non-Transferability”** means the occurrence of any event that generally makes it impossible to deliver (A) the SER Base Currency from accounts inside a SER Subject Currency Jurisdiction to accounts outside a SER Subject Currency Jurisdiction or (B) the SER Subject Currency between accounts inside a SER Subject Currency Jurisdiction or to a party that is a non-resident of a SER Subject Currency Jurisdiction.

**“Governmental Authority”** means (i) any *de facto or de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or (ii) any other entity (private or public) charged with the regulation of the financial markets (including the central bank), in each case in any relevant jurisdiction.

**“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 any relevant price risk of the Issuer issuing and performing its obligations with respect to the Warrants, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

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**“Illiquidity Disruption”** means the occurrence of any event in respect of the SER Subject Currency whereby it becomes impossible for the Calculation Agent to obtain a firm quote for such currency in an amount deemed necessary by the Calculation Agent to hedge its obligations under the Warrants (in one or more transaction(s)) on the relevant SER Valuation Date (or, if different, the day on which rates for such SER Valuation Date would, in the ordinary course, be published or announced by the relevant SER Price Source).

**“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 market risk (including, without limitation foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Warrants, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

**“Initial Settlement Exchange Rate”** or **“Initial SER”** means the rate specified as such in the Issue Terms

**“Second Settlement Exchange Rate”** means the rate published on the price source (or successor to such source) at the observation time, both specified as such in the Issue Terms, for the exchange of the SER Settlement Currency per one unit of the SER Intermediate Currency, however, (i) if it is not reasonably practicable to determine such rate at such time due to a SER Disruption Event or such other delay or postponement in converting the SER Base Currency into the SER Intermediate Currency, the Calculation Agent shall, subject to the consequence of such event, observe such rate as soon as practicable once the conversion into the Intermediate Currency has taken place, or (ii) if it is not reasonably practicable to determine the Second Settlement Exchange Rate from such source, the Second Settlement Exchange Rate will be determined by the Calculation Agent as the rate it determines would have prevailed but for such impracticability by reference to such source(s) as it deems appropriate for the exchange of the SER Intermediate Currency per one unit of the SER Base Currency at or about the time and by reference to such source(s) as the Calculation Agent deems appropriate.

**“Material Change in Circumstance”** means the occurrence of any event (other than those events specified as SER Disruption Events) in the SER Subject Currency Jurisdiction beyond the control of the parties to a hedging arrangement in respect of the Warrants which makes it impossible (A) for a party to fulfill its obligations under the hedging arrangement or (B) generally to fulfil obligations similar to such party’s obligations under that hedging arrangement.

**“Nationalisation”** means any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives a party to a hedging arrangement in respect of the Warrants of all or substantially all of its assets in the SER Subject Currency Jurisdiction.

**“Price Materiality”** means that, in the determination of the Calculation Agent, the SER Primary Rate differs from any SER Secondary Rate by at least the SER Price Materiality Percentage or if there are insufficient responses on the relevant SER Valuation Date to any survey used to calculate any such rate, then the SER Price Materiality Percentage will be deemed to be met.

**“Price Source Disruption”** means, in respect of any date on which a calculation is due to be made in accordance with these Settlement Exchange Rate provisions, that it becomes impossible to obtain the rate or rates from which the Settlement Exchange Rate is calculated and, where the Settlement Exchange Rate is specified in the Issue Terms as:

- (i) USD/ARS;
- (ii) USD/BRL; or
- (iii) any other Settlement Exchange Rate in respect of which the Calculation Agent determines that as of the Issue Date, the relevant EMTA Template Terms for such rate (if any) specifies that Price Source Disruption includes Exchange Rate Divergence,

then Price Source Disruption shall include Exchange Rate Divergence.

**“Relevant Screen Page”** means the relevant page specified as such in the Issue Terms or any successor to such page or service acceptable to the Calculation Agent.

**“Settlement Currency”** means the currency specified as such in the Issue Terms.

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**“Settlement Exchange Rate”** means (a) the rate specified as such in the Issue Terms, (b) if no such rate is specified and, subject as referred to in Payout Condition 6.1 above, the rate of exchange appearing on the SER Price Source at the SER Valuation Time on the relevant SER Valuation Date for the exchange of the SER Subject Currency per one unit of the SER Base Currency for settlement on the SER Number of Settlement Days; or (c) if SER Intermediate Currency Requirements are specified as applicable in the Issue Terms and no rate is specified as the Settlement Exchange Rate in the Issue Terms, the rate of exchange appearing on the SER Price Source at the SER Valuation Time on the relevant SER Valuation Date for the exchange of the SER Subject Currency per one unit of the SER Intermediate Currency for settlement on the SER Number of Settlement Days.

**“SER Additional Disruption Event”** means (i) (unless specified otherwise in the Issue Terms) Change in Law, or (ii) Hedging Disruption or Increased Cost of Hedging, if specified in the Issue Terms.

**“SER Disrupted Day”** means any SER Scheduled Trading Day on which the Calculation Agent determines that a SER Disruption Event has occurred.

**“SER Disruption Fallback”** means a source or method that may give rise to an alternative basis for determining the Settlement Exchange Rate when a SER Disruption Event occurs or exists on a day that is a SER Valuation Date (or, if different, the day on which prices for that date would, in the ordinary course, be published or announced by the SER Price Source) being,

- (i) where the Settlement Exchange Rate is specified in the Issue Terms as USD/PEN, USD/CLP or USD/COP in the following order: Valuation Postponement and Calculation Agent Determination (unless otherwise specified in the Issue Terms); and
- (ii) in the case of any other Settlement Exchange Rate, any of Calculation Agent Determination, First Fallback Reference Price, Second Fallback Reference Price and Valuation Postponement, as so specified in the Issue Terms for such SER Subject Currency.

Where more than one SER Disruption Fallback is so specified then such SER Disruption Fallbacks shall apply in the order in which they are specified either in (i) or (ii) above or in the Issue Terms until the Settlement Exchange Rate can be determined for such exchange rate relating to that SER Settlement Currency, for such SER Valuation Date.

Where:

**“Calculation Agent Determination”** means that the Calculation Agent shall determine the Settlement Exchange Rate taking into consideration all information that it deems relevant. If the Calculation Agent determines that it is not possible to determine the Settlement Exchange Rate, the Issuer may cancel all but not some only of the Warrants pursuant to General Condition 4(k).

**“First Fallback Reference Price”** means that the Calculation Agent shall determine the Settlement Exchange Rate by reference to the applicable First Fallback Reference Price and, for which purpose, references in the definition of Settlement Exchange Rate to “SER Price Source”, “SER Valuation Time” and “SER Number of Settlement Days” shall be construed, respectively, to be to “SER First Fallback Price Source”, “SER First Fallback Valuation Time” and “SER First Fallback Number of Settlement Days” (in each case, where such terms shall have the meanings given to them in the Issue Terms).

**“Second Fallback Reference Price”** means that the Calculation Agent shall determine the Settlement Exchange Rate by reference to the applicable Second Fallback Reference Price and, for which purpose, references in the definition of Settlement Exchange Rate to “SER Price Source”, “SER Valuation Time” and “SER Number of Settlement Days” shall be construed, respectively, to be to “SER Second Fallback Price Source”, “SER Second Fallback Valuation Time” and “SER Second Fallback Number of Settlement Days” (in each case, where such terms shall have the meanings given to them in the Issue Terms).

**“SER Intermediate Currency”** means the currency specified as such in the applicable Issue Terms.

**“SER Maximum Cumulative Days of Postponement”** means (i) where the SER Subject Currency is PEN, CLP or COP, 30 calendar days, unless otherwise specified in the Issue Terms, and (ii) for any other SER Subject Currency, the number of days specified as such in the Issue Terms or, if no such number is specified, 30 calendar days.

**“SER Maximum Days of Postponement”** means the number of days specified as such in the Issue Terms or, if no such number is specified, 30 calendar days.

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**“SER Number of Settlement Days”** means, in respect of a SER Subject Currency, the number of days on which commercial banks are open (or, but for the occurrence of a SER Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the SER Settlement Day Centre(s) (each, a **“SER Settlement Day”**). Where no such number or zero is so specified, then such rate shall be for settlement on the same day, provided that

(i) where the Subject Currency is CLP, unless otherwise specified in the Issue Terms, the SER Number of Settlement Days shall be deemed to be 1 and (ii) where the Subject Currency is PEN or COP, unless otherwise specified in the Issue Terms, the SER Number of Settlement Days shall be deemed to be zero.

**“SER Price Materiality Percentage”** means the percentage specified as such in the Issue Terms or, if no such percentage is specified, 3 per cent.

**“SER Price Source”** means

- (a) where the Settlement Exchange Rate is specified in the Issue Terms as USD/PEN, unless otherwise specified in the Issue Terms, in respect of a SER Valuation Date the **“PEN INTERBANK AVE (PEN05) Rate”** being the PEN/USD average exchange rate in the interbank market, expressed as the amount of PEN per one USD for settlement on the same day, reported by the Banco Central de Perú (www.bcrp.gob.pe) (or any successor or replacement to such page) as the **“Tipo de Cambio Interbancario Promedio”** at approximately 2.00 p.m. Lima Time (the **“SER Valuation Time”**) on that SER Valuation Date;
- (b) where the Settlement Exchange Rate is specified in the Issue Terms as USD/CLP, unless otherwise specified in the Issue Terms, in respect of a SER Valuation Date the **“CLP DÓLAR OBS (CLP 10)”** rate being the USD/CLP exchange rate, expressed as the amount of CLP per one USD, for settlement in one SER Scheduled Trading Day reported by the Banco Central de Chile (www.bcentral.cl) (or any successor or replacement to such page) as the **“Dólar Observado”** rate by no later than 10.30 a.m. Santiago time (the **“SER Valuation Time”**), on the first SER Scheduled Trading Day following that SER Valuation Date (or any successor or replacement to such page);
- (c) where the Settlement Exchange Rate is specified in the Issue Terms as USD/COP, unless otherwise specified in the Issue Terms, in respect of a SER Valuation Date the **“COP TRM (COP02) Rate”** being the USD/COP exchange rate for such day, expressed as the amount of COP per one USD, for settlement on the same day reported by the Colombian Financial Superintendency as published on its website (www.banrep.gov.co) (or any successor or replacement to such page) as the **“Tasa Representativa del Mercado (TRM)”** (also referred to as the **“Tasa de Cambio Representativa del Mercado”** (TCRM)) by no later than 10.30 a.m. Bogotá time (the **“SER Valuation Time”**) on the first SER Scheduled Trading Day following such SER Valuation Date; or
- (d) for any other Settlement Exchange Rate, such other price source(s) specified as such in the Issue Terms (or any successor to such price source(s) as determined by the Calculation Agent.

**“SER Primary Rate”** means the rate specified as such in the Issue Terms.

**“SER Secondary Rate”** means the rate specified as such in the Issue Terms.

**“SER Settlement Day Centres”** means (i) where the Settlement Exchange Rate is specified in the Issue Terms as USD/PEN, USD/COP or USD/CLP, New York (unless otherwise specified in the Issue Terms) and (ii) for any other Settlement Exchange Rate, each SER Settlement Day Centre specified as such in the Issue Terms.

**“SER Scheduled Trading Day”** means a day on which commercial banks are open (or, but for the occurrence of a SER Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the or each SER Scheduled Trading Day City specified in the Issue Terms provided that where the SER Subject Currency is BRL, then notwithstanding the foregoing, if the relevant SER Valuation Date falls on a date that, as at the Trade Date, is not a scheduled day on which commercial banks are open (or, but for the occurrence of a Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in New York City (an **“NYC Business Day”**) then no adjustment to such date shall be made on account of the fact that such date is not an NYC Business Day.

**“SER Scheduled Trading Day City/Cities”** means (i) where the Settlement Exchange Rate is specified in the Issue Terms as USD/PEN, the SER Scheduled Trading Day City/Cities shall be, unless otherwise specified in the Issue Terms, New York City and Lima, (ii) where the Settlement Exchange Rate is specified in the Issue Terms as USD/CLP, the SER Scheduled Trading Day City/Cities shall be, unless otherwise specified in the



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Issue Terms, in New York City and Santiago; (iii) where the Settlement Exchange Rate is specified in the Issue Terms as USD/COP, the SER Scheduled Trading Day City/Cities shall be, unless otherwise specified in the Issue Terms, New York City and Bogotá; and (iv) in other cases the city or cities specified in the Issue Terms

“**SER Subject Currency**” means the currency specified as such in the Issue Terms.

“**SER Subject Currency Jurisdiction**” means each country for which the SER Subject Currency is the lawful currency or each country for which the SER Intermediate Currency is the lawful currency, as the case may be.

“**SER Unscheduled Holiday**” means a day that is not a SER Scheduled Trading 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 principal financial centre of the SER Subject Currency two SER Scheduled Trading Days prior to the relevant scheduled SER Valuation Date.

“**SER Valuation Date**” means any date specified as such in the Issue Terms or, if such day is not a SER Scheduled Trading Day, the immediately preceding SER Scheduled Trading Day and, in the event of a SER Unscheduled Holiday, subject to adjustment as set out in Payout Condition 6.1(c) above, unless, in the opinion of the Calculation Agent, the resultant day is a SER Disrupted Day, in which case the provisions of Payout Condition 6.1(b) shall apply. Where the amount so due is the Early Redemption Amount, then the SER Valuation Date shall be deemed to be the fifth SER Scheduled Trading Day prior to the date of early settlement of the Warrants.

“**SER Valuation Time**” means, unless otherwise specified in the Issue Terms, (i) where the Settlement Exchange Rate is specified in the Issue Terms as USD/PEN, approximately 2.00 p.m. Lima Time on the SER Valuation Date, (ii) where the Settlement Exchange Rate is specified in the Issue Terms as USD/CLP, no later than 10.30 a.m. Santiago time on the first SER Scheduled Trading Day following the SER Valuation Date, (iii) where the Settlement Exchange Rate is specified in the Issue Terms as USD/COP, no later than 10.30 a.m. Bogotá time on the first SER Scheduled Trading Day following the SER Valuation Date, or (iv) the time at which the SER Price Source publishes the relevant rate or rates from which the Settlement Exchange Rate is calculated.

“**Valuation Postponement**” means that the Settlement Exchange Rate, shall be determined on the immediately succeeding SER Scheduled Trading Day which is not a SER Disrupted Day unless the Calculation Agent determines that no such SER Scheduled Trading Day which is not a SER Disrupted Day has occurred on or before the day falling the SER Maximum Days of Postponement following the originally designated SER Valuation Date, as the case may be. In such event, the Settlement Exchange Rate shall be determined on the next SER Scheduled Trading Day after the SER Maximum Days of Postponement (notwithstanding the fact that day may be a SER Disrupted Day) in accordance with the next applicable SER Disruption Fallback.

## ANNEX 2

### ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED WARRANTS

*If specified as applicable in the Issue Terms, the terms and conditions applicable to Index Linked Warrants shall comprise the General Conditions and the additional terms and conditions for Index Linked Warrants set out below (the “**Index Linked Conditions**”), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between the General Conditions and the Index Linked Conditions, the Index Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Index Linked Conditions and (ii) the Issue Terms, the Issue Terms shall prevail.*

#### 1. Disrupted Day

The Calculation Agent shall give notice as soon as practicable to the Issuer and the Issuer shall give notice as soon as practicable to the Guarantor, the Principal Warrant Agent and the Warrantheolders in accordance with General Condition 10 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Automatic Early Expiration Valuation Date, an Averaging Date, a Knock-in Determination Day or a Knock-out Determination Day, an Observation Date or a Valuation Date, as the case may be.

#### 2. Adjustments to an Index

##### (a) Successor Index Sponsor Calculates and Reports an Index

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

##### (b) Modification and Cessation of Calculation of an Index

If (i) on or prior to the last Averaging Date, the last Observation Date, the last Valuation Date, the last Knock-in Determination Day, the last Knock-out Determination Day the last Strike Date, or last Automatic Early Expiration 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 capitalisation, contracts or commodities and other routine events) (an “**Index Modification**”), or permanently cancels a relevant Index and no Successor Index exists (an “**Index Cancellation**”), or (ii) on an Averaging Date, an Observation Date, a Valuation Date, a Knock-in Determination Day, a Knock-out Determination Day or an Automatic Early Expiration Valuation Date, as the case may be, 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,

- (i) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Warrants and, if so, shall calculate the relevant Settlement 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, Observation Date, Averaging Date, Knock-in Determination Day, Knock-out Determination Day or Automatic Early Expiration 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 that comprised that Index immediately prior to that Index Adjustment Event; or
- (ii) where the Issuer determines that no adjustment has been proposed by the Related Exchange and that no other action will produce a commercially reasonable result, the Issuer, in its sole and absolute discretion may on giving notice to Warrantheolders in accordance with General Condition 10 (*Notices*):
- (iii) cancel all but not some only of the Warrants, each Warrant being cancelled by payment of an amount equal to the fair market value of a Warrant taking into account the relevant Extraordinary Event (the “**Calculated Index Adjustment Amount**”), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the “**Modified Calculated Index**”)

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED WARRANTS

**Adjustment Amount**”), all as determined by the Calculation Agent in its sole and absolute discretion, as soon as practicable following the occurrence of the relevant Extraordinary Event (the “**Calculated Index Adjustment Amount Determination Date**”); or

- (iv) require the Calculation Agent to determine the Calculated Index Adjustment Amount on the Calculated Index Adjustment Amount Determination Date, and cancel each Warrant on the scheduled Expiration Date by payment of the Calculated Index Adjustment Amount.

Notwithstanding (i) and (ii) above, if there are any options or future contracts of the Index traded on the Related Exchange, the Calculation Agent may instead in its sole and absolute discretion, upon the occurrence of an Index Adjustment Amount, make the corresponding adjustments made on any Related Exchange (an “**Exchange Based Adjustment**”).

### (c) Notice

Upon the occurrence of an Index Adjustment Event, the Calculation Agent shall, as soon as practicable, other than in the case of an Exchange Based Adjustment, notify the Issuer of any determination made by it pursuant to paragraph (b) above and the Issuer shall give notice as soon as practicable to the Warrantholders in accordance with General Condition 10 (*Notices*) stating the occurrence of the Index Adjustment 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 Index Adjustment Event or the proposed action.

### 3. Correction of Index

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Warrants calculated by reference to the level of an Index, if the relevant level of the Index published on a given day which is used or to be used by the Calculation Agent to make any determination under the Warrants is subsequently corrected and the correction is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor, (i) in respect of a Composite Index, no later than five Exchange Business Days following the date of the original publication or, (ii) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Warrants calculated by reference to the level of the Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

### 4. Additional Disruption Events

- (a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) or (if applicable) (iii) below:
  - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to the Exercise Price and/or the Weighting and/or any of the other terms of and the General Conditions, these index Linked Conditions and/or the Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) cancel the Warrants by giving notice to Warrantholders in accordance with General Condition 10 (*Notices*). If the Warrants are so cancelled the Issuer will pay an amount to each Warrantholder in respect of each Warrant held by him which amount shall be the fair market value of a Warrant taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if applicable and already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with General Condition 10 (*Notices*); or
  - (iii) require the Calculation Agent to calculate the Calculated Additional Disruption Amount as soon as practicable following the occurrence of the Additional Disruption Event (the “**Calculated Additional Disruption Amount Determination Date**”) and on the Expiration Date shall cancel each Warrant at an amount calculated by the Calculation Agent equal to the Calculated Additional Disruption Amount plus interest accrued on the Calculated Additional Disruption Amount on a daily basis from and including the Calculated Additional Disruption Amount Determination Date to but excluding the

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED WARRANTS

Expiration Date, each such daily accrual being at a rate equal to Issuer's funding cost on or about the relevant day.

- (b) Upon the occurrence of an Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable and the Issuer shall give notice as soon as practicable to the Warrantheolders in accordance with General Condition 10 (Notices) stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event or the proposed action.

### 5. Knock-in Event and Knock-out Event

- (a) This Index Linked Condition 5 is applicable only if:
  - (i) Knock-in Event is specified as applicable in the Issue Terms, in which case any payment under the Warrants which is expressed to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event; or
  - (ii) Knock-out Event is specified as applicable in the Issue Terms, in which case any payment under the relevant Warrants which is expressed to be subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.
- (b) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the Issue Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one hour period that begins or ends at the Valuation Time the level of the Index triggers the Knock-in Barrier or the Knock-out Barrier, a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the level of the Index as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of Valuation Date.
- (c) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the Issue Terms is any time or period of time other than the Valuation Time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the level of the Index triggers the Knock-in Barrier or the Knock-out Barrier, a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the level of the Index as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of Valuation Date.

### 6. Automatic Early Expiration Event

If "**Automatic Early Expiration**" is specified as applicable in the Issue Terms, then unless previously exercised or purchased and cancelled, if (i) on any Automatic Early Expiration Valuation Date or (ii) in respect of an Automatic Early Expiration Valuation Period, if on any or all Automatic Early Expiration Valuation Date(s) as specified in the Issue Terms, an Automatic Early Expiration Event occurs, then the Warrant shall be cancelled in whole, but not in part, on the Automatic Early Expiration Settlement Date immediately following such Automatic Early Expiration Valuation Date or Automatic Early Expiration Valuation Period, as applicable, and the Issuer shall settle each Warrant at an amount in the relevant currency, as specified in the Issue Terms equal to the relevant Automatic Early Expiration Amount.

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED WARRANTS

### 7. Definitions

“**Additional Disruption Event**” means (i) (unless specified otherwise in the Issue Terms) Change in Law, and (ii) any of Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow and/or Loss of Stock Borrow if specified in the Issue Terms.

“**AEE Value**” has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1 (*Value Definitions*).

“**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.

“**Automatic Early Expiration Amount**” means an amount, calculated as set out in the Issue Terms.

“**Automatic Early Expiration Settlement Date**” means each date specified as such in the Issue Terms or if such date is not a Business Day, the next following Business Day, and no Warrantholder shall be entitled to any further payment in respect of such delay.

“**Automatic Early Expiration Event**” means the AEE Value is (A),

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Automatic Early Expiration Trigger, (i), (ii), (iii) or (iv) or (B) within the Automatic Early Expiration Range as specified in the Issue Terms.

“**Automatic Early Expiration Range**” means the range of levels, amounts, numbers or percentages specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these Index Linked Conditions.

“**Automatic Early Expiration Trigger**” means the level, amount, number or percentage specified as such in the Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Index Linked Conditions.

“**Automatic Early Expiration Valuation Date**” means each date specified as such in the Issue Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions of the definition of Valuation Date which apply mutatis mutandis as if references in such provisions to Valuation Date were to Automatic Early Expiration Valuation Date.

“**Automatic Early Expiration Valuation Period**” means each period specified as such in the Issue Terms;

“**Automatic Early Expiration Valuation Time**” has the meaning given to it in the Issue Terms.

“**Averaging Date**” means each date specified as an Averaging Date in the Issue Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) if “**Omission**” is specified as applying in the Issue Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Level provided that, if through the operation of this provision no Averaging Dates would occur, then the Averaging Date will not be omitted and the provisions of the definition of “Valuation Date” will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if “**Postponement**” is specified as applying in the Issue Terms, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the relevant level, price or amount 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

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED WARRANTS

- (c) if “**Modified Postponement**” is specified as applying in the Issue Terms then:
- (i) where the Warrants are Index Linked Warrants relating to a single Index, the Averaging Date shall be the first succeeding Valid Date (as defined in (iii) below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of “Valuation Date” below;
  - (ii) where the Warrants are Index Linked Warrants relating to a Basket of Indices, the Averaging Date for each Index shall be the first succeeding Valid Date in relation to every Index forming part of the Basket of Indices. If the first succeeding Valid Date in relation to every Index forming part of the Basket of Indices has not occurred for a number of consecutive Scheduled Trading days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date) in respect of every Index forming part of the Basket of Indices, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of “Valuation Date” below; and
  - (iii) for the purposes of these Index Linked Conditions “**Valid Date**” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

“**Basket of Indices**” means a basket composed of each Index specified in the Issue Terms subject to the Weightings

“**Change in Law**” means that, on or after the Trade Date (as specified in the Issue Terms) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant hedge positions relating to an Index and/or (B) the Issuer will incur a materially increased cost in performing its obligations in relation to the Index Linked Warrants (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).

“**Clearance System**” means the principal domestic clearance system customarily used for settling trades in the relevant securities.

“**Clearance System Business Days**” means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions.

“**Component Security**” means, in respect of a Composite Index, each component security of such Index.

“**Composite Index**” means any Index in respect of which the component securities are principally traded on more than one exchange, as determined by the Calculation Agent.

“**Disrupted Day**” means:

- (a) (i) in the case of a Composite Index, any Scheduled Trading Day on which: (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred; and
- (ii) in the case of any Index which is not a Composite Index, any Scheduled Trading Day on which (i) the relevant Exchange and/or any Related Exchange fails to open for trading during their regular trading session or (ii) a Market Disruption Event has occurred.

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED WARRANTS

- (b) Where Exchange Business Day (Cross Asset Basis) and Scheduled Trading Day (Cross Asset Basis) are specified as applicable in the Issue Terms for (i) Index Linked Warrants and (ii) Equity Linked Warrants and/or ETF Linked Warrants, a Disrupted Day occurs under and as defined in the Equity Linked Conditions and/or the ETF Linked Conditions.

**“Early Closure”** means:

- (a) in the case of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and
- (b) in the case of any Index which is not a Composite Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of such Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

**“Exchange”** means:

- (a) in the case of a Composite Index, in respect of each Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent; and
- (b) in the case of any Index which is not a Composite Index, each exchange or quotation system specified as such for such Index in the Issue Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange).

**“Exchange Business Day”** means either (i) in the case of a single Index, Exchange Business Day (Single Index Basis) or (ii) in the case of a Basket of Indices, (a) Exchange Business Day (All Indices Basis) or (b) Exchange Business Day (Per Index Basis) or (c) Exchange Business Day (Cross Asset Basis), in each case as specified in the Issue Terms, provided that if no such specification is made in the Issue Terms, Exchange Business Day (All Indices Basis) shall apply.

**“Exchange Business Day (All Indices Basis)”** means any Scheduled Trading Day on which (i) in respect all Indices other than Composite Indices, each Exchange and each Related Exchange are open for trading during their respective regular trading sessions in respect of such Index, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of all Composite Indices, (a) the Index Sponsor publishes the level of such Composite Index and (b) each Related Exchange (if any) is open for trading during its regular trading session in respect of such Composite Indices, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

**“Exchange Business Day (Cross Asset Basis)”** means, in respect of a basket of assets, any Scheduled Trading Day on which (i) in respect of all Indices other than Composite Indices, each relevant Exchange and each Related Exchange (if any) is open for trading during its regular trading session in respect of such Indices comprised in the basket (notwithstanding any such relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time) and (ii) in respect of all Composite Indices, (a) the relevant Index Sponsor publishes the level of such Composite Indices and (b) each Related Exchange (if any) in respect of each Composite Index is open for trading during its regular trading session (notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time) which, in each case, is also an Exchange Business Day under and as defined in the Equity Linked Conditions and/or the ETF Linked Conditions, as applicable.

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED WARRANTS

**“Exchange Business Day (Per Index Basis)”** means in respect of any Index:

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

**“Exchange Business Day (Single Index Basis)”** means any Scheduled Trading Day on which (i) in respect of all Indices other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of a Composite Index (a) the relevant Index Sponsor publishes the level of such Composite Index and (b) the relevant Related Exchange, if any, is open for trading during their regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time.

**“Exchange Disruption”** means:

- (a) in the case of any Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (A) any Component Security on the Exchange in respect of such Component Security; or (B) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of any Index which is not a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange.

**“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 price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Warrants, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

**“Hedging Shares”** means the number of securities comprised in an Index that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Warrants.

**“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 market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Warrants, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

**“Increased Cost of Stock Borrow”** means that the Issuer and/or any of its Affiliates would incur a rate to borrow any security comprised in an Index that is greater than the Initial Stock Loan Rate.

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

**“Index Correction Period”** means (a) the period specified in the Issue Terms, or (b) if none is so specified, one Settlement Cycle.

**“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



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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 Issue Terms.

“**Initial Stock Loan Rate**” means, in respect of a security comprised in an Index, the initial stock loan rate specified in relation to such security in the Issue Terms.

“**Knock-in Barrier**” means the level, amount, number or percentage specified as such in the Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Index Linked Conditions.

“**Knock-in Determination Day**” means the date(s) specified as such in the Issue Terms, or otherwise each Scheduled Trading Day during the Knock-in Determination Period.

“**Knock-in Determination Period**” means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

“**Knock-in Event**” means the Knock-in Value is (A):

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Knock-in Barrier or (B) within or outside the Knock-in Range (x) on a Knock-in Determination Day or (y) in respect of any Knock-in Determination Period, as specified in the Issue Terms.

“**Knock-in Period Beginning Date**” means the date specified as such in the Issue Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

“**Knock-in Period Ending Date**” means the date specified as such in the Issue Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

“**Knock-in Range**” means the range of levels, amounts, numbers or percentages specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Index Linked Conditions

“**Knock-in Valuation Time**” means the time or period of time on any Knock-in Determination Day specified as such in the Issue Terms or in the event that the Issue Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time.

“**Knock-in Value**” has the meaning given to it in the Final Terms, being a term defined in Payout Condition 5.1. (*General Definitions*)

“**Knock-out Barrier**” means the level, amount, number or percentage specified as such in the Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Index Linked Conditions.

“**Knock-out Determination Day**” means the date(s) as specified in the Issue Terms, or otherwise each Scheduled Trading Day during the Knock-out Determination Period.

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

“**Knock-out Event**” means the Knock-out Value is (A):

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Knock-out Barrier or (B) within or outside the Knock-out Range (x) on a Knock-in Determination Day or (y) in respect of any Knock-in Determination Period, as specified in the Issue Terms,

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**“Knock-out Period Beginning Date”** means the date specified as such in the Issue Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**“Knock-out Period Ending Date”** means the date specified as such in the Issue Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**“Knock-out Range”** means the range of levels, amounts, numbers or percentages specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Index Linked Conditions.

**“Knock-out Valuation Time”** means the time or period of time on any Knock-out Determination Day specified as such in the Issue Terms or in the event that the Issue Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

**“Knock-out Value”** has the meaning given to it in the Final Terms, being a term defined in Payout Condition 5.1. (*General Definitions*).

**“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 securities comprised in an Index in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

**“Market Disruption Event”** means:

(a) in respect of a Composite Index either:

(i) (A) the occurrence or existence, in respect of any Component Security, of:

- (1) 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 (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at the time when the level of such Index would trigger respectively the Knock-in Event or the Knock out Event or (b) in all other circumstances ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
- (2) 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 (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at the time when the level of such Index would trigger respectively the Knock-in Event or the Knock-out Event or (b) in all other circumstances ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
- (3) an Early Closure in respect of such Component Security; and

(B) 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 such Index; or

(ii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (1) a Trading Disruption; (2) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at the time when the level of such Index would trigger respectively the Knock-in Event or the Knock-out Event or (b) in all other circumstances ends at the Valuation Time in respect of the Related Exchange; or (3) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component Security to the level of such Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market opening data; and

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- (b) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at the time when the level of such Index triggers respectively the Knock-in Barrier or the Knock-out Barrier or (b) in all other circumstances ends at the relevant Valuation Time, or (iii) an Early Closure.

For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

“**Maximum Stock Loan Rate**” means, in respect of a security comprised in an Index, the Maximum Stock Loan Rate specified in the Issue Terms.

“**Observation Date**” means each date specified as an Observation Date in the Issue Terms, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of Valuation Date shall apply *mutatis mutandis* as if references in such provisions to Valuation Date were to Automatic Early Expiration Valuation Date.

“**Observation Period**” means the period specified as the Observation Period in the Issue Terms.

“**Related Exchange**” means, in relation to an Index, each exchange or quotation system on which option contracts or futures contracts relating to such Index are traded, or each exchange or quotation system specified as such for such Index in the Issue Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the Issue Terms, “**Related Exchange**” shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.

“**Relevant Level**” means, subject as referred to in relation to “Averaging Date”, “Observation Date”, “Valuation Date”, Automatic Early Expiration Valuation Date “Knock-in Determination Day” or “Knock-out Determination Day” as the case may be in the case of an Index, an amount equal to the official closing level of the Index as calculated and published by the Index Sponsor or, in relation to a Composite Index, the official closing level of such Index as calculated and published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if so specified in the Issue Terms, the level of the Index determined by the Calculation Agent as set out in the Issue Terms at the Valuation Time on (i) if Averaging is not specified in the Issue Terms, the relevant Settlement Level Date, or (ii) if Averaging is specified in the Issue Terms, each Averaging Date

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

“**Scheduled Trading Day**” means either (i) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (ii) in the case of a Basket of Indices, (a) Scheduled Trading Day (All Indices Basis) or (b) Scheduled Trading Day (Per Index Basis) or (c) Scheduled Trading Day (Cross Asset Basis), in each case as specified in the Issue Terms, provided that if no such specification is made in the Issue Terms, Scheduled Trading Day (All Indices Basis) shall apply.

“**Scheduled Trading Day (All Indices Basis)**” means (i) in respect of each Index which is not a Composite Index, any day on which each Exchange and each Related Exchange in respect of each such Index are scheduled to be open for trading during their respective regular trading session(s), and (ii) in respect of each Composite Index, any day on which (a) the Index Sponsor is scheduled to publish the level of each such Composite Index and (b) each Related Exchange is scheduled to be open for trading during its regular trading session in respect of such Composite Index.

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED WARRANTS

**“Scheduled Trading Day (Cross Asset Basis)”** means, in respect of a basket of assets, any day on which (i) in respect of each Index which is not a Composite Index, each relevant Exchange and each Related Exchange (if any) in respect of each such Index is scheduled to be open for trading during its regular trading session, and (ii) in respect of each Composite Index, (a) the relevant Index Sponsor is scheduled to publish the level of each such Composite Index and (b) each Related Exchange (if any) in respect of such Composite Index is scheduled to be open for trading during its regular trading session which, in each case, is also a Scheduled Trading Day under and as defined in the Equity Linked Conditions and/or the ETF Linked Conditions, as applicable.

**“Scheduled Trading Day (Per Index Basis)”** means:

- (a) in respect of an Index other than a Composite Index, any day on which the relevant Exchange and Related Exchange in respect of such Index are scheduled to be open for trading for their respective regular trading session(s); and
- (b) in respect of any Composite Index, any day on which (i) the Index Sponsor is scheduled to publish the level of such Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.

**“Scheduled Trading Day (Single Index Basis)”** means any day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s), and (ii) in respect of a Composite Index (a) the relevant Index Sponsor is scheduled to publish the level of such Composite Index and (b) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index.

**“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.

**“Screen Page”** means the page specified in the Issue Terms, or any successor page or service thereto.

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

**“Settlement Level”** means, and subject as referred to in Automatic Early Expiration Valuation Date, Averaging Date, Knock-in Determination Day, Knock-out Determination Day, Observation Day, or Valuation Day, as the case may be:

- (a) in the case of Index Linked Warrants relating to a single Index, (i) if Averaging is not specified in the Issue Terms, the Relevant Level for the relevant Settlement Level Date, or (ii) if Averaging is specified in the Issue Terms, the arithmetic mean of the Relevant Levels of the Index on each Averaging Date, all as determined by or on behalf of the Calculation Agent in a commercially reasonable manner; and
- (b) in the case of Index Linked Warrants relating to a Basket of Indices, (i) if Averaging is not specified in the Issue Terms, the Relevant Level for the relevant Settlement Level Date, or (ii) if Averaging is specified in the Issue Terms, the arithmetic mean of the Relevant Levels of the Basket of Indices on each Averaging Date, all as determined by or on behalf of the Calculation Agent in a commercially reasonable manner.

**“Settlement Level Date”** means an the Automatic Early Expiration Valuation Date, Knock-in Determination Day, Knock-out Determination Day, an Observation Date or a Valuation Date, as the case may be.

**“Specified Maximum Days of Disruption”** means five (5) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the Issue Terms.

**“Strike Date”** means the Strike Date specified in the Issue Terms as may be adjusted in accordance with the definition of “Valuation Date” below, provided that: in the case of Index Linked Warrants relating to a Basket of Indices, if the Strike Date for any Index forming part of the Basket of Indices is specified to be the Trade Date (subject, for the avoidance of doubt, to any adjustments relating to the Strike Date that are set out in the Issue Terms) then:

- (i) if the Strike Date for any Index forming part of the Basket of Indices is not a Scheduled Trading Day, the Strike Date for such Index shall be the first succeeding Scheduled Trading Day; unless
- (ii) in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then the Strike Date for such Index, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED WARRANTS

in respect of such Index forming part of the Basket of Indices unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date is a Disrupted Day in respect of such Index.

In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the relevant Index, notwithstanding the fact that such day is a Disrupted Day with respect to such Index, and (ii) the Calculation Agent shall determine the Settlement Level using the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day) and otherwise in accordance with the above provisions.

“**Strike Day**” means each date specified as such in the applicable Final Terms.

“**Strike Period**” means the period specified as the Strike Period in the Issue Terms.

“**Trading Disruption**” means:

- (a) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to securities that comprise 20 per cent. or more of the level of such Index on any relevant Exchange(s) or (b) in futures or options contracts relating to such Index on any relevant Related Exchange; and
- (b) in the case of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (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 the Related Exchange.

“**Valuation Date**” means the Strike Date, Expiration Date, Actual Exercise Date, Potential Exercise Date(s), Automatic Early Expiration Valuation Date and Specified Exercise Date or such other date, as the case may be, specified in the Issue Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding 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:

- (a) in the case of Index Linked Warrants relating to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Level by determining the level of the Index as of the Valuation Time on the last such consecutive 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 level as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
- (b) in the case of Index Linked Warrants relating to a Basket of Indices, the Valuation Date for each Index, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of any Index forming part of the Basket of Indices unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day in respect of Index of the Basket of Indices. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for each Index of the Basket of Indices, notwithstanding the fact that such day is a Disrupted Day with respect to any Index, and (ii) the Calculation Agent shall determine the Settlement Level using, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method

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of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day) and otherwise in accordance with the above provisions; and

“**Valuation Time**” means:

- (a) the Valuation Time specified in the Issue Terms; or
- (b) if not specified in the Issue Terms
  - (i) in the case of a Composite Index, means in respect of such Index: (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or futures contracts on the Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor; or
  - (ii) in the case of any Index which is not a Composite Index, means the Scheduled Closing Time on the Exchange on the relevant date. If the 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.

“**Weighting**” means the weighting (if any) to be applied to each item comprising the Basket of Indices if, and as specified in the Issue Terms or if no such weighting is so specified then no weighting shall apply to any such item.

### 8. Index Disclaimer

The Index Linked Warrants are not sponsored, endorsed, sold or promoted by any Index or any Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Index Linked Warrants. The Issuer shall have no liability to the Warrantholders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date, neither the Issuer nor its Affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Indices from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its Affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

## ANNEX 3

### ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED WARRANTS

*If specified as applicable in the Issue Terms, the terms and conditions applicable to Equity Linked Warrants shall comprise the General Conditions and the additional terms and conditions for Equity Linked Warrants set out below (the “**Equity Linked Conditions**”), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between the General Conditions and the Equity Linked Conditions, the Equity Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Equity Linked Conditions and (ii) the Issue Terms, the Issue Terms shall prevail.*

#### 1. Disrupted Day

The Calculation Agent shall give notice as soon as practicable to the Issuer and the Issuer shall give notice as soon as practicable to the Guarantor, the Principal Warrant Agent and the Warrantholders in accordance with General Condition 10 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Automatic Early Expiration Valuation Date, an Averaging Date, a Knock-in Determination Day or a Knock-out Determination Day, an Observation Date or a Valuation Date, as the case may be.

#### 2. Depositary Receipts

##### (a) Application of Depositary Receipt provisions

If “Depositary Receipt provisions” are specified as applicable in the Issue Terms, for the purposes of these Equity Linked Conditions in relation to each relevant Depositary Receipt:

- (i) references to “**Share**” or “**Shares**” shall be deemed to include an ordinary share or ordinary shares or other relevant equity securities, as the case may be, of the Share Company or Basket Company to which the relevant Depositary Receipts specified in the Issue Terms relate;
- (ii) references to “**Exchange**” shall, in the context of the ordinary shares or other relevant equity securities of the Share Company or Basket Company, be deemed to be references to the Share Exchange specified in the Issue Terms;
- (iii) references to “**Share Company**” or “**Basket Company**” shall, in the context of a Depositary Receipt, be deemed to include references to the issuer or obligor of the Depositary Receipts;
- (iv) with respect to Depositary Receipts only, the following additional event shall constitute a Potential Adjustment Event for the purposes of Equity Linked Condition 3:  
“a distribution in respect of the Shares of property other than cash, shares or rights relating to any Shares to the holder(s) of the Shares”; and
- (v) with respect to Depositary Receipts only, the following events shall constitute Additional Disruption Events for the purposes of Equity Linked Condition 5:
  - (A) a Termination; and
  - (B) an Adjustment Event.

##### (b) Definitions specific to Depositary Receipts

“**Adjustment Event**” means (a) the terms and conditions of the Depositary Receipts have been altered or any adjustment or modification has been made pursuant to such terms and conditions (in each case whether by the Share Company or Basket Company or any party having influence over such terms and conditions) or the Depositary Receipts are converted into other securities and/or (b) the aggregate amounts (or currency thereof) to which a holder is entitled under the Depositary Receipts are altered.

“**Depositary Receipt**” means a depositary receipt relating to ordinary shares or other relevant equity securities issued by a Share Company or Basket Company, as specified in the Issue Terms, subject to adjustment pursuant to the provisions specified in Equity Linked Conditions 3 and 4.

“**Termination**” means, in relation to an issue of Depositary Receipts, such issue has been terminated, cancelled or otherwise ceased to be outstanding for any reason. This shall include, without limitation, the termination of the deposit agreement in respect of the Shares and/or written instructions being given by the Share Company or Basket Company to the depositary of the Shares to withdraw or surrender the Shares.

## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED WARRANTS

### 3. Potential Adjustment Events and Extraordinary Events

#### (a) Potential Adjustment Events

- (i) **“Potential Adjustment Event”** means any of the following:
- (A) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
  - (B) a distribution, issue or dividend to existing holders of the relevant Shares of (a) such Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
  - (A) an extraordinary dividend as determined by the Calculation Agent;
  - (B) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
  - (C) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
  - (D) in respect of a Basket Company or Share Company, as the case may be, 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 Basket Company or Share Company, as the case may be, 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, certificates, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent;
  - (E) any adjustment effected as a result of any shareholder rights plan or arrangement as described in 3(a)(i)(D) above; or
  - (F) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative or other effect on the theoretical value of the relevant Shares.
- (ii) **“Potential Adjustment Event Effective Date”** means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant Basket Company or Share Company, as the case may be, as determined by the Calculation Agent in its sole and absolute discretion.
- (iii) Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Warrants are Physical Delivery Warrants) and/or the Exercise Price and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange (**“Exchange Based Adjustment”**) to options on the Shares traded on that options exchange.



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- (iv) Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall, other than where Exchange Based Adjustment applies notify the Issuer as soon as practicable and the Issuer shall give notice as soon as practicable to the Warrantholders in accordance with General Condition 10 (*Notices*), stating the occurrence of the Potential Adjustment Event, giving details thereof and the adjustment 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 Potential Adjustment Event or Potential Adjustment Event Effective Date or the adjustment in relation thereto.
- (b) Extraordinary Events
- (A) The occurrence of any of De-Listing, Insolvency, Merger Event, Nationalisation, Tender Offer (unless Tender Offer is specified as not applicable in the Issue Terms), or, if specified as applicable in the Issue Terms, Illiquidity, Listing Change or Listing Suspension, as the case may be, shall be deemed to be an “**Extraordinary Event**”, the consequences of which are set forth below:
- (1) “**De-Listing**” means, in respect of any relevant Shares, that the Exchange announces pursuant to the rules of such Exchange, that such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or (ii) a comparable 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).
  - (2) “**Illiquidity**” means, in respect of Equity Linked Warrants that, in the determination of the Calculation Agent, during any period of five consecutive Scheduled Trading Days falling after the Issue Date (the “Relevant Period”), (a) the difference between the bid prices and the ask prices in respect of any relevant Share during the Relevant Period is greater than 1 per cent. (on average), and/or (b) the average purchase price or the average selling price, (each of (a) and (b) determined by the Calculation Agent from the order book of the relevant Share on the relevant Exchange during the Relevant Period), in relation to the purchase or sale of Shares with a value equal to or greater than EUR 10,000.00 (or its equivalent in any other currency as determined by the Calculation Agent at such time and by reference to such sources as it determines appropriate), is greater than MID plus 1 per cent. of MID (in relation to a purchase of Shares) or lower than the MID minus 1 per cent. of MID (in relation to a sale of Shares). For these purposes, “MID” means an amount equal to (a) the sum of the bid price and the ask price, in each case for the relevant Share at the relevant time, (b) divided by two.
  - (3) “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Basket Company or Share Company, as the case may be, (i) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.
  - (4) “**Listing Change**” means, in respect of any relevant Shares, that such Shares cease (or will cease) to be listed, traded or publicly quoted on the listing compartment or the relevant market of the Exchange on which such Shares were listed, traded or publicly quoted on the Issue Date, for any reason (other than a Merger Event or Tender Event or where this is a De-Listing).
  - (5) “**Listing Suspension**” means, in respect of any relevant Shares, that the listing of such Shares on the Exchange has been suspended (other than where this is a De-Listing).
  - (6) “**Merger Event**” means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding

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Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the relevant Extraordinary Event Effective Date is on or before (a) in the case of Cash Settled Warrants, the latest of the last occurring Valuation Date, Strike Date, Observation Date, Automatic Early Expiration Valuation Date Knock-in Determination Day or Knock-out Determination Day or, where Averaging is specified in the Issue Terms, the final Averaging Date or (b) in the case of Physical Delivery Warrants, the relevant Settlement Date.

- (7) “**Nationalisation**” means that all the Shares or all or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise transferred to any governmental agency, authority, entity or instrumentality thereof.
- (8) “**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 30 per cent. and less than 100 per cent. (the “**Percentage Range**”) of the outstanding voting shares of the Basket Company or Share Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

(c) Consequences of the occurrence of an Extraordinary Event:

If an Extraordinary Event occurs in relation to a Share or a Basket of Shares, the Issuer in its sole and absolute discretion may take the action described in (i) to (iii) below in respect of a Warrant relating to a Share or a Basket of Shares, and the actions described in (iv) or (v) below in respect of a Warrant relating to a Basket of Shares only:

- (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 any Relevant Asset and/or the Entitlement (in each case where the Warrants are Physical Delivery Warrants) and/or the Exercise Price and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms to account for the relevant Extraordinary Event, and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Warrants. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange. In addition, in relation to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares in accordance with the provisions of sub-paragraph (v) below;
- (ii) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the “**Options Exchange**”), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Warrants are Physical Delivery Warrants) and/or the Exercise Price and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Warrants are Physical Delivery Warrants) and/or the Exercise Price and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event, that in the

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determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or

- (iii) where the Issuer determines that no adjustment has been proposed by the Options Exchange and that no other action will produce a commercially reasonable result, the Issuer, in its sole and absolute discretion may, on giving notice to Warrantholders in accordance with General Condition 10 (*Notices*),
- (A) cancel all but not some only of the Warrants, each Warrant being cancelled by payment of an amount equal to the fair market value of a Warrant taking into account the relevant Extraordinary Event (the “**Calculated Extraordinary Event Amount**”), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the “**Modified Calculated Extraordinary Event Amount**”), all as determined by the Calculation Agent in its sole and absolute discretion as soon as practicable following the occurrence of the relevant Extraordinary Event (the “**Calculated Extraordinary Event Amount Determination Date**”), or
- (B) require the Calculation Agent to determine the Calculated Extraordinary Event Amount on the Calculated Extraordinary Event Amount Determination Date, and cancel each Warrant on the scheduled Expiration Date by payment of the Calculated Extraordinary Event Amount. For avoidance of any doubt, the Calculated Extraordinary Event Amount shall not accrue any interest from the date of its calculation to the Expiration Date.
- (iv) in the case of Equity Linked Warrants relating to a Basket of Shares, cancel the Warrants in part by giving notice to Warrantholders in accordance with General Condition 10. If the Warrants are so cancelled in part, the portion (the “**Cancelled Amount**”) of each Warrant representing the affected Share(s) shall be cancelled and the Issuer will:
- (i) pay to each Warrantholder in respect of each Warrant held by him an amount equal to the fair market value of the Cancelled Amount, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and
- (ii) 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 any Relevant Asset and/or the Entitlement (in each case where the Warrants are Physical Delivery Warrants) and/or Exercise Price and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms to account for such cancellation in part. For the avoidance of doubt the remaining part of each Warrant after such cancellation and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with General Condition 10;
- (v) in the case of Equity Linked Warrants relating to a Basket of Shares, on or after the relevant Extraordinary Event Effective Date, require the Calculation Agent to adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each, a “**Substitute Share**”) for each Share (each, an “**Affected Share**”) of each Basket Company (each, an “**Affected Basket Company**”) which is affected by such Extraordinary Event and the Substitute Share will be deemed to be a “**Share**”, and the issuer of such shares a “**Basket Company**”, for the purposes of the Warrants, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Warrants are Physical Delivery Warrants) and/or the Exercise Price and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Warrants was to be determined by reference to an initial price (the “**Initial Price**”) of the Affected Share, the relevant Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B/C)$$

where:

“**A**” is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

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“**B**” is the Initial Price of the relevant Affected Share; and

“**C**” is the fair market value of the relevant Affected Share on the Substitution Date (which may, where available, be determined by reference to the official closing price of the Affected Share on the relevant Exchange and/or such other source(s) as the Calculation Agent determines appropriate).

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the “**Substitution Date**”) in its sole and absolute discretion and specified in the notice referred to below which may, but need not, be the relevant Extraordinary Event Effective Date.

The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must satisfy the following criteria, in the sole and absolute discretion of the Calculation Agent:

- (i) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and the relevant share is not already included in the Basket of Shares, the relevant share shall be an ordinary share of the entity or person (other than the Affected Basket Company) involved in the Merger Event or the making of the Tender Offer, that is, or that as of the relevant Extraordinary Event Effective Date (i) is promptly scheduled to be, publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (ii) is not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) where (i) above does not apply, including in the case of an Extraordinary Event other than a Merger Event or a Tender Offer:
  - (1) the issuer of the share shall, to the extent possible, belong to the same economic sector as the Affected Basket Company and shall not already be included in the Basket of Shares; and
  - (2) the issuer of the share shall, to the extent possible, have a comparable market capitalisation, international standing and exposure as the Affected Basket Company in respect of the Affected Share.

Upon the occurrence of an Extraordinary Event, if the Issuer determines that an adjustment in accordance with the above provisions is necessary it shall give notice as soon as practicable to the Warrantholders in accordance with General Condition 10 (*Notices*) stating the occurrence of the Extraordinary Event, giving details thereof and the action proposed to be taken in relation thereto, including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Date, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Extraordinary Event or the proposed action.

### 4. Correction of Share Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Warrants calculated by reference to the price of a Share, if the relevant price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Warrants is subsequently corrected and the correction is published by the relevant Exchange within the number of days equal to the Share Correction Period of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Warrants calculated by reference to the price of a Share will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

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### 5. Additional Disruption Events

- (a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or, in the case of Warrants linked to a Basket of Shares only, (iv) below:
- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case with respect to Physical Delivery Warrants) and/or the Exercise Price and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) cancel all but not only some of the Warrants by giving notice to Warrantholders in accordance with General Condition 10 (*Notices*). If the Warrants are so cancelled the Issuer will pay an amount to each Warrantholder in respect of each Warrant held by him which amount shall be the fair market value of a Warrant taking into account the Additional Disruption Event less the cost to the Issuer and/ or its Affiliates of unwinding any underlying related hedging arrangements (the “**Calculated Additional Disruption Amount**”), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with General Condition 10 (*Notices*); or
  - (iii) require the Calculation Agent to calculate the Calculated Additional Disruption Amount as soon as practicable following the occurrence of the Additional Disruption Event (the “**Calculated Additional Disruption Amount Determination Date**”) and on the Expiration Date shall cancel each Warrant at an amount calculated by the Calculation Agent equal to the Calculated Additional Disruption Amount plus interest accrued on the Calculated Additional Disruption Amount on a daily basis from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Expiration Date, each such daily accrual being at a rate equal to Issuer’s funding cost on or about the relevant day; or
  - (iv) in the case of Warrants linked to a Basket of Shares, require Calculation Agent to adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each a “**Substitute Share**”) for each Share (each an “**Affected Share**”) which is affected by the Additional Disruption Event and the Substitute Share will be deemed to be a “**Share**” and the issuer of such shares a “**Basket Company**” for the purposes of the Warrants, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Warrants are Physical Delivery Warrants) and/or the Exercise Price and/or the Weighting and/or any of the other terms of the General Conditions, these Equity Linked Conditions and/or the Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Warrants was to be determined by reference to the an initial price (the “**Initial Price**”) of the Affected Share, the relevant Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B/C)$$

where:

“**A**” is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

“**B**” is the Initial Price of the relevant Affected Share; and

“**C**” is the fair market value of the relevant Affected Share on the Substitution Date (which may, where available, be determined by reference to the official closing price of the Affected Share on the relevant Exchange and/or such other source(s) as the Calculation Agent determines appropriate).

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the “**Substitution Date**”) in its sole and absolute discretion and specified in the notice referred to below which may, but need not, be the relevant date of the Additional Disruption Event.

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The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must be a share which, in the sole and absolute discretion of the Calculation Agent:

- (i) is not already included in the Basket of Shares;
  - (ii) the Issuer of such share belongs to the same economic sector as the Basket Company in respect of the Affected Share; and
  - (iii) the Issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.
- (b) Upon the occurrence of an Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer as soon as practicable and the Issuer shall give notice as soon as practicable to the Warrantheolders in accordance with General Condition 10 (*Notices*) stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event or the proposed action.

### 6. Knock-in Event and Knock-out Event

- (a) This Equity Linked Condition 6 is applicable only if:
- (i) Knock-in Event is specified as applicable in the Issue Terms, in which case any payment and/or delivery under the relevant Warrants which is expressed to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event; or
  - (ii) Knock-out Event is specified as applicable in the Issue Terms, in which case any payment and/or delivery under the relevant Warrants which is expressed to be subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.
- (b) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the Issue Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one hour period that begins or ends at the Valuation Time a Knock-in Event or a Knock-out Event would otherwise have occurred and a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of each Affected Share as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of Valuation Date.
- (c) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the Issue Terms is any time or period of time other than the Valuation Time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins or ends at the time at which the price of the Share would otherwise have triggered the Knock-in Event or the Knock-out Event, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of each Affected Share as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of Valuation Date.

### 7. Automatic Early Expiration Event

If “**Automatic Early Expiration Event**” is specified as applicable in the Issue Terms, then, unless previously exercised or purchased and cancelled, if (i) on any Automatic Early Expiration Valuation Date (ii) in respect of

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an Automatic Early Expiration Valuation Period if on any or all Automatic Early Expiration Valuation Date(s), as specified in the Issue Terms, an Automatic Early Expiration Event occurs, then the Warrants shall cancel in whole, but not in part, on the Automatic Early Expiration Date immediately following such Automatic Early Expiration Valuation Date or Automatic Early Expiration Valuation Period, as applicable and the Issuer shall settle each Warrant an amount in the relevant currency as specified in the Issue Terms equal to the relevant Automatic Early Expiration Amount.

### 8. Definitions

“**Additional Disruption Event**” means (i) (unless specified otherwise in the Issue Terms) Change in Law, and (ii) any of Failure to Deliver (in the case of Physical Delivery Warrants to be cancelled by delivery), or (iii) any of Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing, Stop-Loss Event and/or Loss of Stock Borrow, if specified in the Issue Terms.

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

“**AEE Value**” has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1 (*General Definitions*).

“**Automatic Early Expiration Amount**” means an amount calculated as set out in the Issue Terms.

“**Automatic Early Expiration Event**” means the AEE Value is (A),

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Automatic Early Expiration Trigger, (i), (ii), (iii) applying or (iv) or (B) within or outside the Automatic Early Expiration Range as specified in the Issue Terms.

“**Automatic Early Expiration Range**” means the range of prices, amounts, percentages or number specified as such in the Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these Equity Linked Conditions.

“**Automatic Early Expiration Settlement Date**” means each date specified as such in the Issue Terms or if such date is not a Business Day, the next following Business Day, and no Warrantholder shall be entitled to any further payment in respect of any such delay.

“**Automatic Early Expiration Trigger**” means the price, amount, percentage or number specified as such in the Issue Terms, subject to adjustment as provided in these Equity Linked Conditions.

“**Automatic Early Expiration Valuation Date**” means each date specified as such in the Issue Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of Valuation Date shall apply mutatis mutandis as if references in such provisions to Valuation Date were to Automatic Early Expiration Valuation Date.

“**Automatic Early Expiration Valuation Period**” means each period specified as such in the Issue Terms;

“**Automatic Early Expiration Valuation Time**” has the meaning given to it in the Issue Terms.

“**Averaging Date**” means each date specified as an Averaging Date in the Issue Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) if “**Omission**” is specified as applying in the Issue Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Dates would occur, then the provisions of the definition of “Valuation Date” will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or

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- (b) if “**Postponement**” is specified as applying in the Issue Terms, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the relevant level, price or amount 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 Issue Terms then:
- (i) where the Warrants are Equity Linked Warrants relating to a single share, the Averaging Date shall be the first succeeding Valid Date (as defined in (iii) below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of “Valuation Date” below;
  - (ii) where the Warrants are Equity Linked Warrants relating to a Basket of Shares, the Averaging Date for each Share shall be the first succeeding Valid Date in relation to every Share forming part of the Basket of Shares. If the first succeeding Valid Date in relation to every Share forming part of the Basket of Shares has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (A) such Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of every Share, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of “Valuation Date” below; and
  - (iii) for the purposes of these Terms and Conditions, “**Valid Date**” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not occur.

“**Basket Company**” means each company specified as such in the Issue Terms and “**Basket Companies**” means all such companies.

“**Basket of Shares**” means a basket composed of Shares of each Basket Company specified in the Issue Terms in the Weightings or numbers of Shares of each Basket Company specified in the Issue Terms;

“**Change in Law**” means that, on or after the Trade Date (as specified in the Issue Terms) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant Share and/or (B) it will incur a materially increased cost in performing its obligations in relation to the Equity Linked Warrants (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).

“**Clearance System**” means the principal domestic clearance system customarily used for settling trades in the relevant Share.

“**Clearance System Business Days**” means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions.

“**Disrupted Day**” means any Scheduled Trading Day on which:

- (a) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session;
- (b) a Market Disruption Event has occurred; or



## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED WARRANTS

- (c) where Exchange Business Day (Cross Asset Basis) and Scheduled Trading Day (Cross Asset Basis) are specified as applicable in the Issue Terms for (i) Equity Linked Warrants and (ii) Index Linked Warrants and/or ETF Linked Warrants, a Disrupted Day occurs under and as defined in the Index Linked Conditions and/or ETF Linked Conditions.

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

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

**“Exchange Business Day”** means either (i) in the case of a single Share, Exchange Business Day (Single Share Basis) or (ii) in the case of a Basket of Shares or other assets, (a) Exchange Business Day (All Shares Basis) or (b) Exchange Business Day (Per Share Basis) or (c) Exchange Business Day (Cross Asset Basis), in each case as specified in the Issue Terms, provided that if no such specification is made in the Issue Terms, Exchange Business Day (All Shares Basis) shall apply.

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

**“Exchange Business Day (Cross Asset Basis)”** means, in respect of a basket of assets, any Scheduled Trading Day on which each relevant Exchange and each Related Exchange (if any) in respect of all Shares comprised in the basket of assets is open for trading during its regular trading session (notwithstanding any such relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time) which is also an Exchange Business Day under and as defined in the Index Linked Conditions and/or the ETF Linked Conditions.

**“Exchange Business Day (Per Share Basis)”** means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and Related Exchange in respect of such Share is open for trading during its respective regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

**“Exchange Business Day (Single Share Basis)”** means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time.

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

**“Extraordinary Event Effective Date”** means, in respect of an Extraordinary Event, the date on which such Extraordinary Event occurs, as determined by the Calculation Agent in its sole and absolute discretion.

**“Failure to Deliver”** means failure of the Issuer and/or any of its Affiliates to deliver, when due, the Relevant Assets comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for such Shares.

**“Hedging Disruption”** means that the Issuer or any of its Affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Warrants, or (ii) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED WARRANTS

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

“**Increased Cost of Hedging**” means that the Issuer 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 (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Warrants, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

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

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

“**Insolvency Filing**” means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing.

“**Knock-in Barrier**” means the price, amount, percentage or number specified as such in the Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Equity Linked Conditions.

“**Knock-in Determination Day**” means the date(s) specified as such in the Issue Terms, or otherwise each Scheduled Trading Day during the Knock-in Determination Period.

“**Knock-in Determination Period**” means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

“**Knock-in Event**” means the Knock-in Value is (A):

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Knock-in Barrier or (B) within or outside the Knock-in Range (x) on a Knock-in Determination Day or (y) in respect of any Knock-in Determination Period, as specified in the Issue Terms,

“**Knock-in Period Beginning Date**” means the date specified as such in the Issue Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

“**Knock-in Period Ending Date**” means the date specified as such in the Issue Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

“**Knock-in Range**” means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these Equity Linked Conditions “**Knock-in Valuation Time**” means the time or period of time on any Knock-in Determination Day specified as such in the Issue Terms or in the event that the Issue Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time.

“**Knock-in Value**” has the meaning given to it in the Final Terms, being a term defined in Payout Condition 5.1. (*General Definitions*).

## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED WARRANTS

“**Knock-out Barrier**” means the price, amount, percentage or number specified as such in the Issue Terms subject to adjustment from time to time in accordance with the provisions of these Equity Linked Conditions.

“**Knock-out Determination Day**” means the date(s) specified as such in the Issue Terms, or otherwise each Scheduled Trading Day during the Knock-out Determination Period.

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

“**Knock-out Event**” means the Knock-out Value is (A):

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Knock-out Barrier or (B) within or outside the Knock-out Range (x) on a Knock-in Determination Day or (y) in respect of any Knock-in Determination Period, as specified in the Issue Terms,

“**Knock-out Period Beginning Date**” means the date specified as such in the Issue Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

“**Knock-out Period Ending Date**” means the date specified as such in the Issue Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

“**Knock-out Range**” means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions of these Equity Linked Conditions.

“**Knock-out Value**” has the meaning given to it in the Issue Terms, being a term defined in a Payout Condition 5.1 (*General Definitions*).

“**Knock-out Valuation Time**” means the time or period of time on any Knock-out Determination Day specified as such in the Issue Terms or in the event that the Issue Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

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

“**Market Disruption Event**” means, in relation to Equity Linked Warrants and in respect of a Share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent in its sole and absolute discretion, determines is material, at any time during the one hour period that (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event, begins or ends at the time when the level of the relevant Share triggers respectively the occurrence of the Knock-in Event or the Knock-out Event or (b) in all other circumstances that ends at the relevant Valuation Time, or (iii) an Early Closure.

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

“**Observation Date**” means each date specified as an Observation Date in the Issue Terms, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of Valuation Date shall apply *mutatis mutandis* as if references in such provisions to Valuation Date were to Automatic Early Expiration Valuation Date.

“**Observation Period**” means the period specified as the Observation Period in the Issue Terms.

“**Related Exchange**” means, in relation to a Share, each exchange or quotation system on which option contracts or futures contracts relating to such Share are traded, or each exchange or quotation system specified as such for such Share in the Issue Terms, any successor to such exchange or quotation system or any substitute

## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED WARRANTS

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

“**Relevant Price**” means, subject as referred to in relation to any Automatic Early Expiration Valuation Date, Knock-in Determination Day, Knock-out Determination Day, Averaging Date, Observation Date or Valuation Date, as the case may be in the case of a Share, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or Averaging Date, as the case may be, if so specified in the Issue Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the Issue Terms, the relevant Settlement Price Date, or (ii) if Averaging is specified in the Issue Terms, the relevant Averaging Date or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the Issue Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the Issue Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or Averaging Date, as the case may be, if so specified in the Issue Terms) for the Share based, at the Calculation Agent’s discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide.

“**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 subject as provided in “Valuation Time” below.

“**Scheduled Trading Day**” means either (i) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (ii) in the case of a Basket of Shares, (a) Scheduled Trading Day (All Shares Basis) or (b) Scheduled Trading Day (Per Share Basis) or (c) Scheduled Trading Day (Cross Asset Basis), in each case as specified in the Issue Terms provided that if no such specification is made in the Fund Terms, Scheduled Trading Day (All Shares Basis) shall apply.

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

“**Scheduled Trading Day (Cross Asset Basis)**” means, in respect of a basket of assets, any day on which each Exchange and each Related Exchange (if any) in respect of all Shares comprised in the basket of assets is scheduled to be open for trading for its regular trading session which is also a Scheduled Trading Day for the purpose of the Index Linked Conditions and/or the ETF Linked Conditions, as applicable.

“**Scheduled Trading Day (Per Share Basis)**” means in respect of a Basket of Shares, any day on which the relevant Exchange and, Related Exchange in respect of such Share are scheduled to be open for trading for their respective regular trading sessions.

“**Scheduled Trading Day (Single Share Basis)**” means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s).

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

“**Screen Page**” means the page specified in the Issue Terms, or any successor page or service thereto.

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

## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED WARRANTS

“**Settlement Price**” means, subject as referred to in relation to any Averaging Date, Observation Date, Automatic Early Expiration Valuation Date, Knock-in Determination Day, Knock-out Determination Day or Valuation Date, as the case may be:

- (a) in the case of Equity Linked Warrants relating to a single Share, (A) if Averaging is not specified in the Issue Terms, the Relevant Price for the relevant Settlement Price Date, or (B) if Averaging is specified in the Issue Terms, the arithmetic mean of the Relevant Prices of the Share on each Averaging Date, all as determined by or on behalf of the Calculation Agent in a commercially reasonable manner; and
- (b) in the case of Equity Linked Warrants relating to a Basket of Shares, (A) if Averaging is not specified in the Issue Terms, the Relevant Price for the relevant Settlement Price Date, or (B) if Averaging is specified in the Issue Terms, the arithmetic mean of the Relevant Prices for each Share in the Basket of Shares on each Averaging Date, all as determined by or on behalf of the Calculation Agent in a commercially reasonable manner.

“**Settlement Price Date**” means any Automatic Early Expiration Valuation Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date, as the case may be.

“**Shares**” and “**Share**” mean in the case of an issue of Warrants relating to a Basket of Shares, each share and, in the case of an issue of Warrants relating to a single Share, the share, specified in the Issue Terms and related expressions shall be construed accordingly.

“**Share Company**” means, in the case of an issue of Warrants relating to a single Share, the company that has issued such Share.

“**Share Correction Period**” means (i) the period specified in the Issue Terms, or (ii) if none is so specified, one Settlement Cycle.

“**Specified Maximum Days of Disruption**” means five (5) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the Issue Terms.

“**Stop-Loss Event**” means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at any time or the Scheduled Closing Time, as specified in the Issue Terms, on any Scheduled Trading Day that is not a Disrupted Day in respect of such Share on or after the Trade Date or, if later the Strike Date, is less than 5 per cent., or such percentage specified in the Issue Terms, of its RI Initial Value or, if no RI Initial Value and/or Strike date is stipulated in the Issue Terms, the price given as the benchmark price for such Share in the Issue Terms, all as determined by the Calculation Agent.

“**Strike Date**” means the Strike Date specified in the Issue Terms, as may be adjusted in accordance with the definition of “Valuation Date” below, provided that: in the case of Equity Linked Warrants relating to a Basket of Shares, if the Strike Date for any share forming part of the Basket of Shares is specified to be the Trade Date (subject, for the avoidance of doubt, to any adjustments relating to the Strike Date that are set out in the Issue Terms) then:

- (i) if the Strike Date for any Share forming part of the Basket of Shares is not a Scheduled Trading Day, the Strike Date for such Share shall be the first succeeding Scheduled Trading Day; unless
- (ii) in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then the Strike Date for such Share, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of such Share forming part of the Basket of Shares unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date is a Disrupted Day in respect of such Share.

In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the relevant Share, notwithstanding the fact that such day is a Disrupted Day with respect to such Share, and

(ii) the Calculation Agent shall determine the price of that Share as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating such price last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each Share comprised in that Basket of Shares (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant Share on the last such consecutive Scheduled Trading Day, its good faith estimate of the price for the relevant Share as of the Valuation Time on the last such consecutive Scheduled Trading Day) and otherwise in accordance with the above provisions.

## ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED WARRANTS

“**Strike Day**” means each date specified as such in the applicable Final Terms.

“**Strike Period**” means the period specified as the Strike Period in the Issue Terms.

“**Trading Disruption**” means, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to the Share or (b) in futures or options contracts relating to such Share on any relevant Related Exchange.

“**Valuation Date**” means, Strike Date, Expiration Date, Actual Exercise Date, Potential Exercise Date(s), Automatic Early Expiration Valuation Date and Specified Exercise Date or such other date, as the case may be, specified in the Issue Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding 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:

- (a) in the case of Equity Linked Warrants relating to a single Share, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in the manner set out in the Final Terms or, if not set out or if not practicable, determine the Settlement Price in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on that the last such consecutive Scheduled Trading Day; or
- (b) in the case of Equity Linked Warrants relating to a Basket of Shares, the Valuation Date for each Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of any Shares forming part of the Basket of Shares unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to any Share of the Basket of Shares. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for each Share of the Basket of Shares, notwithstanding the fact that such day is a Disrupted Day with respect to any Share, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the relevant Affected Share, the level or value as applicable, determined in the manner set out in the Issue Terms, and, in the case of a Share, a price determined in the manner set out in the Issue Terms or, if not set out or if not practicable, using its good faith estimate of the value for the Affected Share as of the Valuation Time on the last such consecutive Scheduled Trading Day and otherwise in accordance with the above provisions; and

“**Valuation Time**” means the Valuation Time specified in the Issue Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to each Share to be valued provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

“**Weighting**” means the (if any) weighting to be applied to each item of the Basket of Shares if, and as specified in the Issue Terms or if no weighting is so specified then no weighting shall apply to any such item.

## ANNEX 4

### ADDITIONAL TERMS AND CONDITIONS FOR ETF LINKED WARRANTS

*If specified as applicable in the Issue Terms, the terms and conditions applicable to ETF Linked Warrants shall comprise the General Conditions and the additional terms and conditions for ETF Linked Warrants linked to one or more ETFs set out below (the “**ETF Linked Conditions**”), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between the General Conditions and the ETF Linked Conditions, the ETF Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the ETF Linked Conditions and (ii) the Issue Terms, the Issue Terms shall prevail.*

#### 1. Disrupted Day

The Calculation Agent shall give notice as soon as practicable to the Issuer and the Issuer shall give notice as soon as practicable to the Guarantor, the Principal Warrant Agent and the Warrantholders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Automatic Early Expiration Valuation Date, an Averaging Date, a Knock-in Determination Day or a Knock-out Determination Day, an Observation Date or a Valuation Date, as the case may be.

#### 2. Potential ETF Events and Extraordinary ETF Events

##### (a) Potential ETF Events

##### (i) “**Potential ETF Events**” means any of the following:

- (A) a subdivision, consolidation, or reclassification of relevant ETF Shares or a free distribution or dividend of any such ETF Shares to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant ETF Shares of (A) such ETF Shares or (B) other share capital or securities granting the right to payment of dividends and/or proceeds of liquidation of the ETF equally or proportionately with such payments to holders of such ETF Shares; (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the ETF, as a result of a spin-off or other similar transaction; or (D) any of 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 ETF in respect of relevant ETF Shares that are not fully paid; and
- (E) a repurchase by the ETF or its subsidiaries of relevant ETF Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (F) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant ETF Shares.

##### (ii) “**Potential ETF Event Effective Date**” means, in respect of a Potential ETF Event, the date on which such Potential ETF Event is announced by the relevant ETF, as determined by the Calculation Agent in its sole and absolute discretion.

##### (iii) Following the declaration by the ETF of the terms of any Potential ETF Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential ETF Event has a diluting or concentrative effect on the theoretical value of the ETF Shares and, if so, will

- (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Warrants are Physical Delivery Warrants) and/or the Exercise Price and/or the Weighting and/or any of the other terms of the General Conditions, these ETF Linked Conditions and/or the Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETF Share) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment

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by reference to the adjustment in respect of such Potential ETF Event made by an options exchange (“**ETF Exchange Based Adjustment**”) to options on the ETF Shares traded on that options exchange.

- (iv) Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall, other than where ETF Exchange Based Adjustment applies, notify the Issuer as soon as practicable and the Issuer shall give notice as soon as practicable to the Warrantholders in accordance with General Condition 10 (*Notices*), stating the occurrence of the Potential ETF Event, giving details thereof and the adjustment 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 Potential ETF Event or Potential ETF Event Effective Date or the adjustment in relation thereto.

(b) Extraordinary ETF Events

“**Extraordinary ETF Event**” means, in the determination of the Calculation Agent, the occurrence at any time on or after the Issue Date of any of the following events and any applicable Additional Extraordinary ETF Event:

- (i) the ETF or any ETF Service Provider (i) ceases trading and/or, in the case of any ETF Service Provider, ceases administration, portfolio management, investment services, custodian, prime brokerage or any other relevant business (as applicable), (ii) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger), (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv)(1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) 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; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above;
- (ii) the occurrence of any Merger Event or Tender Offer (unless Tender Offer is specified as not applicable in the Issue Terms), where:

“**Merger Event**” means, in respect of any relevant ETF Shares, any (i) reclassification or change of such ETF Shares that results in a transfer of or an irrevocable commitment to transfer all of such ETF Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of an 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 a reclassification or change of all of such ETF Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETF Shares of the ETF that results in a transfer of or an irrevocable commitment to transfer all such ETF Shares (other than such ETF Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the ETF or its subsidiaries with or into another entity in which the ETF is the continuing entity and which does not result in a reclassification or change of all such ETF Shares outstanding but



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results in the outstanding ETF Shares (other than ETF Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETF Shares immediately following such event, in each case if the date of the occurrence of the Extraordinary ETF Event is on or before (a) in the case of Cash Settled Warrants, the latest of the last occurring Automatic Early Expiration Valuation Date, Knock-in Determination Day or Knock-out Determination Day, Observation Date or Valuation Date or, where Averaging is specified in the Issue Terms, the final Averaging Date or (b) in the case of Physical Delivery Warrants, the relevant Settlement Date; 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 30 per cent. and less than 100 per cent. (the “**Percentage Range**”) of the outstanding voting shares of the ETF, as the case may be, 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) (a) an allegation of criminal or fraudulent activity is made in respect of the ETF, or any ETF Service Provider, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (b) the commencement or threat of any investigative, judicial, administrative, regulatory or other civil or criminal proceedings against the ETF, any ETF Service Provider or any key personnel of such entities, if such allegation, determination, suspicion or proceedings could (in the opinion of the Calculation Agent) have an adverse impact on a Hedge Provider’s rights or obligations in relation to hedging activities in respect of the Warrants or could materially affect the value of the ETF Shares;
- (iv) any ETF Service Provider or other agent or entity fulfilling such role, howsoever described in the ETF Documents as at the Issue Date, ceases to act in such capacity in relation to the ETF and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent;
- (v) (i) any of the investment objectives, investment restrictions or investment process (howsoever described) of the ETF are modified from that set out in the ETF Documents except where such change is of a formal, minor or technical nature or (ii) a material modification of the type of assets in which the ETF invests (including but not limited to a material deviation from the investment objectives, investment restrictions or investment process (howsoever described) set out in the ETF Documents);
- (vi) a material modification of the ETF (including but not limited to a modification of the ETF Documents) or a material modification of the method of calculating the net asset value per ETF Share (if any), or any change in the period or timing of the calculation or the publication of the net asset value per ETF Share (if any) or the occurrence of any event which in the determination of the Calculation Agent has or may have an adverse impact on the ETF or investors in the ETF (including, without limitation, the suspension of the net asset value per ETF Share (if any)), in each case other than a modification or event which does not affect the ETF Shares or the ETF or any portfolio of assets to which the ETF Share relate (either alone or in common with other ETF Shares issued by the ETF);
- (vii) any ETF Service Provider fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio of the ETF;
- (viii) (i) the occurrence of any event affecting a ETF Share that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of the relevant ETF Share; (ii) any failure of the ETF, or its authorised representative, to deliver, or cause to be delivered, (1) information that the ETF has agreed to deliver, or cause to be delivered to the Calculation Agent or Hedge Provider, or (2) information that has been previously delivered to any Hedge Provider or the Calculation Agent, as applicable, in accordance with the ETF’s, or its authorised representative’s, normal practice and that any Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such ETF’s compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the relevant ETF Share;

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- (ix) a reduction of the ETF's aggregate value or the reduction of the ETF's aggregate net asset value under an amount that, in the reasonable opinion of the Calculation Agent, has, or is likely to have, a significant effect on the management conditions of the ETF and/or its operating expenses or would increase the proportion of ETF Shares held, or likely to be held, by the Issuer, Guarantor or Hedge Provider to such extent that the full redemption in one single order of the ETF Shares held by the Issuer, Guarantor or Hedge Provider is likely to be impaired;
- (x) (i) any relevant activities of or in relation to the ETF or the ETF Service Providers are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, (ii) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the ETF or the ETF Service Providers, (iii) the ETF is required by a competent authority to redeem any ETF Shares and/or (iv) the Issuer, the Guarantor and/or any Hedge Provider is required by a competent authority, the ETF or any other relevant entity to dispose of or compulsorily redeem any ETF Shares held in connection with any hedging arrangements relating to the Warrants;
- (xi) (i) the non-execution or partial-execution by the ETF for any reason of a subscription or redemption order in respect of any ETF Shares (including, for the avoidance of any doubt, any non-execution by the ETF pending completion of its fiscal audit), if such non-execution or partial execution could in the sole determination of any Hedge Provider have an adverse impact on any Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Warrants, (ii) the ETF otherwise suspends or refuses transfers of any of its ETF Shares as described in the ETF Documents, (iii) if applicable, the ETF ceases to be an undertaking for collective investments under the relevant jurisdiction's legislation, (iv) the ETF otherwise suspends or refuses redemptions of any of its ETF Shares (including, without limitation, if the ETF applies any gating, deferral, suspension or other similar provisions permitting the ETF to delay or refuse redemption or transfer of ETF Shares) as described in the ETF Documents, (v) the ETF imposes in whole or in part any restriction (including, without limitation, any redemption *in specie*), charge or fee in respect of a redemption or subscription of its ETF Shares by the Issuer or any Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed ETF Shares, if in any case it could in the sole determination of any Hedge Provider have an adverse impact on any Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Warrants, (vi) a mandatory redemption, in whole or in part, of the ETF Shares is imposed by the ETF on any one or more holders of ETF Shares at any time for any reason or (vii) the Issuer, any Hedge Provider, or any Affiliate thereof, is required by the ETF or ETF Service Provider to redeem any ETF Shares for any reason;
- (xii) all the ETF Shares or all or substantially all the assets of an ETF are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (xiii) the currency or denomination of the ETF Share is amended from that set out in the ETF Documents as at the Trade Date;
- (xiv) one or more of the key individuals involved with, or having supervision over, the ETF ceases to act in such capacity, and the ETF or relevant ETF Service Provider fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;
- (xv) following the issue by a ETF of a new class or series (howsoever described in the ETF Documents) of shares, the Calculation Agent, determines that such new class or series of shares has or may have an adverse effect on the hedging activities of the Hedge Provider in relation to the Warrants;
- (xvi) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Warrants (a "**Tax Event**") and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging

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arrangements to any of its Affiliates, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date the Calculation Agent determines that there is no reasonable means of mitigating the Tax Event as provided above;

- (xvii) in connection with any hedging activities in relation to the Warrants, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Issue Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a “**Relevant Event**”) (i) it would become unlawful or impractical for the Issuer or the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider or the Issuer to adversely modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of ETF Shares or that would subject a holder of the ETF Shares or the Issuer to any loss), purchase or sell any ETF Shares of the ETF or for the Issuer or the Hedge Provider to maintain such hedging arrangements, (ii) the cost to the Issuer or the Hedge Provider of such hedging activities would be materially increased for any reason or (iii) the Issuer and/or the Hedge Provider would be subject to a material loss and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to any of its Affiliates, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date the Calculation Agent determines that that there is no practicable means of mitigating the Relevant Event as provided above;
- (xviii) in connection with the hedging activities in relation to the Warrants, if the cost to the Issuer or the Hedge Provider in relation to the Warrants and the related hedging activities would be materially increased or the Issuer and/or the Hedge Provider would be subject to a material loss relating to the Warrants and the related hedging activities;
- (xix) in connection with the hedging activities in relation to the Warrants, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset or any futures or option contracts on the relevant Exchange it deems necessary to hedge the equity, commodity or other underlying ETF asset price risk or any other relevant price risk, including but not limited to the Issuer’s obligations under the Warrants, or (b) to realise, recover or remit the proceeds of any such transaction, asset or futures or option contract or any relevant hedge positions relating to an ETF Share of the ETF;
- (xx) at any time on or after the Issue Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Warrants;
- (xxi) the Issuer becomes legally prohibited from transferring or redeeming its holding of ETF Shares;
- (xxii) the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant ETF Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or otherwise (ii) a comparable 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);
- (xxiii) (i) the occurrence of the reclassification of the ETF Shares; or  
(ii) (A) proposal for or (B) the occurrence of the acquisition of the ETF by, or the aggregation of the ETF into, another fund the mandate, risk-profile and/or benchmarks of which the Calculation

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Agent determines to be different from the mandate, risk-profile and/or benchmarks of the ETF as compared to the Trade Date of the ETF Linked Warrants (or any proposal for the foregoing occurs); or

- (xxiv) (i) any cancellation, suspension or revocation of the registration or approval of the ETF or the ETF Shares by any governmental, legal or regulatory entity with authority over the ETF or the ETF Shares;
- (ii) any change in the legal, tax, accounting or regulatory treatments of the ETF, any ETF Service Provider or the ETF Shares that the Calculation Agent determines has or is reasonably likely to have an adverse impact on the investors in the ETF or the holders of the ETF Shares or on the value of the ETF Shares, or
- (iii) the ETF or any ETF Service Provider becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving any activities relating to or resulting from the operation of the ETF.

### (c) Consequences of an Extraordinary ETF Event

If an Extraordinary ETF Event occurs, including any Additional Extraordinary ETF Event, the Issuer in its sole and absolute discretion may take any of the actions (each an “**Extraordinary ETF Event Action**”) described in subparagraphs (i) to (iii) inclusive below.

#### (i) Adjustment

If the Issuer determines that the action taken in respect of the Extraordinary ETF Event is to be “**Adjustment**” then it may:

- (A) require the Calculation Agent to determine, in its sole and absolute discretion, the appropriate adjustment(s), if any, to be made to any one or more of any Relevant Asset and/ or the Entitlement (in the case where the Warrants are Physical Delivery Warrants) and/ or the Exercise Price and/ or the Weighting and/ or any of the other terms of the General Conditions, these ETF Linked Conditions and/ or the applicable Issue Terms to account for the relevant the Extraordinary ETF Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETF Shares or to the Warrants. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary ETF Event made by any options exchange to options on the ETF Shares traded on that options exchange; or
- (B) following such adjustment to the settlement terms of options on the ETF 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 any Relevant Asset and/ or the Entitlement (in each case where the Warrants are Physical Delivery Warrants) and/ or the Weighting and/ or any of the other terms of the General Conditions, these ETF Linked Conditions and/ or the Issue Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the ETF Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/ or the Entitlement (in each case where the Warrants are Physical Delivery Warrants) and/ or the Exercise Price and/ or the Weighting and/ or any of the other terms of the General Conditions, these ETF Linked Conditions and/ or the Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary ETF Event, 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.

#### (ii) Substitution

If the Issuer determines that the action to be taken in respect of the Extraordinary ETF Event is to be “**Substitution**”, the Calculation shall on or after the occurrence of any Extraordinary ETF

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Event, substitute each ETF Share (each an “**Affected ETF Share**”) of each ETF (each, an “**Affected ETF**”) which is affected by such Extraordinary ETF Event with an ETF Share selected by it in accordance with the criteria for ETF Share selection set out below (each a “**Substitute ETF Share**”) and the Substitute ETF Share will be deemed to be an “ETF Share” and the relevant issuer of such Substitute ETF Share, an “ETF” for the purposes of the Warrants, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Warrants are Physical Delivery Warrants) and/or the Exercise Price and/or the Weighting and/or any of the other terms of the General Conditions, these ETF Linked Conditions and/or the Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Warrants was to be determined by reference to an initial price (the “**Initial Price**”) of the Affected ETF Share, the relevant Initial Price of each Substitute ETF Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B/C)$$

where:

“**A**” is the official closing price of the relevant Substitute ETF Share on the relevant Exchange on the Substitution Date;

“**B**” is the Initial Price of the relevant Affected ETF Share; and

“**C**” is the fair market value of the relevant Affected ETF Share on the Substitution Date (which may, where available, be determined by reference to the official closing price of the Affected Share on the relevant Exchange and/or such other source(s) as the Calculation Agent determines appropriate).

Such substitution and the relevant adjustment to the ETF Basket will be deemed to be effective as of the date selected by the Calculation Agent (the “**Substitution Date**”) in its sole and absolute discretion and specified in the notice referred to below which may, but need not, be the relevant Extraordinary ETF Event Effective Date.

The Weighting of each Substitute ETF Share will be equal to the Weighting of the relevant Affected ETF Share.

In order to be selected as a Substitute ETF Share, the relevant share/unit/interest must satisfy the following criteria, as determined by the Calculation Agent in its sole and absolute discretion:

- (A) where the relevant Extraordinary ETF Event is a Merger Event or a Tender Offer (a) in the case of ETF Shares related to a single ETF, and (b) in the case of ETF Shares related to an ETF Basket, the relevant share/unit/interest shall be an ordinary share/unit/interest of the entity or person that in the case of a Merger Event is the continuing entity in respect of the Merger Event or in the case of a Tender Offer is the entity making the Tender Offer provided that (i) the relevant share/unit/interest is not already included in the ETF Basket and (ii) it is or as of the relevant Extraordinary ETF Event Effective Date is promptly scheduled to be (x) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (y) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (B) (a) where the relevant Extraordinary ETF Event is a Merger Event or a Tender Offer and a share/unit/interest would otherwise satisfy the criteria set out in paragraph (A) above, but such share/unit/interest is (in the case of an ETF Share related to an ETF Basket), already included in the ETF Basket, or (b) where the Extraordinary ETF Event is not a Merger Event or a Tender Offer, an alternative exchange traded instrument which, in the determination of the Calculation Agent, has similar characteristics to the relevant ETF, including but not limited to, a comparable listing, investment objectives, investment restrictions and investment processes underlying asset pools and whose related parties are acceptable to the Calculation Agent;

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- (C) if no alternative traded instrument can be determined pursuant to the preceding subparagraph (B) above, use reasonable endeavours to substitute the relevant ETF with an index (or a fund tracking an index) selected by the Calculation Agent in its sole and absolute discretion; and
  - (D) following any such substitution (a “**Substitution**”), in its sole and absolute discretion amend such of the General Conditions, these ETF Linked Conditions and/or the Issue Terms as it determines to be appropriate to take account of such Substitution, including to ensure the weighted average price referred to in (i) above (and any consequent rise or fall in value of the affected ETF Share since the Issue Date) is reflected in the terms of the Substitution.
- (iii) Cancellation
- If the Issuer determines that the action to be taken in respect of the Extraordinary ETF Event is to be “Cancellation”, upon the occurrence of any of the Extraordinary Fund Events set out in ETF Linked Condition 2 or any Additional Extraordinary Fund Event specified in the Final Terms occurs (a “**Cancellation Event**”) the Issuer (i) shall cancel all but not some only of the Warrants on the Cancellation Date by payment to each Warrantholder of the Cancellation Amount. For avoidance of any doubt, the Cancellation Amount shall not accrue any interest from the date of its calculation to the Cancellation Date.
- (iv) Upon the occurrence of an Extraordinary ETF Event, if the Issuer determines that an adjustment in accordance with the above provisions is necessary it shall give notice as soon as practicable (an “**Extraordinary Event Notice**”) to the Warrantholders in accordance with General Condition 10 (*Notices*) stating the occurrence of such Extraordinary ETF Event (the date on which an Extraordinary Event Notice is given, an “**Extraordinary ETF Event Notification Date**”), giving details thereof and the action to be taken in relation thereto, including, in the case of a Substitution, the identity of the Substitute ETF Shares and the Substitution Date and, in the case of a Cancellation, details of any Cancellation Date and Cancellation Amount (where applicable), provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Extraordinary ETF Event or the proposed action.

### 3. Correction of ETF Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Warrants calculated by reference to the price of an ETF Share, if the relevant price of the relevant ETF Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Warrants is subsequently corrected and the correction is published by the relevant Exchange within the number of days equal to the ETF Share Correction Period of the original publication, the price to be used shall be the price of the relevant ETF Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Warrants calculated by reference to the price of an ETF Share will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

### 4. Knock-in Event and Knock-out Event

- (a) This ETF Linked Condition 4 is applicable only if:
- (i) Knock-in Event is specified as applicable in the Issue Terms, in which case any payment under the Warrants which is expressed to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event; or
  - (ii) Knock-out Event is specified as applicable in the Issue Terms, in which case any payment under the Warrants which is expressed to be subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.
- (b) Provided that:
- (i) if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the Issue Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one hour period that begins or ends at the Valuation Time a Knock-in Event or a Knock-out Event would otherwise have occurred and a Trading Disruption, Exchange

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Disruption or Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of each affected ETF Share as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of Valuation Date; and

- (ii) if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the Issue Terms is any time/or period of time during the regular trading hours on the relevant Exchange other than the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one hour period that begins or ends at the Knock-in Valuation Time or Knock-out Valuation Time a Knock-in Event or a Knock-out Event would otherwise have occurred and a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of each affected ETF Share as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of Valuation Date.

### 5. Automatic Early Expiration

If “**Automatic Early Expiration**” is specified as applicable in the Issue Terms, then unless previously exercised or purchased and cancelled, if (i) on any Automatic Early Expiration Valuation Date or (ii) in respect of an Automatic Early Expiration Valuation Period if on any or all Automatic Early Expiration Valuation Date(s), as specified in the Issue Terms, an Automatic Early Expiration Event occurs, then each Warrant will, subject as provided in ETF Linked Condition 2(c), be automatically cancelled in whole, but not in part, on the Automatic Early Expiration Settlement Date immediately following such Automatic Early Expiration Valuation Date or Automatic Early Expiration Valuation Period at an amount equal to the relevant Automatic Early Expiration Amount.

### 6. Definitions

“**Additional Extraordinary ETF Event**” means (i) (unless specified otherwise in the Issue Terms) Change in Law, (ii) Failure to Deliver (in the case of Physically Delivered Warrants), or (iii) any of Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing, Stop-Loss Event and/or Loss of Stock Borrow, in each case if specified in the Issue Terms.

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

“**AEE Value**” has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1 (*General Definitions*).

“**Automatic Early Expiration Amount**” means, in respect of each Calculation Amount, the amount set out in the Issue Terms.

“**Automatic Early Expiration Settlement Date**” means each date specified as such in the Issue Terms, or if such date is not a Business Day, the immediately succeeding Business Day, provided that no additional amount shall be payable to Holders as a result of such delay.

“**Automatic Early Expiration Event**” means the AER Value is (A):

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or

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(iv) less than or equal to,

the Automatic Early Expiration Trigger,

(i), (ii), (iii) or (iv) applying or (B) within or outside the Automatic Early Expiration Range, as specified in the Issue Terms,

“**Automatic Early Expiration Trigger**” means the price, amount, percentage or number specified as such in the Issue Terms, subject to adjustment as provided in ETF Linked Condition 2(c)(i) above.

“**Automatic Early Expiration Range**” means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these ETF Linked Conditions.

“**Automatic Early Expiration Valuation Date**” means each date as specified as such in the Issue Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of Valuation Date shall apply *mutatis mutandis* as if references in such provisions to Valuation Date were to Automatic Early Expiration Valuation Date.

“**Automatic Early Expiration Valuation Period**” means each period specified as such in the Issue Terms.

“**Automatic Early Expiration Valuation Time**” has the meaning given it in the Issue Terms.

“**Averaging Date**” means each date specified as an Averaging Date in the Issue Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day.

If any such day is a Disrupted Day pursuant to the above, then:

- (a) If “**Omission**” is specified as applying in the Issue Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant level, price or amount, as applicable, provided that if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of Valuation Date will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date; or
- (b) if “**Postponement**” is specified as applying in the Issue Terms, the provisions of the definition of Valuation Date will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date 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 Issue Terms then:
  - (i) where the Warrants are ETF Linked Warrants relating to a single ETF, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (b) of the definition of Valuation Date below;
  - (ii) where the Warrants are ETF Linked Warrants relating to an ETF Basket, the Averaging Date for each ETF Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the “**Scheduled Averaging Date**”) and the Averaging Date for each ETF Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such ETF Share. If the first succeeding Valid Date in relation to such ETF Share has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the relevant Averaging Date, then (A) that Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such ETF Share, and (B) the Calculation Agent shall determine the



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relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b) of the definition of Valuation Date below; and

- (iii) for the purposes of these ETF Linked Conditions, “**Valid Date**” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

“**Cancellation Amount**” means amount equal to the fair market value of a Warrant taking into account the relevant Extraordinary ETF Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion as soon as practicable following the occurrence of the relevant Extraordinary ETF Event.

“**Cancellation Date**” means (i) the date determined by the Issuer (which, for the avoidance of doubt shall be any date determined by the Issuer in its sole and absolute discretion) and specified in the notice given to the Warrantholders in accordance with these ETF Linked Conditions.

“**Change in Law**” means that, on or after the Trade Date (as specified in the Issue Terms) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant ETF Share and/or (B) it will incur a materially increased cost in performing its obligations in relation to the ETF Linked Warrants (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).

“**Clearance System**” means the principal domestic clearance system customarily used for settling trades in the relevant securities.

“**Clearance System Business Days**” means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions.

“**Coupon Valuation Time**” means the time specified as such in the applicable Issue Terms.

“**Disrupted Day**” means any Scheduled Trading Day on which:

- (a) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session;
- (b) a Market Disruption Event has occurred; or
- (c) where Exchange Business Day (Cross Asset Basis) and Scheduled Trading Day (Cross Asset Basis) are specified as applicable in the Issue Terms for (i) ETF Linked Warrants, (ii) Index Linked Warrants and/ or (iii) Equity Linked Warrants, a Disrupted Day occurs under and as defined in the Index Linked Conditions and/or Equity Linked Conditions.

“**Early Closure**” means the closure on any Exchange Business Day of the 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 the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

“**ETF**” means any fund specified as being an Exchange Traded Fund in the Issue Terms, or if not so specified, any fund which the Calculation Agent determines to be an exchange traded fund.

“**ETF Basket**” means a Basket comprising the ETF Shares in one or more ETFs specified in the Issue Terms.

“**ETF Documents**” means, with respect to any ETF Share, the offering documents in effect on the Trade Date specifying among other things the terms and conditions relating to such ETF and for the avoidance of any doubt any other documents and agreements in respect of the ETF, as may be further described in any offering documents.

“**ETF Service Provider**” means, in respect of any ETF, any person who is appointed to provide services, directly or indirectly, for such ETF, whether or not specified in the ETF Documents, including any investment

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advisor or manager, fund adviser, fund administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent and any other person as determined by the Calculation Agent.

“**ETF Share(s)**” means, in respect of an ETF, a share or unit in such ETF.

“**ETF Share Correction Period**” means the period specified in the Issue Terms or if none is so specified, one Settlement Cycle.

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

“**Exchange Business Day**” means either (i) in the case of a single ETF Share, Exchange Business Day (Single ETF Share Basis) or (ii) in the case of a basket of ETFs or other assets, (a) Exchange Business Day (All ETF Shares Basis) or (b) Exchange Business Day (Per ETF Share Basis) or (c) Exchange Business Day (Cross Asset Basis), in each case as specified in the Issue Terms, provided that, if no such specification is made in the Issue Terms, Exchange Business Day (All ETF Shares Basis) shall apply.

“**Exchange Business Day (All ETF Shares Basis)**” means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time.

“**Exchange Business Day (Cross Asset Basis)**” means, in respect of an ETF Basket, any Scheduled Trading Day on which each relevant Exchange and each Related Exchange (if any) in respect of all ETFs comprised in the ETF Basket is open for trading during its regular trading session(s) (notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time) which is also an Exchange Business Day under and as defined in the Index Linked Conditions and/or Equity Linked Conditions, as applicable.

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

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

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

“**Extraordinary ETF Event Effective Date**” means, in respect of an Extraordinary ETF Event, the date on which such Extraordinary ETF Event occurs, or has occurred, as determined by the Calculation Agent in its sole and absolute discretion.

“**Failure to Deliver**” means failure of the Issuer and/or any of its Affiliates to deliver, when due, the Relevant Assets comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for such Relevant Assets.

“**Hedge Provider**” means the party (being, *inter alia*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an Affiliate or any third party) from time to time who hedges the Issuer’s obligations in respect of the Warrants or where no such party actually hedges such obligations, a hypothetical investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of ETF Shares, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of ETF Shares as it (or in the case of a hypothetical investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Warrants.

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**“Hedging Disruption”** means that the Issuer and/or the Guarantor or any of its Affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the fund price risk or any other relevant price risk including but not limited to the currency risk of the Issuer or the Guarantor (if applicable), issuing and performing its obligations with respect to the Warrants, or (ii) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

**“Hedging Shares”** means the number of ETF Shares that the Issuer or any of its Affiliates deems necessary to hedge the price risk of entering into and performing its obligations with respect to the Warrants.

**“Increased Cost of Hedging”** means that the Issuer and/or the Guarantor or any of their respective 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 (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, fund price risk, foreign exchange risk and interest rate risk) of the Issuer or the Guarantor (if applicable), issuing and performing its obligations with respect to the Warrants, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor and/ or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

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

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

**“Insolvency Filing”** means that an ETF institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the ETF shall not be deemed an Insolvency Filing.

**“Knock-in Barrier”** means the price, amount, percentage or number specified as such in the Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these ETF Linked Conditions.

**“Knock-in Determination Day”** means the date(s) specified as such in the Issue Terms, or otherwise each Scheduled Trading Day during the Knock-in Determination Period.

**“Knock-in Determination Period”** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

**“Knock-in Event”** means the Knock-in Value is (A):

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Knock-in Barrier or (B) within or outside the Knock-in Range (x) on a Knock-in Determination Day or (y) in respect of any Knock-in Determination Period, as specified in the Issue Terms.

**“Knock-in Period Beginning Date”** means the date specified as such in the Issue Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**“Knock-in Period Ending Date”** means the date specified as such in the Issue Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

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“**Knock-in Range**” means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these ETF Linked Conditions.

“**Knock-in Valuation Time**” means the time or period of time on any Knock-in Determination Day specified as such in the Issue Terms or in the event that the Issue Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time.

“**Knock-in Value**” has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1.

“**Knock-out Barrier**” means the price, amount, percentage or number specified as such in the applicable Issue Terms, subject to adjustment from time to time in accordance with the ETF Linked Conditions.

“**Knock-out Determination Day**” means the date(s) specified as such in the Issue Terms, or otherwise each Scheduled Trading Day during the Knock-out Determination Period.

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

“**Knock-out Event**” means the Knock-out Value is (A):

- (i) greater than,
- (ii) greater than or equal to,
- (iii) less than or
- (iv) less than or equal to

the Knock-out Barrier or (B) within or outside the Knock-out Range (x) on a Knock-out Determination Day or (y) in respect of any Knock-out Determination Period, as specified in the Issue Terms.

“**Knock-out Period Beginning Date**” means the date specified as such in the Issue Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

“**Knock-out Period Ending Date**” means the date specified as such in the Issue Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

“**Knock-out Range**” means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these ETF Linked Conditions.

“**Knock-out Valuation Time**” means the time or period of time on any Knock-out Determination Day specified as such in the Issue Terms or, in the event that the Issue Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

“**Knock-out Value**” has the meaning given to it in the Issue Terms, being a term defined in the Payout Condition 5.1.

“**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 ETF Share in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

“**Market Disruption Event**” means, in respect of an ETF Share, the occurrence or existence of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event, begins or ends at the time when the level of the relevant ETF Share triggers, respectively, the occurrence of the Knock-in Event or Knock-out Event or (b) in all other circumstances that ends at the relevant Valuation Time, or (iii) an Early Closure.

“**Maximum Stock Loan Rate**” means, in respect of an ETF Share, the Maximum Stock Loan Rate specified in the Issue Terms.

“**Number of NAV Publication Days**” means (i) the number of calendar days specified in the Issue Terms, or (ii) if not specified in the Issue Terms, the maximum number of days after the due date for publication or

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reporting of the net asset value per ETF Share after which the ETF Service Provider or any entity fulfilling such role, howsoever described in the ETF Documents, or any other party acting on behalf of the ETF, may remedy any failure to publish or report the net asset value per ETF Share in accordance with the relevant ETF Documents and before the Calculation Agent may determine that an Extraordinary ETF Event has occurred.

“**Observation Date**” means each date specified as an Observation Date in the Issue Terms, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of Valuation Date shall apply *mutatis mutandis* as if references in such provisions to Valuation Date were to Automatic Early Expiration Valuation Date.

“**Observation Period**” means the period specified as the Observation Period in the Issue Terms.

“**Related Exchange**” means, in relation to an ETF Share, each exchange or quotation system specified as such for such ETF Share in the Issue Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such ETF Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such ETF Share 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 Issue Terms, Related Exchange shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such ETF Share.

“**Scheduled Closing Time**” means, in respect of an Exchange on which an ETF Share is traded and/or listed, the scheduled weekday closing time of such Exchange.

“**Scheduled Trading Day**” means either (i) in the case of a single ETF and in relation to an ETF Share, Scheduled Trading Day (Single ETF Share Basis) or (ii) in the case of an ETF Basket, (a) Scheduled Trading Day (All ETF Shares Basis) or (b) Scheduled Trading Day (Per ETF Share Basis) or (c) Scheduled Trading Day (Cross Asset Basis), in each case as specified in the Issue Terms, provided that, if no such specification is made in the Issue Terms, Exchange Business Day (All ETF Shares Basis) shall apply.

“**Scheduled Trading Day (All ETF Shares Basis)**” means any day on which each Exchange and each Related Exchange are scheduled to be open for trading during their respective regular trading session(s).

“**Scheduled Trading Day (Cross Asset Basis)**” means, in respect of a basket of assets, any day on which each Exchange and each Related Exchange (if any) in respect of all ETFs comprised in the basket of assets is scheduled to be open for trading during its regular trading session which is also a Scheduled Trading Day for the purpose of the Index Linked Conditions and/or the Equity Linked Conditions, as applicable.

“**Scheduled Trading Day (Per ETF Share Basis)**” means, in respect of an ETF Share, any day on which the relevant Exchange and the relevant Related Exchange in respect of such ETF Share are scheduled to be open for trading during their respective regular trading session(s).

“**Scheduled Trading Day (Single ETF Share Basis)**” means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s).

“**Scheduled Valuation Date**” means any day which but for the occurrence of a Disrupted Day would have been a Valuation Date.

“**Screen Page**” means the page specified in the Issue Terms, or any successor page or service thereto.

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

“**Settlement Price**” means, subject as referred to in relation to any Observation Date, Valuation Date or Averaging Date, Automatic Early Expiration Valuation Date, Knock-in Determination Day or Knock-out Determination Day, an amount equal to the official closing price (or the price at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as the case may be, on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the Issue Terms) quoted on the relevant Exchange for such ETF Share on (a) if Averaging is not specified in the Issue Terms, the Observation Date, the Valuation Date, Automatic Early Expiration Valuation Date, Knock-in Determination Day or Knock-out Determination

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Day or (b) if Averaging is specified in the Issue Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as the case may be, on the Valuation Date, Automatic Early Expiration Valuation Date, Knock-in Determination Day or Knock-out Determination Day or such Averaging Date, as the case may be, if so specified in the Issue Terms) cannot be so determined and the Valuation Date, Automatic Early Expiration Valuation Date, Knock-in Determination Day or Knock-out Determination Day or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as the case may be, on the Valuation Date, Automatic Early Expiration Valuation Date, Knock-in Determination Day or Knock-out Determination Day or such Averaging Date, as the case may be, if so specified in the Issue Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as the case may be, on the Valuation Date, Automatic Early Expiration Valuation Date, Knock-in Determination Day or Knock-out Determination Day or such Averaging Date, as the case may be, if so specified in the Issue Terms) for the ETF Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such ETF Share or on such other factors as the Calculation Agent shall decide).

“**Settlement Price Date**” means any Automatic Early Expiration Valuation Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date or Valuation Date, as the case may be.

“**Specified Maximum Days of Disruption**” means five (5) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the Issue Terms.

“**Stop-Loss Event**” means, in respect of an ETF Share, the price of any ETF Share as quoted on the relevant Exchange for such ETF Share at any time or the Scheduled Closing Time, as specified in the Issue Terms, on any Scheduled Trading Day that is not a Disrupted Day in respect of such ETF Share on or after the Trade Date or, if later the Strike Date, is less than 5 per cent., or such percentage specified in the Issue Terms, of its Settlement Price or, if no Settlement Price is stipulated in the Issue Terms, the price given as the benchmark price for such ETF Share in the Issue Terms, all as determined by the Calculation Agent.

“**Strike Date**” means the Strike Date specified in the Issue Terms, as may be adjusted in accordance with the definition of “Valuation Date” below, provided that:

in the case of ETF Linked Warrants relating to a ETF Basket, if the Strike Date for any ETF Share forming part of the ETF Basket is specified to be the Trade Date (subject, for the avoidance of doubt, to any adjustments relating to the Strike Date that are set out in the Issue Terms) then:

(i) if the Strike Date for any ETF Share forming part of the ETF Basket is not a Scheduled Trading Day, the Strike Date for such ETF Share shall be the first succeeding Scheduled Trading Day; unless (ii) in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then the Strike Date for such ETF Share, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of such ETF Share forming part of the ETF Basket unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date is a Disrupted Day in respect of such ETF Share.

In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the relevant ETF Share, notwithstanding the fact that such day is a Disrupted Day with respect to such ETF Share, and (ii) the Calculation Agent shall determine the price of the ETF Share as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the price of that ETF Share last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each ETF Share comprised in that ETF Basket (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant ETF Share on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant ETF Share as of the Valuation Time on the last such consecutive Scheduled Trading Day) and otherwise in accordance with the above provisions.

“**Strike Day**” means each date specified as such in the applicable Final Terms.

“**Strike Period**” means the period specified as the Strike Period in the Issue Terms.

## ADDITIONAL TERMS AND CONDITIONS FOR ETF LINKED WARRANTS

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

“**Valuation Date**” means the Strike Date, Expiration Date, Actual Exercise Date, Potential Exercise Date(s), Automatic Early Expiration Valuation Date and Specified Exercise Date, as the case may be, specified in the Issue Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding 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:

- (a) in the case of ETF Linked Warrants relating to a single ETF Share, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on that the last such consecutive Scheduled Trading Day; or
- (b) in the case of ETF Linked Warrants relating to a Basket of ETF Shares, the Valuation Date for each ETF Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each ETF Share affected (each an “**Affected Item**”) 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 Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day and otherwise in accordance with the above provisions.

“**Valuation Time**” in relation to an ETF Share means either (i) the close of trading on the Exchange or (ii) as otherwise specified in the Issue Terms.

“**Weighting**”, in relation to an ETF Share, the weighting to be applied to it as specified in the Issue Terms or if no weighting is so specified then no such weighting shall apply.

## ANNEX 5

### ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED WARRANTS

*If specified as applicable in the Issue Terms, the terms and conditions applicable to Fund Linked Warrants shall comprise the General Conditions and the additional terms and conditions for Fund Linked Warrants set out below (the “Fund Linked Conditions”), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between the General Conditions and the Fund Linked Conditions, the Fund Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Fund Linked Conditions and (ii) the Issue Terms, the Issue Terms shall prevail.*

#### 1. Extraordinary Fund Events

“**Extraordinary Fund Event**” means, in the determination of the Calculation Agent, the occurrence at any time on or after the Issue Date of any of the following events and any applicable Additional Extraordinary Fund Event:

- (a) all the Fund Shares or all or substantially all the assets of a Fund are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (b) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (i) all the Fund Shares of that Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Fund Shares of that Fund become legally prohibited from transferring or redeeming them;
- (c) the Fund or any Fund Service Provider (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger), (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iii)(1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (iv) 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; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (v) above;
- (d) the commencement of any investigative, judicial, administrative or other civil or criminal proceedings against the Fund, any Fund Service Provider or any key personnel of such entities, if such proceedings could (in the opinion of the Calculation Agent) have an adverse impact on a Hedge Provider’s rights or obligations in relation to hedging activities in respect of the Warrants;
- (e) any Fund Service Provider or other agent or entity fulfilling such role, howsoever described in the Fund Documents as at the Issue Date, ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent;
- (f) (i) any of the investment objectives, investment restrictions or investment process (howsoever described) of the Fund are modified from that set out in the Fund Documents except where such change is of a formal, minor or technical nature or (ii) a material modification of the type of assets in which the Fund invests (including but not limited to a material deviation from the investment objectives, investment restrictions or investment process (howsoever described) set out in the Fund Documents);



## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED WARRANTS

- (g) a material modification of the Fund (including but not limited to a modification of the Fund Documents) or a material modification of the method of calculating the net asset value per Fund Share, or any change in the period or timing of the calculation or the publication of the net asset value per Fund Share or the occurrence of any event which in the determination of the Calculation Agent has or may have an adverse impact on the Fund or investors in the Fund (including, without limitation, the suspension of the net asset value per Fund Share), in each case other than a modification or event which does not affect the Fund Shares or the Fund or any portfolio of assets to which the Fund Share relate (either alone or in common with other Fund Shares issued by the Fund);
- (h) any Fund Service Provider fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio of the Fund;
- (i) (i) the occurrence of any event affecting a Fund Share that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of the relevant Fund Share; (ii) any failure of the Fund, or its authorised representative, to deliver, or cause to be delivered, (1) information that the Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or Hedge Provider, or (2) information that has been previously delivered to any Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that any Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the relevant Fund Share;
- (j) any of the Fund, the Fund Service Providers, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund fails for any reason to calculate and publish the NAV per Fund Share within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Shares unless the cause of such failure to publish is of a technical nature and outside the control of the entity responsible for such publication;
- (k) (i) any relevant activities of or in relation to the Fund or the Fund Service Providers are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, (ii) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the Fund Service Providers, (iii) the Fund is required by a competent authority to redeem any Fund Shares and/or (iv) the Issuer, the Guarantor and/or any Hedge Provider is required by a competent authority, the Fund or any other relevant entity to dispose of or compulsorily redeem any Fund Shares held in connection with any hedging arrangements relating to the Warrants;
- (l) (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Shares (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit), if such non-execution or partial execution could in the sole determination of any Hedge Provider have an adverse impact on any Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Warrants, (ii) the Fund otherwise suspends or refuses transfers of any of its Fund Shares as described in the Fund Documents, (iii) if applicable, the Fund ceases to be an undertaking for collective investments under the relevant jurisdiction's legislation, (iv) the Fund otherwise suspends or refuses redemptions of any of its Fund Shares (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Shares) as described in the Fund Documents, (v) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Shares by the Issuer or any Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Shares, if in any case it could in the sole determination of any Hedge Provider have an adverse impact on any Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Warrants, (vi) a mandatory redemption, in whole or in part, of the Fund Shares is imposed by the Fund on any one or more holders of Fund Shares at any time for any reason or (vii) the Issuer, any Hedge Provider, or any Affiliate thereof, is required by the Fund or Fund Service Provider to redeem any Fund Shares for any reason;
- (m) the aggregate net asset value of the Fund falls below the level of the NAV Barrier;

## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED WARRANTS

- (n) a NAV Trigger Event occurs;
- (o) any proposal to wind up the Fund or the Fund ceases to exist or there exists any litigation against the Fund or a Fund Service Provider which in the determination of the Calculation Agent could materially affect the value of the Fund Shares;
- (p) the currency or denomination of the Fund Share is amended from that set out in the Fund Documents so that the net asset value per Fund Share is no longer calculated in the same currency as at the Trade Date;
- (q) one or more of the key individuals involved with, or having supervision over, the Fund ceases to act in such capacity, and the Fund or relevant Fund Service Provider fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;
- (r) following the issue by a Fund of a new class or series (howsoever described in the Fund Documents) of shares, the Calculation Agent, determines that such new class or series of shares has or may have an adverse effect on the hedging activities of the Hedge Provider in relation to the Warrants;
- (s) where the Warrants are linked to a Fund Basket, a Basket Trigger Event;
- (t) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Warrants, (a “**Tax Event**”) and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to any of its Affiliates, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date the Calculation Agent determines that there is no reasonable means of mitigating the Tax Event as provided above;
- (u) in connection with any hedging activities in relation to the Warrants, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Issue Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a “**Relevant Event**”) (i) it would become unlawful or impractical for the Issuer or the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider or the Issuer to adversely modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of Fund Shares or that would subject a holder of the Fund Shares or the Issuer to any loss), purchase or sell any Fund Shares of the Fund or for the Issuer or the Hedge Provider to maintain such hedging arrangements, (ii) the cost to the Issuer or the Hedge Provider of such hedging activities would be materially increased for any reason or (iii) the Issuer and/or the Hedge Provider would be subject to a material loss and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to any of its Affiliates, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date the Calculation Agent determines that that there is no means of mitigating the Relevant Event as provided above; or
- (v) in connection with the hedging activities in relation to the Warrants, if the cost to the Issuer or the Hedge Provider in relation to the Warrants would be materially increased or the Issuer and/or the Hedge Provider would be subject to a material loss.

### 2. Consequences of an Extraordinary Fund Event

If the Calculation Agent determines that an Extraordinary Fund Event has occurred, including any Additional Extraordinary Fund Event specified in the Issue Terms, the Calculation shall notify the Issuer and the Issuer shall give notice (an “**Extraordinary Event Notice**”) to the Warrantholders in accordance with General Condition 10 (Notices) of the occurrence of such Extraordinary Fund Event (the date on which an

## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED WARRANTS

Extraordinary Fund Event is given, an “**Extraordinary Fund Event Notification Date**”), giving details of the Extraordinary Fund Event and the action to be taken in respect thereof.

If an Extraordinary Fund Event occurs, the Issuer in its sole and absolute discretion may take any of the actions (each an “**Extraordinary Fund Event Action**”) described below, unless otherwise specified in the Final Terms either (a) adjustment (b) effect a Substitution (as defined below) if a Substitution Event has occurred or (c) subject as provided in Fund Linked Condition 3 (Cancellation Date Extension) below, if it is impossible or not reasonably practicable to effect a Substitution or a Cancellation Event has occurred, cancel the Warrants by payment of the Cancellation Amount on the Termination Date.

### *(a) Adjustment*

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary Fund Event is to be “Adjustment”, then the Calculation Agent may determine, in its sole and absolute discretion, the appropriate adjustment(s), if any, to be made to any one or more Fund, Fund Share and/ or the Weighting and/ or any of the other terms of these Terms and Conditions and/ or the applicable Issue Terms to take account of the Extraordinary Fund Event and determine the effective date of such adjustment.

### *(b) Substitution*

A “**Substitution Event**” may be deemed to have occurred if the Calculation Agent determines that any of the Extraordinary Fund Events set out Fund Linked Condition 1 or any Additional Extraordinary Fund Event specified in the Issue Terms occurs. Following the occurrence of a Substitution Event in respect of any Fund Share, the Calculation Agent shall:

- (i) determine the weighted average price at which an investor can redeem the affected Fund Shares in the relevant Fund in such number as determined by the Calculation Agent in its sole and absolute discretion as soon as it is reasonably practicable after its determination of the Substitution Event;
- (ii) for a period of not longer than 14 calendar days after the date of its determination of the Substitution Event, use reasonable efforts to substitute the relevant Fund Shares with shares, units or other similar interests in an alternative fund which, in the determination of the Calculation Agent, has similar characteristics to the relevant Fund, including but not limited to, comparable investment objectives, investment restrictions and investment processes and has service providers acceptable to the Calculation Agent;
- (iii) if no alternative fund can be determined pursuant to the preceding sub-paragraph (ii) above, use reasonable efforts to substitute the relevant Fund with an index (or a fund tracking an index) selected by the Calculation Agent in its sole and absolute discretion; and
- (iv) following any substitution in accordance with sub-paragraph (ii) or (iii) above (a “**Substitution**”), in its sole and absolute discretion amend such of the General Conditions, these Fund Linked Conditions and/ or the Issue Terms as it determines to be appropriate to take account of such Substitution, including to ensure the weighted average price referred to in (i) above (and any consequent rise or fall in value of the affected Fund Shares since the Issue Date) is reflected in the terms of the Substitution.

### *(c) Cancellation*

A “**Cancellation Event**” may be deemed to have occurred in respect to any Fund or Fund Share, if the Calculation Agent determines that any of the Extraordinary Fund Events set out in Fund Linked Condition 1 or any Additional Extraordinary Fund Event specified in the Issue Terms occurs. Upon the occurrence of a Cancellation Event the Issuer (i) shall cancel all but not some only of the Warrants on the Cancellation Date by payment to each Warrantholder of the Cancellation Amount.

## 3. Cancellation Date Extension

In the case of Cash Settled Warrants, if on the Scheduled Settlement Date, Automatic Early Expiration Valuation Date or Cancellation Date, as the case may be, the Hedge Provider has not, (or is deemed to have not), after having placed one or more redemption orders in respect of its holding of Fund Shares in accordance with the terms of the relevant Fund Documents, received redemption proceeds in full in respect of all Fund Shares (the “**Redemption Proceeds**”), the Calculation Agent may notify the Issuer and the Issuer shall notify the Holders as soon as practicable in accordance with General Condition 10 (Notices) that the Settlement Date,

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Automatic Early Expiration Valuation Date or the Cancellation Date, as the case may be, has been postponed. As soon as practicable following receipt (or deemed receipt) by the Hedge Provider of the Redemption Proceeds the Calculation Agent shall give notice to the Issuer and the Issuer shall give notice to the Holders in accordance with General Condition 10 (Notices) (such notice the “**Delayed Payment Notice**”) and cancel the Warrants on the date falling not more than five Business Days following the receipt of the Delayed Payment Notice (such date, the “**Postponed Redemption Date**”) by payment to each Warrantholder of the Settlement Amount, the Automatic Early Expiration Amount or the Cancellation Amount, as the case may be, provided that, if the Hedge Provider does not receive the Redemption Proceeds within the period ending on the date (the “**Delayed Payment Cut-off Date**”) specified in the Issue Terms or, if not so specified, the second anniversary of the scheduled Settlement Date, the Automatic Early Expiration Settlement Date or the Cancellation Date, as the case may be, the Postponed Settlement Date shall be the Delayed Cut-off Date and the Settlement Amount, the Automatic Early Expiration Amount or the Cancellation Amount will be calculated by reference to the redemption proceeds actually received by the Hedge Provider which may be zero.

### 4. Knock-in Event and Knock-out Event

(a) This Fund Linked Condition 4 is applicable only if:

- (i) Knock-in Event is specified as applicable in the Issue Terms, in which case any payment under the Warrants which is expressed to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event; or
- (ii) If Knock-out Event is specified as applicable in the Issue Terms, in which case any payment under the Warrants which is expressed to be subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

### 5. Automatic Early Expiration

If “**Automatic Early Expiration**” is specified as applicable in the Issue Terms, then unless previously cancelled, if (i) on any Automatic Early Expiration Valuation Date or (ii) in respect of an Automatic Early Expiration Valuation Period if on any or all Automatic Early Expiration Valuation Date(s), as specified in the Issue Terms, an Automatic Early Expiration Event occurs, then the Warrants will, subject as provided in Fund Linked Condition 3, be automatically cancelled in whole, but not in part, on the Automatic Early Expiration Settlement Date immediately following such Automatic Early Expiration Valuation Date or Automatic Early Expiration Valuation Period and the Issuer shall cancel each Warrant at an amount equal to the relevant Automatic Early Expiration Amount.

### 6. Definitions

“**Additional Extraordinary Fund Event**” means (i) (unless specified otherwise in the Issue Terms) Change in Law, (ii) Failure to Deliver (in the case of Physical Delivery Warrants), and (iii) Hedging Disruption and Increased Cost of Hedging, if specified in the Issue Terms.

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

“**AEE Value**” has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1 (*General Definitions*).

“**Automatic Early Expiration Amount**” means, in respect of each Calculation Amount, an amount calculated as set out in the Issue Terms.

“**Automatic Early Expiration Settlement Date**” means each date specified as such in the Issue Terms, or if such date is not a Business Day, the next following Business Day, and no Warrantholder shall be entitled to any further payment in respect of such delay.

“**Automatic Early Expiration Event**” means the AEE Value is (A),

- (i) greater than;
- (ii) greater than or equal to;

## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED WARRANTS

(iii) less than; or

(iv) less than or equal to,

the Automatic Early Expiration Trigger,

(i), (ii), (iii) applying or (iv) or (B) within or outside the Automatic Early Expiration Range, as specified in the Issue Terms,

“**Automatic Early Expiration Trigger**” means the price, amount, percentage or number specified as such in the Issue Terms, subject to adjustment as provided in Fund Linked Condition 2(a) above.

“**Automatic Early Expiration Range**” means the range of prices, amounts, percentages, or numbers specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these Fund Linked;

“**Automatic Early Expiration Valuation Date**” means each date specified as such in the Issue Terms and if such a date is not a Fund Business Day, the immediately following Fund Business Day.

“**Automatic Early Expiration Valuation Period**” means each period specified as such in the Issue Terms.

“**Automatic Early Expiration Valuation Time**” has the meaning given to it in the Issue Terms

“**Averaging Date**” means each date specified as an Averaging Date in the Issue Terms or if any such date is not a Fund Valuation Date, the immediately following Fund Valuation Date, unless such immediately following day is, due to the occurrence of an Extraordinary Fund Event not a Fund Valuation Date.

If any such day is not a Fund Valuation Date (a “**Fund Non-Valuation Date**”), then:

- (a) If “**Omission**” is specified as applying in the Issue Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant NAV per Fund Share provided that if through the operation of this provision no Averaging Date would occur, then the Calculation Agent may, in its sole and absolute direction, take any of the Extraordinary Fund Event Actions; or
- (b) if “**Postponement**” is specified as applying in the Issue Terms then:
  - (i) In the case of Fund Linked Warrants relating to a single Fund, the Averaging Date shall be the first succeeding Valid Date that is not a Fund Non-Valuation Date (irrespective of whether such date is an Averaging Date), unless each of the number of consecutive Valid Dates equal to the Number of NAV Publication Days immediately following the original date that, but for the occurrence of such day being a Fund Non-Valuation Date, would have been the relevant Averaging Date. In that case, (i) the last such consecutive Valid Date shall be deemed to be the Averaging Date notwithstanding the fact that such day is also an Averaging Date and (ii) the Calculation Agent in its sole and absolute discretion may take any Extraordinary Fund Event Actions.
  - (ii) in the case of Fund Linked Warrants relating to a Fund Basket, the Averaging Date for each Fund Share not affected by the occurrence of a Fund Non-Valuation Date shall be the original Averaging Date (the “Scheduled Averaging Date”), and the Averaging Date for each Fund Share affected (each an “Affected Item”) by the occurrence of a Fund Non-Valuation Date shall be the first succeeding Valid Date that is not a Fund Non-Valuation Date relating to the Affected Item (regardless of whether such Valid Date is an Averaging Date) unless each of the number of consecutive Valid Dates equal to the Number of NAV Publication Days immediately following the Scheduled Averaging Date is a Fund Non-Publication Date relating to the Affected Item. In that case, (i) the last such consecutive date shall be deemed to be the Averaging Date for the Affected Item, notwithstanding the fact that such day is an Averaging Date, and (ii) the Calculation Agent shall in its sole and absolute discretion may take any Extraordinary Fund Event Actions.
- (c) if “**Modified Postponement**” is specified as applying in the Issue Terms then:
  - (i) where the Warrants are Fund Linked Warrants relating to a single Fund, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Fund Business Days equal to the Number of NAV Publication Days immediately following the original date that, but for the occurrence of such date being a Fund Non-Valuation Date or another Averaging Date, would have been the relevant Averaging Date, then,
    - (A) that last such consecutive Fund Business Day shall be deemed to be the Averaging Date (irrespective of whether such Fund Business Day is already an Averaging Date), and (B) the

## ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED WARRANTS

Calculation Agent in its sole and absolute direction, take any of the Extraordinary Fund Event Actions;

- (ii) where the Warrants are Fund Linked Warrants relating to a Fund Basket, the Averaging Date for each Fund Share not affected by the occurrence of a Fund Non-Valuation Date shall be the originally designated Averaging Date (the “**Scheduled Averaging Date**”) and the Averaging Date for each Fund Share affected by the occurrence of a Fund Non-Valuation Date shall be the first succeeding Valid Date (as defined below) in relation to such Fund Share. If the first succeeding Valid Date has not occurred for a number of consecutive Fund Business Days equal to the Number of NAV Publication Days immediately following the Scheduled Averaging Date that, but for the occurrence of such date being a Fund Non-Valuation Date or another Averaging Date, would have been the relevant Averaging Date, then (A) that last such consecutive Fund Business Day shall be deemed to be the Averaging Date (irrespective of whether such Fund Business Day is already an Averaging Date), and (B) the Calculation Agent in its sole and absolute direction, take any of the Extraordinary Fund Event Actions; and
- (iii) for the purposes of these Fund Linked Conditions, “**Valid Date**” means a Fund Valuation Date which is not a Fund Non-Valuation Date and on which another Averaging Date does not or is not deemed to occur.

“**Basket Trigger Event**” means that a Substitution Event occurs in respect of one or more Funds comprising the Fund Basket which has or, in the event that a Substitution Event has occurred in respect of more than one Fund, together have, a Weighting in the Fund Basket equal to or greater than the Basket Trigger Level.

“**Basket Trigger Level**” has the meaning given to it in the Issue Terms or if not so specified, 50 per cent.

“**Calculation Date**” means each day(s) specified in the Issue Terms, or if not so specified, each day which is a Fund Business Day.

“**Cancellation Amount**” means an amount equal to the fair market value of a Warrant taking into account the relevant Extraordinary Fund Event (the “**Calculated Extraordinary Fund Event Amount**”), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the “**Modified Calculated Extraordinary Fund Event Amount**”), all as determined by the Calculation Agent in its sole and absolute discretion as soon as practicable following the occurrence of the relevant Extraordinary Fund Event.

“**Cancellation Date**” means the date determined by the Issuer (which, for the avoidance of doubt shall be any date determined by the Issuer in its sole and absolute discretion) and specified in the notice given to the Warrantholders in accordance with these Fund Linked Conditions.

“**Change in Law**” means that, on or after the Trade Date (as specified in the Issue Terms) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant Fund Share and/or (B) it will incur a materially increased cost in performing its obligations in relation to the Fund Linked Warrants (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).

“**Failure to Deliver**” means failure of the Issuer and/or any of its Affiliates to deliver, when due, the Relevant Assets comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for such Fund Shares.

“**Final Calculation Date**” means the date specified as such in the Issue Terms or, if such day is not a Fund Business Day, the immediately succeeding Fund Business Day.

“**Fund**” means Fund(s), or sub-Fund(s) specified in the Issue Terms.

“**Fund Basket**” means a Basket comprising the Fund Shares specified in the Issue Terms.

“**Fund Business Day**” has the meaning specified in the Issue Terms, or, if not so specified, (i) in respect of a single Fund (Single Fund Share Basis), a date (a) that is a Fund Valuation Date and (b) on which the Hedging Provider has, or could have a subscription or redemption order for the Fund Shares executed at the NAV per Fund Share published by the Fund (or the Fund Service Provider that generally published or reports that value)

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in respect of such Fund Valuation Date; and (ii) in respect of a Fund Basket, either Fund Business Day (All Fund Shares Basis) or Fund Business Day (Per Fund Share Basis) as specified in the Issue Terms, provided that, if no such specification is made in the Issue Terms, Fund Business Day (Per Fund Share Basis) shall apply.

**“Fund Business Day (All Fund Shares Basis)”** means with respect to a Fund Basket, a date (i) that is a Fund Valuation Date for all Fund Shares comprising the Fund Basket and (ii) on which the Hedging Provider has, or could have a subscription or redemption order for the Fund Shares executed at the NAV per Fund Share published by the Fund (or the Fund Service Provider that generally published or reports that value) in respect of such Fund Valuation Date.

**“Fund Business Day (Per Fund Share Basis)”** means with respect to a Fund Share, a date (i) that is a Fund Valuation Date in respect of such Fund Share and (ii) on which the Hedging Provider has, or could have a subscription or redemption order for the Fund Shares executed at the NAV per Fund Share published by the Fund (or the Fund Service Provider that generally published or reports that value) in respect of such Fund Valuation Date.

**“Fund Business Day (Single Fund Shares Basis)”** means a date (i) that is a Fund Valuation Date and (ii) on which the Hedging Provider has, or could have a subscription or redemption order for the Fund Shares executed at the NAV per Fund Share published by the Fund (or the Fund Service Provider that generally published or reports that value) in respect of such Fund Valuation Date.

**“Fund Documents”** means, with respect to any Fund Share, the constitutive and governing documents, subscription agreements and other agreements of the Fund specifying the terms and conditions relating to such Fund Shares or as at the Issue Date, as amended from time to time.

**“Fund Service Provider”** means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for such Fund, whether or not specified in the Fund Documents, including any investment advisor or manager, fund adviser, fund administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent and any other person specified as such in the Fund Documents.

**“Fund Share(s)”** means an ownership interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest specified as such in the Issue Terms.

**“Fund Valuation Date”** means any date as of which, in accordance with the Fund Documents, the Fund (or the Fund Service Provider that generally determines such value) is but for the occurrence of an Extraordinary Fund Event would have been scheduled to determine the NAV per Fund Share.

**“Hedge Provider”** means the party (being, *inter alia*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an Affiliate or any third party) from time to time who hedges the Issuer’s obligations in respect of the Warrants or where no such party actually hedges such obligations, a hypothetical investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of Fund Shares, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of Fund Shares as it (or in the case of a hypothetical investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Warrants.

**“Hedging Disruption”** means that the Issuer and/or the Guarantor or any of its Affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the fund price risk or any other relevant price risk including but not limited to the currency risk of the Issuer or the Guarantor (if applicable), issuing and performing its obligations with respect to the Warrants, or (ii) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

**“Increased Cost of Hedging”** means that the Issuer and/or the Guarantor or any of their respective 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 (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, fund price risk, foreign exchange risk and interest rate risk) of the Issuer or the Guarantor (if applicable), issuing and performing its obligations with respect to the Warrants, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased

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amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“**Initial Calculation Day**” means such day specified as such in the Issue Terms, or if such day is not a Fund Business Day, the immediately succeeding Fund Business Day.

“**Initial Calculation Date**” means the date specified as such in the Issue Terms, or if such day is not a Fund Business Day, the immediately succeeding Fund Business Day.

“**Initial Calculation Period**” means such period specified as such in the Issue Terms.

“**Knock-in Barrier**” means the price, amount, percentage or number specified as such in the Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these Fund Linked Condition.

“**Knock-in Determination Day**” means the date(s) specified as such in the Issue Terms, or otherwise each Fund Business Day during the Knock-in Determination Period.

“**Knock-in Determination Period**” means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

“**Knock-in Event**” means the Knock-in Value is (A):

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Knock-in Barrier or (B) within or outside the Knock-in Range (x) on a Knock-in Determination Day or (y) in respect of any Knock-in Determination Period, as specified in the Issue Terms,

“**Knock-in Period Beginning Date**” means the date specified as such in the Issue Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Fund Business Day, the next following Fund Business Day.

“**Knock-in Period Ending Date**” means the date specified as such in the Issue Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Fund Business Day, the next following Fund Business Day.

“**Knock-in Range**” means the range of prices, amounts, percentages or numbers specified as such in the Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in these Fund Linked Conditions.

“**Knock-in Value**” has the meaning given to it in the Final Terms, being a term defined in Payout Condition 5.1.

“**Knock-out Barrier**” means the price, amount, percentage or number specified as such in the applicable Issue Terms, subject to adjustment from time to time in accordance with the Fund Linked Conditions.

“**Knock-out Determination Day**” means the date(s) specified as such in the Issue Terms, or otherwise each Fund Business Day during the Knock-out Determination Period.

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

“**Knock-out Event**” means the Knock-out Value is (A):

- (i) greater than,
- (ii) greater than or equal to,
- (iii) less than or
- (iv) less than or equal to

the Knock-out Barrier or (B) within or outside the Knock-out Range (x) on a Knock-out Determination Day or (y) in respect of any Knock-out Determination Period, as specified in the Issue Terms.



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“**Knock-out Period Beginning Date**” means the date specified as such in the Issue Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Fund Business Day, the next following Fund Business Day.

“**Knock-out Period Ending Date**” means the date specified as such in the Issue Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Fund Business Day, the next following Fund Business Day.

“**Knock-out Range**” means the range of prices, amounts, percentages or numbers specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Fund Linked Conditions.

“**Knock-out Value**” has the meaning given to it in the Issue Terms, being a term defined in the Payout Condition 5.1.

“**NAV Barrier**” has the meaning given to it in the Issue Terms.

“**NAV Trigger Event**” means, in respect of any Fund Shares, that (i) the NAV per Fund Share has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period; or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets.

“**NAV Trigger Percentage**” means the percentage specified in the Issue Terms or, if not so specified, 50 per cent.

“**NAV Trigger Period**” means the period specified in the Issue Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date.

“**NAV per Fund Share**” means, subject as referred to in Averaging Date, with respect to the relevant Fund Share and a Fund Valuation Date:

- (A) in respect of a single Fund, (i) if Averaging is not specified in the Issue Terms, (A) the net asset value per Fund Share of such Fund Shares as of the relevant Fund Valuation Date, or (B), if the Fund Service Provider of the Fund publishes or reports only the aggregate net asset value of the Fund Shares, the net asset value per Fund Share relating to such number of Fund Shares as of the relevant Calculation Date as calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Shares divided by the relevant number of Fund Shares issued and outstanding on the related Fund Valuation Date, each of (A) or (B) as reported by the Fund Service Provider that generally publishes or reports such value on behalf of the Fund to its investors or a publishing service; or (ii) if Averaging is specified in the Issue Terms, the arithmetic mean of the net asset values per Fund Share, (determined in accordance with either (A) or (B) of the foregoing sentence) of such Fund Shares on each Averaging Date; and
- (b) in respect of a Fund Basket, (i) if Averaging is not specified in the Issue Terms, (A) the net asset value per Fund Share for each Fund Share in the Fund Basket as of the relevant Fund Valuation Date, or (B), if the Fund Service Provider of the Fund in relation to a Fund in the Fund Basket publishes or reports only the aggregate net asset value of the Fund Shares, the net asset value per Fund Share relating to such number of Fund Shares as of the relevant Calculation Date for such Fund as calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Shares for such Fund divided by the relevant number of Fund Shares issued by such Fund and outstanding on the related Fund Valuation Date, or (ii) if Averaging is specified in the Issue Terms, the arithmetic mean, for each Fund Share in the Fund Basket of the net asset values per Fund Share for each Fund in the Fund Basket (determined in accordance with either (A) or (B) of the foregoing sentence) relating to such Fund Shares on each Averaging Date.

“**Number of NAV Publication Days**” means (i) the number of calendar days specified in the Issue Terms, or (ii) if not specified in the Issue Terms, the maximum number of days after the due date for publication or reporting of the NAV per Fund Share after which the Fund Service Provider or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund, may remedy any failure to publish or report the NAV per Fund Share in accordance with the relevant Fund Documents and before the Calculation Agent may determine that an Extraordinary Fund Event has occurred.

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**“Observation Date”** means each date specified as an Observation Date in the Issue Terms, or if any such date is not a Fund Business Day, the immediately following Fund Business Day.

**“Observation Period”** means the period specified as the Observation Period in the Issue Terms.

**“Weighting”** in relation to a Fund Share, the weighting to be applied to it as specified in the Issue Terms or if no weighting is so specified then no such weighting shall apply.

## ANNEX 6

### ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED WARRANTS

*If specified as applicable in the Issue Terms, the terms and conditions applicable to Inflation Linked Warrants shall comprise the General Conditions and the additional terms and conditions for Inflation Linked Warrants set out below (the “**Inflation Linked Conditions**”), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between the General Conditions and the Inflation Linked Conditions, the Inflation Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Inflation Linked Conditions and (ii) the Issue Terms, the Issue Terms shall prevail.*

#### 1. Delay in Publication

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Index has occurred, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation of any payment or delivery under the Warrants and/or any other determination to be made in respect of the Warrants (the “**Substitute Inflation Index Level**”) shall be determined by the Calculation Agent (subject to Inflation Linked Condition 1(b) (Substitute Inflation Index Level) below), as follows:

- (a) if Related Bond is specified as applicable in the Issue Terms, the Calculation Agent shall determine the Substitute Inflation 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 in the Issue Terms, or (b) the Calculation Agent is not able to determine a Substitute Inflation Index Level under (i) above for any reason, then the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:

Substitute: Inflation Index Level = Base Level x (Latest Level/Reference Level)

Where:

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

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

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

The Issuer shall promptly give notice to Warrantholders in accordance with General Condition 10 (*Notices*) of any Substitute Inflation Index Level calculated pursuant to this Inflation Linked Condition 1 (Delay in Publication).

If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the Issue Terms, then, subject as provided in Inflation Linked Condition 3 (Adjustments), such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Inflation Linked Condition 1 (**Delay in Publication**) will be the definitive level for that Reference Month.

#### 2. Successor Index

If the Calculation Agent determines that the level of an Index has not been published by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will no longer continue to publish or announce the Index and/or the Index Sponsor cancels the Index then the Calculation Agent shall determine a successor index (a “**Successor Index**”) (in lieu of any previously applicable Index) for the purposes of the Warrants as follows:

- (a) if Related Bond is specified as applicable in the Issue Terms, the Calculation Agent shall determine a “Successor Index” by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;

## ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED WARRANTS

- (b) if (x) Related Bond is not specified as applicable in the Issue Terms or (y) a Related Bond Redemption Event is specified as applying in the Final Terms and has occurred and Fallback Bond is not specified as applicable in the Issue Terms, the Index Sponsor announces that it will no longer publish or announce the Index but that it will be superseded by a replacement index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be deemed the Successor Index for the purposes of the Warrants from the date that such replacement Index comes into effect;
- (c) if no Successor Index has been determined under paragraphs (i) or (ii) above the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Index should be. If at least four responses are received, and of those responses, three or more leading independent dealers state the same index, such index will be deemed the Successor Index. If three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the Successor Index. If fewer than three responses are received by the Cut-Off Date or no Successor Index is determined pursuant to this provision, the Calculation Agent will apply the provisions of paragraph (iv) below;
- (d) if no Successor Index has been determined pursuant to paragraphs (a), (b) or (c) above, by the next occurring Cut-Off Date, subject as provided below, the Calculation Agent will determine an appropriate alternative index as of such Cut-Off Date for such affected Determination Date, and such index will be deemed a Successor Index for the purposes of the Warrants; or
- (e) if the Calculation Agent cannot determine an appropriate alternative index pursuant to sub-paragraphs (i) to (iv) above, there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Index shall be deemed to replace the Index for the purposes of the Warrants. Notice of the determination of a Successor Index, the effective date of the Successor Index or the occurrence of an Index Cancellation will be given to Warrantholders by the Issuer in accordance with General Condition 10 (*Notices*).

### 3. Adjustments

#### (a) Successor Index

If a Successor Index is determined in accordance with Inflation Linked Condition 2 (Successor Index), the Calculation Agent may make any adjustment or adjustments (without limitation) to any amount payable under the Warrants and/or any other relevant term of the Warrants as the Calculation Agent deems necessary to account for this. The Issuer shall give notice to the Warrantholders of any such adjustment in accordance with General Condition 10 (*Notices*).

#### (b) Substitute Inflation Index Level

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with Inflation Linked Condition 1 (Delay in Publication), the Issuer may make any adjustment or adjustments (without limitation) to (x) the Substitute Inflation Index Level determined in accordance with Index Linked Condition 1 (Delay in Publication) and/or (y) any amount payable under the Warrants and/or any other relevant term of the Warrants, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the Warrantholders of any such adjustment in accordance with General Condition 10 (*Notices*).

#### (c) Index Level Adjustment Correction

- (i) The first publication or announcement of the Relevant Level (excluding any “flash” or other estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Inflation Linked Condition 3(iii)(b) and (c) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National- Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Determination Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer

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shall give notice to the Warrantholders of any valid revision in accordance with General Condition 10 (*Notices*).

- (ii) If, within 30 days of publication or at any time prior to a Determination Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Determination Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to any amount payable under the Warrants and/or any other relevant term of the Warrants as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Warrantholders of any such adjustment and/or amount in accordance with General Condition 10 (*Notices*).
- (iii) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Determination Date in respect of which a Substitute Inflation Index Level was determined, the Calculation Agent may either (A) determine that such Relevant Level shall not be used in any calculation or determination under the Warrants and that the Substitute Inflation Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (B) request the Issuer to make any adjustment to any amount payable under the Warrants and/or any other relevant term of the Warrants as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Warrantholders of any determination in respect of (A) or (B), together with any adjustment or amount in respect thereof, in accordance with General Condition 10 (*Notices*).

### (d) Currency

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to any amount payable under the Warrants (including the Cash Settlement Amount and the Exercise Price), and/or any other relevant term of the Warrants (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to such amount (including the Cash Settlement Amount and the Exercise Price) and/or any other relevant term of the Warrants as the Calculation Agent deems necessary. The Calculation Agent shall give notice to the Warrantholders of any such adjustment in accordance with General Condition 10 (*Notices*).

### (e) Rebasing

If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the “**Rebased Index**”) will be used for purposes of determining the Relevant Level from the date of such rebasing; provided, however, that the Calculation Agent may make (A) if Related Bond is specified as applicable in the Issue Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or (B) if Related Bond is not specified as applicable in the Issue Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased and in each case the Issuer may make any adjustment(s) to any amount payable under the Warrants and/or any other term of the Warrants as the Calculation Agent may deem necessary. If the Calculation Agent determines that neither (A) nor (B) above would produce a commercially reasonable result, the Calculation Agent may cancel each Warrant on a date notified by the Issuer to Warrantholders in accordance with General Condition 10 (*Notices*) at its fair market value as determined by the Calculation Agent as at the date of cancellation taking into account the rebasing, less the cost to the Issuer and/or its Affiliates of unwinding or amending any related underlying hedging arrangements. Notice of any adjustment, cancellation of the Warrants or determination pursuant to this paragraph shall be given to Warrantholders in accordance with General Condition 10 (*Notices*).

### (f) Index Modification

- (i) If on or prior to the Cut-Off Date in respect of any Determination Date, the Calculation Agent determines that an Index Modification has occurred the Calculation Agent may (A) if Related Bond is specified as applicable in the Issue Terms, make any adjustments to any Relevant Level and/or any other relevant term of the Warrants (including, without limitation, any amount payable under the Warrants), consistent with any adjustments made to the Related Bond as the Calculation Agent deems

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necessary, or (B) if Related Bond is not specified as applicable in the Issue Terms or a Related Bond Redemption Event has occurred make only those adjustments to the Index, any Relevant Level and/or any other term of the Warrants (including, without limitation, any amount payable under the Warrants), as the Calculation Agent deems necessary for the modified Index to continue as the Index and to account for the economic effect of the Index Modification.

- (ii) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Determination Date, the Calculation Agent may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Determination Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Determination Date such that the provisions of sub-paragraph (a) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with sub-paragraph (a) above.

### (g) Consequences of an Additional Disruption Event

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may make any adjustments to any Relevant Level and/or any other relevant term of the Warrants (including, without limitation, any amount payable under the Warrants to account therefor, or may cancel each Warrant on the date notified by the Issuer to Warrantholders in accordance with General Condition 10 (Notices) at its fair market value (as determined by the Calculation Agent) as at the date of cancellation taking into account the relevant Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding or amending any related underlying hedging arrangements. Notice of any cancellation of the Warrants shall be given to Warrantholders in accordance with General Condition 10 (*Notices*).

### (h) Index Cancellation

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may make any adjustments to any Relevant Level and/or any other relevant term of the Warrants (including, without limitation, any amount payable under the Warrants to account therefor or may cancel each Warrant on the date notified by the Issuer to Warrantholders in accordance with General Condition 10 (Notices) at its fair market value (as determined by the Calculation Agent) as at the date of cancellation taking into account the Index Cancellation, less the cost to the Issuer and/or its Affiliates of unwinding or amending any related underlying hedging arrangements plus, if applicable and already paid, the Exercise Price. Notice of any cancellation of the Warrants pursuant to this paragraph shall be given to Warrantholders in accordance with General Condition 10 (*Notices*).

## 4. Definitions

“**Additional Disruption Event**” means (i) (unless specified otherwise in the Issue Terms) Change in Law, and (ii) any of Hedging Disruption or Increased Cost of Hedging if specified in the Issue Terms.

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

“**Change in Law**” means that, on or after the Trade Date (as specified in the Issue Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (A) 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 it has become illegal for the Issuer and/or any of its Affiliates to hold, acquire or dispose of any relevant hedge positions in respect of the Index for purposes of the Warrants.

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

“**Delayed Index Level Event**” means, in respect of any Determination Date, that the Index Sponsor fails to publish or announce the level of the Index (the “**Relevant Level**”) in respect of any Reference Month which is relevant to the calculation of any payment or delivery under the Warrants and/or any other determination in respect of the Warrants, in each case by the related Cut-Off Date.

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**“Determination Date”** means in respect of an Index and/or Index Level(s) or values(s) as the case may be, each date specified as such in the Issue Terms.

**“Fallback Bond”** means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Index relates and which pays a coupon or redemption amount which is calculated by reference to the Index, with a maturity date which falls on (a) the same day as the Settlement Date, (b) the next longest maturity after the Settlement Date if there is no such bond maturing on the Settlement Date, or (c) the next shortest maturity before the Settlement Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the 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 in its discretion. 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).

**“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 any relevant price risk of the Issuer issuing and performing its obligations with respect to the Warrants, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

**“Increased Cost of Hedging”** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Warrants, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

**“Index”** means the index or indices specified in the Issue Terms or any Successor Index as determined by the Calculation Agent pursuant to Inflation Linked Condition 2 (Successor Index) and related expressions shall be construed accordingly.

**“Index Cancellation”** means a level for the Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Index and no Successor Index exists.

**“Index Modification”** means the Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index.

**“Index Sponsor”** means the entity that publishes or announces (directly or through an agent) the level of the relevant Index which as of the Issue Date of the Warrants is the Index Sponsor specified in the Issue Terms in relation to the relevant Index.

**“Rebased Index”** has the meaning given to it under Inflation Linked Condition 3 (Adjustments) above.

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

**“Related Bond”** means the bond (if any) specified as such in the Issue Terms. If the Related Bond specified in the Issue Terms is “Fallback Bond”, then for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the Issue Terms as the Related Bond and “Fallback Bond: Not applicable” is specified in the Issue Terms there will be no Related Bond. If a bond is selected as the Related Bond in the Issue Terms and that bond redeems or matures before the relevant Determination Date, unless

## ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED WARRANTS

“Fallback Bond: Not applicable” is specified in the Issue Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination.

“**Related Bond Redemption Event**” means, if specified as applicable in the Issue Terms, at any time prior to the Settlement Date, (a) the Related Bond is redeemed, repurchased or cancelled, (b) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (c) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity.

“**Relevant Level**” has the meaning given to it in the definition of Delayed Index Level Event.

“**Strike Date**” means each date specified as a Strike Date in the Issue Terms, subject to adjustment in accordance with these Inflation Linked Conditions.

“**Strike Day**” means each date specified as such in the applicable Final Terms.

“**Strike Period**” means the period specified as the Strike Period in the Issue Terms.

“**Successor Index**” has the meaning given to it in under Inflation Linked Condition 2.

“**Substitute Inflation Index Level**” has the meaning given in Inflation Linked Condition 1



## ANNEX 7

### ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED WARRANTS

*If specified as applicable in the Issue Terms, the terms and conditions applicable to Foreign Exchange (FX) Rate Linked Warrants shall comprise the General Conditions and the additional terms and conditions for Foreign Exchange (FX) Rate Linked Warrants set out below (the “**Foreign Exchange (FX) Rate Linked Warrant Conditions**”), together with the terms and conditions as set out in each other Annex which is specified as applicable in the Issue Terms and subject to completion in the Issue Terms. In the event of any inconsistency between the General Conditions and the Foreign Exchange (FX) Rate Linked Warrant Conditions, the Foreign Exchange (FX) Rate Linked Warrant Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Foreign Exchange (FX) Rate Linked Warrant Conditions and (ii) the Final Terms, the Issue Terms shall prevail.*

#### 1. Non-EM Valuation and Disruption Provisions

The provisions of this Foreign Exchange (FX) Rate Linked Condition 1 apply, unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of a Subject Currency in the Issue Terms.

##### (a) Disruption Events

If so specified in the Issue Terms, the occurrence of any of the following events, in respect of any Base Currency, Subject Currency and/or Subject Currencies, shall be a “**Disruption Event**”:

- (i) Price Source Disruption;
- (ii) Illiquidity Disruption;
- (iii) Dual Exchange Rate;
- (iv) General Inconvertibility;
- (v) General Non-Transferability;
- (vi) Material Change in Circumstance;
- (vii) Nationalisation or;

any other event that, in the opinion of the Calculation Agent, is analogous to any of (i)-(vii) above (inclusive).

##### (b) Consequences of a Disruption Event

Upon a Disruption Event occurring or continuing on any Averaging Date Settlement Price Date Knock-in Determination Day or Knock-out Determination Day (or, if different, the day on which prices for that date would, in the ordinary course, be published by the relevant Price Source) as determined by the Calculation Agent, the Calculation Agent shall apply the applicable Disruption Fallback in determining the consequences of the Disruption Event.

“**Disruption Fallback**” means a source or method that may give rise to an alternative basis for determining the Settlement Price when a Disruption Event occurs or exists on a day that is an Averaging Date or a Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published or announced by the Price Source). The Calculation Agent shall take the relevant actions specified in either (i) or (ii) below.

- (i) if an Averaging Date or a Settlement Price Date is a Disrupted Day, the Calculation Agent will determine that the relevant Averaging Date or Settlement Price Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day (in the case of the Strike Date or Valuation Date) or Valid Date (in the case of an Averaging Date or Observation Date) unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the originally scheduled Averaging Date or Settlement Price Date, as the case may be, is a Disrupted Day in which case the Calculation Agent may determine that the last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date or Settlement Price Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Trading Day is already an Averaging Date or Observation Date, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a Settlement Price as of the Valuation Time on the last such consecutive

## **ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED WARRANTS**

Scheduled Trading Day taking into consideration all available information that in good faith it deems relevant; or

- (ii) if an Averaging Date or any Settlement Price Date is a Disrupted Day but is not the Valuation Date on giving notice to Warranholders in accordance with General Condition 10, the Issuer shall cancel all but not some only of the Warrants, each Warrant being cancelled by payment of an amount equal to the fair market value of such Warrant, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Warranholders in accordance with General Condition 10.

### **2. EM Currency Valuation and Disruption Provisions**

The provisions of this Foreign Exchange (FX) Rate Linked Condition (b) apply where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of a Subject Currency in the Issue Terms.

#### **(a) EM Disruption Events**

If so specified in the Issue Terms, the occurrence of any of the following events, in respect of any Base Currency, Subject Currency and/or Subject Currencies, shall be an “EM Disruption Event”:

- (i) Price Source Disruption;
- (ii) Illiquidity Disruption;
- (iii) Dual Exchange Rate;
- (iv) General Inconvertibility;
- (v) General Non-Transferability;
- (vi) Material Change in Circumstance;
- (vii) Nationalisation;
- (viii) Price Materiality; and/or

any other event that, in the opinion of the Calculation Agent, is analogous to any of (i) to (viii) above (inclusive).

The Calculation Agent shall give notice as soon as practicable to the Issuer and the Issuer shall give notice as soon as practicable to the Guarantor, the Principal Warrant Agent and the Warranholders in accordance with General Condition 10 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Automatic Early Expiration Valuation Date, an Averaging Date, Settlement Price Date, a Knock-in Determination Day or a Knock-out Determination Day or a Valuation Date, as the case may be.

#### **(b) Consequences of an EM Disruption Event**

Upon an EM Disruption Event occurring or continuing on any Averaging Date, Settlement Price Date, Knock-In Determination Day or Knock-Out Determination Day, as the case may be (or, if different, the day on which prices for that date would, in the ordinary course, be published by the relevant EM FX Price Source) as determined by the Calculation Agent, the Calculation Agent shall apply in determining the consequences of the EM Disruption Event: (a) EM Calculation Agent Determination where the applicable EM Disruption Event is other than Price Source Disruption or Price Materiality; and (b) the applicable EM Disruption Fallback where the applicable EM Disruption Event is a Price Source Disruption or Price Materiality.

#### **(c) Unscheduled Holiday**

If the Calculation Agent determines that a date that would otherwise have been a Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day is an Unscheduled Holiday in respect of a Subject Currency, then such date shall be the immediately succeeding Scheduled Trading Day after the occurrence of the Unscheduled Holiday, subject as provided above, and provided that if such Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be, has not occurred on or before the EM Maximum Days of

**ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE  
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Postponement then the next Scheduled Trading Day after such period that would have been a Scheduled Trading Day but for the Unscheduled Holiday shall be deemed to be the relevant date for valuation and the Settlement Price shall be determined by the Calculation Agent on such day in its sole discretion acting in good faith having taken into account relevant market practice and by reference to such additional source(s) as it deems appropriate.

**(d) Cumulative Events**

If “Cumulative Events” is specified as applicable in the Issue Terms in respect of a Specified Currency then, in no event shall the total number of consecutive calendar days during which a Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day is deferred due to either (i) an Unscheduled Holiday or (ii) an EM Valuation Postponement (or a combination of both (i) and (ii)) exceed the EM Maximum Cumulative Days of Postponement in the aggregate. If a Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be, is postponed by the number of calendar days equal to the EM Maximum Cumulative Days of Postponement and at the end of such period (i) an Unscheduled Holiday shall have occurred or be continuing on the day immediately following such period (the “Final Day”), then such Final Day shall be deemed to be the Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be, and (ii) if a Price Source Disruption shall have occurred or be continuing on the Final Day, then Valuation Postponement shall not apply and the Settlement Price shall be determined in accordance with the next applicable EM Disruption Fallback.

**(e) Postponement of payment or settlement days**

Where any Settlement Price Date, Averaging Date, Knock-In Determination Day or Knock-Out Determination Day is postponed as a consequence of the provisions of this Foreign Exchange (FX) Rate Linked Condition 2, then the corresponding date for payment or delivery of any assets shall fall on the later of (a) the date for such payment or delivery otherwise determined in accordance with the Issue Terms and (b) the day falling the EM Number of Postponement Settlement Days specified in the Issue Terms (or, if none are so specified, two Business Days) after the last occurring Settlement Price Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be.

**3. Knock-in Event and Knock-out Event**

**(a) This Foreign Exchange (FX) Rate Linked Condition 3 is applicable only:**

- (i) If “Knock-in Event” is specified as applicable in the Issue Terms, in which case any payment under the Warrant which is expressed to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event; or
- (ii) If “Knock-out Event” is specified as applicable in the Issue Terms, in which case any payment under the Warrant which is expressed in the Conditions to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

**(b) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the Issue Terms is the Valuation Time or, as the case may be, EM Valuation Time and if a Disruption Event or an EM Disruption Event would otherwise have occurred on any Knock-in Determination Day or Knock-out Determination Day, then, unless otherwise specified in the Issue Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.**

**(c) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the Issue Terms is any time or period of time other than the Valuation Time or, as the case may be, EM Valuation Time during the regular trading hours for the Base Currency, Subject Currency and/or Subject Currencies and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time at which a Knock-in Event or Knock-out Event would otherwise have occurred, a Disruption Event or an EM Disruption Event occurs or exists, then, unless otherwise specified in the Issue Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.**

## ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED WARRANTS

### 4. Automatic Early Expiration Event

If “**Automatic Early Expiration**” is specified as applicable in the Issue Terms, then unless previously exercised or purchased and cancelled, if (i) on any Automatic Early Expiration Valuation Date or (ii) in respect of an Automatic Early Expiration Valuation Period, if on any or all Automatic Early Expiration Valuation Date(s), as specified in the Issue Terms, an Automatic Early Expiration Event occurs, then the Warrants shall be cancelled in whole, but not in part, on the Automatic Early Expiration Settlement Date immediately following such Automatic Early Expiration Valuation Date or Automatic Early Expiration Valuation Period, as applicable, and the Issuer shall settle each Warrant at an amount in the relevant currency as specified in the Issue Terms equal to the relevant Automatic Early Expiration Amount.

### 5. Consequences of an Additional Disruption Event

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may cancel the Warrants by giving notice to the Warrantheolders in accordance with General Condition 10 (Notices). If the Warrants are so cancelled the Issuer will pay an amount to each Warrantheolder in respect of each Warrant held by him which amount shall be the fair market value of a Warrant taking into account the Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantheolders in accordance with General Condition 10 (Notices).

### 6. Definitions

“**Additional Disruption Event**” means (i) (unless specified otherwise in the Issue Terms) Change in Law, and (ii) any of Hedging Disruption or Increased Cost of Hedging, if specified in the Issue Terms.

“**AEE Value**” has the meaning given to it in the Issue Terms, being a term defined in Payout Condition 5.1 (*General Definitions*).

“**Automatic Early Expiration Amount**” means an amount calculated as set out in the Issue Terms.

“**Automatic Early Expiration Settlement Date**” means each date specified as such in the Issue Terms or if such date is not a Business Day, the next following Business Day, and no Warrantheolder shall be entitled to any further payment in respect of such delay.

“**Automatic Early Expiration Event**” means the AEE Value is (A),

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Automatic Early Expiration Trigger, (i), (ii), (iii) or (iv) applying or (B) within or outside the Automatic Early Expiration Range as specified in the Issue Terms.

“**Automatic Early Expiration Range**” means the range of values, percentages, levels, prices or similar specified as such in the Issue Terms.

“**Automatic Early Expiration Trigger**” means the price level, amount, percentage or value specified as such in the Issue Terms, subject to adjustment in accordance with the provisions set forth in Foreign Exchange (FX) Rate Linked Warrant Condition 1 and Foreign Exchange (FX) Rate Linked Condition 2.

“**Automatic Early Expiration Valuation Date**” means each date specified as such in the Issue Terms or, if such date is not a Scheduled Trading Day, (a) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Issue Terms, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day; or (b) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Issue Terms, the immediately preceding Scheduled Trading Day for such Subject Currency and, in the event of an Unscheduled Holiday, subject to adjustment as set out in Foreign Exchange (FX) Rate Linked Warrant Condition 2(c) above, unless, in the opinion of the Calculation Agent, the resultant day

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determined in accordance with this sub-paragraph (b) is a Disrupted Day. If any such day is a Disrupted Day, then the Automatic Early Expiration Valuation Date shall be delayed in accordance with the corresponding provisions of the definition of Valuation Date which shall apply *mutatis mutandis* as if references in such provisions to Valuation Date were to Automatic Early Expiration Valuation Date.

**“Automatic Early Expiration Valuation Period”** means each period specified as such in the Issue Terms;

**“Automatic Early Expiration Valuation Time”** has the meaning given to it in the Issue Terms.

**“Averaging Date”** means the dates specified as such in the Issue Terms or, if any such day is not a Scheduled Trading Day, (a) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Issue Terms, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Warrant Condition 1(b) shall apply; or (b) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Issue Terms, the immediately preceding Scheduled Trading Day for such Subject Currency and, in the event of an Unscheduled Holiday, subject to adjustment as set out in Foreign Exchange (FX) Rate Linked Warrant Condition 2(c) above, unless, in the opinion of the Calculation Agent, the resultant day determined in accordance with this sub-paragraph (b) is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Warrant Condition 2(b) shall apply.

**“Base Currency”** means the currency specified as such in the Issue Terms.

**“Change in Law”** means that, on or after the Trade Date (as specified in the Issue Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it is unable to perform its obligations in respect of the Warrants or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Warrants.

**“Dual Exchange Rate”** means that any of the Base Currency, Subject Currency and/or Subject Currencies, splits into dual or multiple currency exchange rates.

**“Disrupted Day”** means any Scheduled Trading Day on which the Calculation Agent determines that a Disruption Event or EM Disruption Event has occurred.

**“EM Disruption Fallback”** means a source or method that may give rise to an alternative basis for determining the Settlement Price when an EM Disruption Event occurs or exists on a day that is an Averaging Date, Settlement Price Date, Knock-In Determination Day or Knock-Out Determination Day (or, if different, the day on which prices for that date would, in the ordinary course, be published or announced by the EM FX Price Source) being, in respect of a Subject Currency, any of EM Calculation Agent Determination, EM First Fallback Reference Price, EM Second Fallback Reference Price and EM Valuation Postponement, as so specified in the Issue Terms for such Subject Currency. Where more than one EM Disruption Fallback is so specified then such EM Disruption Fallbacks shall apply in the order in which they are specified in the Issue Terms until the Settlement Price can be determined for such exchange rate relating to that Specified Currency for such Averaging Date, Settlement Price Date, Knock-In Determination Day or Knock-Out Determination Day.

Where:

**“EM Calculation Agent Determination”** means that the Calculation Agent shall determine the Settlement Price taking into consideration all information that it deems relevant.

**“EM First Fallback Reference Price”** means that the Calculation Agent shall determine the Settlement Price by reference to the applicable First Fallback Reference Price and, for which purpose, references in the definition of Settlement Price to “EM FX Price Source”, “EM Valuation Time” and “EM Number of Settlement Days” shall be construed, respectively, to be to “First Fallback EM FX Price Source”, “First Fallback Valuation Time” and “First Fallback EM Number of Settlement Days” (in each case, where such terms shall have the meanings given to them in the Issue Terms).

**“EM Second Fallback Reference Price”** means that the Calculation Agent shall determine the Settlement Price by reference to the applicable Second Fallback Reference Price and, for which purpose, references in the

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definition of Settlement Price to “EM FX Price Source”, “EM Valuation Time” and “EM Number of Settlement Days” shall be construed, respectively, to be to “Second Fallback EM FX Price Source”, “Second Fallback Valuation Time” and “Second Fallback EM Number of Settlement Days” (in each case, where such terms shall have the meanings given to them in the Issue Terms).

“**EM Valuation Postponement**” means that the Settlement Price shall be determined on the immediately succeeding Scheduled Trading Day which is not a Disrupted Day unless the Calculation Agent determines that no such Scheduled Trading Day which is not a Disrupted Day has occurred on or before the day falling the EM Maximum Days of Postponement following the originally designated Averaging Date, Valuation Date, Knock-In Determination Day or Knock-Out Determination Day, as the case may be. In such event, the Settlement Price shall be determined on the next Scheduled Trading Day after the EM Maximum Days of Postponement (notwithstanding the fact that day may be a Disrupted Day) in accordance with the next applicable EM Disruption Fallback.

“**EM FX Price Source**” means, in respect of a Subject Currency, the price source(s) specified as such in the Issue Terms (or any successor to such price source(s) as determined by the Calculation Agent).

“**EM Maximum Cumulative Days of Postponement**” means the number of days specified as such in the Issue Terms or, if no such number is specified, 30 calendar days.

“**EM Maximum Days of Postponement**” means the number of days specified as such in the Issue Terms or, if no such number is specified, 30 calendar days.

“**EM Number of Settlement Days**” means, in respect of a Subject Currency, the number of days on which commercial banks are open (or, but for the occurrence of an EM Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the or each Settlement Day Centre specified as such in the Issue Terms (each, an “**EM Settlement Day**”). Where no such number or zero is so specified, then such rate shall be for settlement on the same day.

“**EM Price Materiality Percentage**” means the percentage specified as such in the Issue Terms or, if no such percentage is specified, 3 per cent.

“**EM Primary Rate**” means, in respect of a Subject Currency, the rate specified as such for such Subject Currency in the Issue Terms.

“**EM Secondary Rate**” means, in respect of a Subject Currency, the rate specified as such for such Subject Currency in the Issue Terms.

“**EM Valuation Time**” means, unless otherwise specified in the Issue Terms, the time at which the EM FX Price Source publishes the relevant rate or rates from which the Settlement Price is calculated.

“**Exchange Rate Divergence**” means:

- (i) if the FX rate specified in the Issue Terms is USD/ARS, that, in the reasonable opinion of not less than 5 unaffiliated EMTA Members notified to EMTA (or its successor) by no later than 4 p.m., Buenos Aires time on the Valuation Date, the Price Source has failed, for a period of not less than three consecutive Scheduled Trading Days (for any reason, including due to a split in the currency exchange rate or other event) to reflect the current prevailing Argentine Peso bid and offer rates for a standard size Argentine Peso/U.S. Dollar financial transaction for same-day settlement in the Buenos Aires marketplace on the Valuation Date; and
- (ii) if the FX rate specified in the Issue Terms is USD/BRL, that, in the reasonable and independent judgement, as notified to EMTA in accordance with the EMTA BRL Exchange Rate Divergence Procedures, of not less than 7 unaffiliated EMTA members that are recognized market makers active in the BRL/U.S. Dollar foreign exchange market (no less than 4 of which shall be active participants in the onshore BRL/USD spot market), the Price Source (following a split of the exchange rates in Brazil or otherwise) no longer reflects the then-prevailing Brazilian Reais / U.S. Dollar spot rate for standard-size wholesale financial transactions involving the exchange of Brazilian Reais for U.S. Dollars delivered outside of Brazil, and

if the FX rate specified in the Issue Terms is a rate other than USD/ARS or USD/BRL but, it is specified in the relevant EMTA Template Terms, as determined by the Calculation Agent as of the Issue Date and in respect of

## ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED WARRANTS

such FX rate, that Price Source Disruption shall include Exchange Rate Divergence, then Exchange Rate Divergence shall have the meaning given in the relevant EMTA Template Terms with respect to such FX rate.

**“General Inconvertibility”** means the occurrence of any event that generally makes it impossible to convert a Subject Currency into the Base Currency in a Subject Currency Jurisdiction through customary legal channels.

**“General Non-Transferability”** means the occurrence of any event that generally makes it impossible to deliver (A) the Base Currency from accounts inside a Subject Currency Jurisdiction to accounts outside a Subject Currency Jurisdiction or (B) the Subject Currency between accounts inside a Subject Currency Jurisdiction or to a party that is a non-resident of a Subject Currency Jurisdiction.

**“Governmental Authority”** means (i) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or (ii) any other entity (private or public) charged with the regulation of the financial markets (including the central bank), in each case in any relevant jurisdiction.

**“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 any relevant price risk of the Issuer issuing and performing its obligations with respect to the Warrants, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

**“Illiquidity Disruption”** means the occurrence of any event in respect of any of the Base Currency, Subject Currency and/or Subject Currencies whereby it becomes impossible for the Calculation Agent to obtain a firm quote for such currency in an amount deemed necessary by the Calculation Agent to hedge its obligations under the Warrants (in one or more transaction(s)) on the relevant Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-Out Determination Day (or, if different, the day on which rates for such Averaging Date Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day would, in the ordinary course, be published or announced by the relevant Price Source or EM FX Price Source ).

**“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 market risk (including, without limitation foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Warrants, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

**“Knock-in Barrier”** means the FX Knock-in Barrier or the price, level, amount, percentage or value specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment in accordance with the provisions set forth in Foreign Exchange (FX) Rate Linked Condition 1 or Foreign Exchange (FX) Rate Linked Condition 2 as the case may be.

**“Knock-in Determination Day”** means the date(s) specified as such in the Issue Terms, or otherwise each Scheduled Trading Day during the Knock-in Determination Period.

**“Knock-in Determination Period”** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

**“Knock-in Event”** means the Knock-in Value is (A):

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Knock-in Barrier or (B) within or outside the Knock-in Range (x) on a Knock-in Determination Day or (y) in respect of any Knock-in Determination Period as specified in the Issue Terms.

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“**Knock-in Period Beginning Date**” means the date specified as such in the Issue Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

“**Knock-in Period Ending Date**” means the date specified as such in the Issue Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

“**Knock-in Range**” means the range of levels, prices, amounts, percentages or values specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in Foreign Exchange (FX) Linked Condition 1 (Non-EM Valuation and Disruption Provisions) or, as the case may be, Foreign Exchange (FX) Linked Condition 2 (EM Currency Valuation and Disruption Provisions).

“**Knock-in Valuation Time**” means the time or period of time on any Knock-in Determination Day specified as such in the Issue Terms or in the event that the Issue Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time or, as the case may be, EM Valuation Time.

“**Knock-in Value**” has the meaning given to it in the Final Terms, being a term defined in Payout Condition 5.1. (*General Definitions*).

“**Knock-out Barrier**” means the price, level, amount, percentage or value specified as such or otherwise determined in the Issue Terms, subject to adjustment in accordance with Foreign Exchange (FX) Linked Rate Linked Condition 1 and Foreign Exchange (FX) Rate Linked Condition 2.

“**Knock-out Determination Day**” means the date(s) specified as such in the Issue Terms, or otherwise each Scheduled Trading Day during the Knock-Out Determination Period.

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

“**Knock-out Event**” means the Knock-out Value is (A):

- (i) greater than;
- (ii) greater than or equal to;
- (iii) less than; or
- (iv) less than or equal to,

the Knock-out Barrier or (B) within or outside the Knock-out Range, (x) on a Knock-out Determination Day or (y) in respect of any Knock-out Determination Period as specified in the Issue Terms.

“**Knock-out Level**” means the price, level, amount, percentage or value specified as such or otherwise determined in the Issue Terms, subject to adjustment in accordance with Foreign Exchange (FX) Linked Rate Linked Condition 1 and Foreign Exchange (FX) Rate Linked Condition 2.

“**Knock-out Period Beginning Date**” means the date specified as such in the Issue Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

“**Knock-out Period Ending Date**” means the date specified as such in the Issue Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the Issue Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

“**Knock-out Range**” means the range of levels, prices, amounts, percentages or values specified as such or otherwise determined in the applicable Issue Terms, subject to adjustment from time to time in accordance with the provisions set forth in Foreign Exchange (FX) Linked Condition 1 (Non-EM Valuation and Disruption Provisions) or, as the case may be, Foreign Exchange (FX) Linked Condition 2 (EM Currency Valuation and Disruption Provisions)

“**Knock-out Valuation Time**” means the time or period of time on any Knock-out Determination Day specified as such in the Issue Terms or in the event that the Issue Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time or, as the case may be, EM Valuation Time.



## ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED WARRANTS

“**Knock-out Value**” has the meaning given to it in the Final Terms, being a term defined in Payout Condition 5.1. (*General Definitions*).

“**Material Change in Circumstance**” means the occurrence of any event (other than those events specified as Disruption Events or, as the case may be, EM Disruption Events) in the Subject Currency Jurisdiction beyond the control of the parties to a hedging arrangement in respect of the Warrants which makes it impossible (A) for a party to fulfill its obligations under the hedging arrangement or (B) generally to fulfill obligations similar to such party’s obligations under that hedging arrangement.

“**Nationalisation**” means any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives a party to a hedging arrangement in respect of the Warrants of all or substantially all of its assets in the Subject Currency Jurisdiction.

“**Observation Date**” means the dates specified as such in the Issue Terms or, if any such day is not a Scheduled Trading Day, (a) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Issue Terms, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is the Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Warrant Condition 1(b) shall apply; or (b) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Issue Terms, the immediately preceding Scheduled Trading Day for such Subject Currency and, in the event of an Unscheduled Holiday, subject to adjustment as set out in Foreign Exchange (FX) Rate Linked Warrant Condition 2(c) above, unless, in the opinion of the Calculation Agent, the resultant day determined in accordance with this sub-paragraph (b) is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Warrant Condition 2(b) shall apply. “**Price Materiality**” means that, in the determination of the Calculation Agent, the EM Primary Rate differs from any EM Secondary Rate by at least the EM Price Materiality Percentage or if there are insufficient responses on the relevant Settlement Price Date, Averaging Date, Knock-In Determination Day or Knock-Out Determination Day to any survey used to calculate any such rate, then the EM Price Materiality Percentage will be deemed to be met.

“**Price Source**” means the published source, information vendor or provider containing or reporting the rate or rates from which the Settlement Price is calculated as specified in the Issue Terms.

“**Price Source Disruption**” means, that it becomes impossible to obtain the rate or rates from which the FX rate is calculated and, where the FX rate is specified in the Issue Terms as:

- (i) USD/ARS;
- (ii) USD/BRL; or
- (iii) any other FX rate in respect of which the Calculation Agent determines that as of the Issue Date, the relevant EMTA Template Terms for such rate (if any) specifies that Price Source Disruption includes Exchange Rate Divergence,

then Price Source Disruption shall include Exchange Rate Divergence.

“**Relevant Screen Page**” means the relevant page specified as such in the Issue Terms or any successor to such page or service acceptable to the Calculation Agent.

“**Scheduled Trading Day**” means:

- (a) where EM Foreign Exchange (FX) Rate Provisions are specified as not applicable in respect of a Subject Currency, a day on which commercial banks are open (or, but for the occurrence of a Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the principal financial centre of each of the Base Currency and the Subject Currency or Subject Currencies. In the case of euro, for these purposes, the principal financial centre shall be deemed to mean each of Frankfurt and Brussels; and
- (b) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of a Subject Currency, a day on which commercial banks are open (or, but for the occurrence of an EM Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the or each EM Scheduled Trading Day Jurisdiction specified in the Issue Terms Provided That where the Subject Currency is BRL, then notwithstanding the foregoing, if the Settlement Price Date, Averaging Date, Knock-In Determination Day or Knock-Out

**ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE  
LINKED WARRANTS**

Determination Day falls on a date that, as the Trade Date, is not a scheduled day on which commercial banks are open (or, but for the occurrence of an EM Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in New York City (an “**NYC Business Day**”), then no adjustment to such date shall be made on account of the fact that such date is not an NYC Business Day.

“**Settlement Price**” means, subject as referred to in Foreign Exchange (FX) Rate Linked Warrant Condition 1 or Foreign Exchange (FX) Rate Linked Warrant Condition 2 above, as the case may be:

- (a) in the case of Foreign Exchange (FX) Rate Linked Warrant relating to a basket of Subject Currencies and in respect of a Subject Currency:
  - (i) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of such Subject Currency in the Issue Terms, the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as applicable, on (a) if Averaging is not specified in the Issue Terms, the relevant Settlement Price Date, Knock-In Determination Day or Knock-Out Determination Day or (b) if Averaging is specified in the Issue Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as applicable, on the relevant Settlement Price Date, Averaging Date, Knock-In Determination Day or Knock-Out Determination Day, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Weighting; or
  - (ii) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of such Subject Currency in the Issue Terms, the rate of exchange appearing on the EM FX Price Source at the EM Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as applicable, on (a) if Averaging is not specified in the Issue Terms, the relevant Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day or (b) if Averaging is specified in the Issue Terms, an Averaging Date, for the exchange of such Subject Currency per one unit of the Base Currency for settlement on the EM Number of Settlement Days, multiplied by the relevant Weighting; and
- (b) in the case of Foreign Exchange (FX) Rate Linked Warrant relating to a single Subject Currency:
  - (i) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of such Subject Currency in the Issue Terms, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as applicable, on (a) if Averaging is not specified in the Issue Terms, the relevant Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day or (b) if Averaging is specified in the Issue Terms, 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) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as applicable, on the relevant Settlement Price Date, Averaging Date, Knock-In Determination Day or Knock-Out Determination Day, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent); or
  - (ii) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of such Subject Currency in the Issue Terms, the rate of exchange appearing on the EM FX Price Source at the EM Valuation Time or Knock-in Valuation Time or Knock-out Valuation Time, as applicable, on (a) if Averaging is not specified in the Issue Terms, the relevant Settlement Price Date, Knock-In Determination Day or Knock-Out Determination Day or (b) if Averaging is specified in the Final

## **ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE LINKED WARRANTS**

Terms, an Averaging Date, for the exchange of such Subject Currency per one unit of the Base Currency for settlement on the EM Number of Settlement Days.

**“Settlement Price Date”** means any Automatic Early Expiration Valuation Date, Knock-in Determination Day, Knock-out Determination Day, Observation Date, Valuation Date or the last Averaging Date, as the case may be.

**“Specified Maximum Days of Disruption”** means the number of days specified in the Issue Terms, or if not so specified, five Scheduled Trading Days.

**“Strike Date”** means the Strike Date specified in the Issue Terms or, if such day is not a Scheduled Trading Day, (a) unless EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Issue Terms, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Warrant Condition 1(b) (Consequences of a Disruption Event) or, or (b) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Issue Terms, the immediately preceding Scheduled Trading Day for such Subject Currency and, in the event of an Unscheduled Holiday, subject to adjustment as set out in Foreign Exchange (FX) Rate Linked Warrant Condition 2(c) above, unless, in the opinion of the Calculation Agent, the resultant day determined in accordance with this sub-paragraph (b) is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Warrant Condition 2(b) shall apply.

**“Strike Day”** means each date specified as such in the applicable Final Terms.

**“Strike Period”** means the period specified as the Strike Period in the Issue Terms.

**“Subject Currency”** means the currency (ies) specified as such in the Issue Terms (together, **“Subject Currencies”**).

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

**“Unscheduled Holiday”** means a day that is not a Scheduled Trading 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 principal financial centre of the Subject Currency two Scheduled Trading Days prior to the relevant scheduled Settlement Price Date, Averaging Date, Knock-In Determination Day or Knock-Out Determination Day.

**“Valid Date”** means, in respect of an Averaging Date or an Observation Date or Knock-in Determination Day or Knock-out Determination Day, a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date or Observation Date or Knock-in Determination Day or Knock-out Determination Day, respectively, does not occur.

**“Valuation Date”** means Strike Date, Expiration Date, Actual Exercise Date, Potential Exercise Date(s), Automatic Early Expiration Valuation Date and Specified Exercise Date or such other date, as the case may be, specified in the Issue Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Warrant Condition 1(b) shall apply; or

(b) where EM Foreign Exchange (FX) Rate Provisions are specified as applicable in respect of the relevant Subject Currency in the Issue Terms, the immediately preceding Scheduled Trading Day for such Subject Currency and, in the event of an Unscheduled Holiday, subject to adjustment as set out in Foreign Exchange (FX) Rate Linked Warrant Condition 2(c) above, unless, in the opinion of the Calculation Agent, the resultant day determined in accordance with this sub-paragraph (b) day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate Linked Warrant Condition 2(b) shall apply. of Foreign Exchange (FX) Rate Linked Warrant Condition 2 shall apply.

**“Valuation Time”** means, unless otherwise specified in the Issue Terms, the time at which the Price Source publishes the relevant rate or rates from which the Settlement Price is calculated.

**“Weighting”**, means in relation to a Subject Currency, the weighting (if any) to be applied to it if, and as specified in the Issue Terms or if no such weighting is so specified then no such weighting shall apply.

## FORM OF FINAL TERMS FOR NON-EXEMPT WARRANTS

Set out below is the form of Issue Terms for Non-Exempt Warrants which will be completed for each Tranche of Warrants issued under the Programme.<sup>4</sup>

[Date]

### BBVA GLOBAL MARKETS, B.V.

*(a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under Dutch law with its seat in Amsterdam, the Netherlands but its tax residency in Spain)*

(as "Issuer")

Legal Entity Identifier ("LEI"): 213800L2COK1WB5Q3Z55

Issue of [Aggregate Number of Tranche][Title of Warrants] (the "Warrants") under the €2,000,000,000

Programme for the Issue of Warrants  
guaranteed by

### BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

*(incorporated with limited liability in Spain)*

(as "Guarantor")

[The Warrants are not intended to be offered, distributed or sold to any investor in the European Economic Area or the United Kingdom, and no person may offer, sell or otherwise make available any Warrants which are the subject of the offering contemplated by the Base Prospectus as completed by these Final Terms to any investor in the European Economic Area or the United Kingdom.]<sup>5</sup>

[These Warrants are not intended for, and are not to be offered to, the public in any jurisdiction of the European Economic Area or in the United Kingdom. Any person making or intending to make an offer of the Warrants may only do so in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended or superseded).]<sup>6</sup>

[Any person making or intending to make an offer of the Warrants may only do so:

- (a) in those Non-exempt Offer Jurisdictions mentioned in Paragraph 6.6 of Part B below, provided such person is of a kind specified in that paragraph and that the offer is made during the Offer Period specified in that paragraph; or
- (b)
- (c) otherwise, in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended or superseded).]<sup>7</sup>

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

**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS]**—The Warrants – [Consistent with the foregoing paragraph,]<sup>8</sup> are not intended to be offered, sold or otherwise made available to and should not be offered,

<sup>4</sup> Delete when completing the Final Terms.

<sup>5</sup> Insert where the Warrants are going to be sold only outside the EEA and the UK.

<sup>6</sup> Insert where no public offer (in accordance with the Prospectus Regulation) is intended in EEA or in the UK.

<sup>7</sup> Insert where public offer (in accordance with the Prospectus Regulation) is intended in EEA or in the UK.

<sup>8</sup> Include wording in brackets if Issuer wishes to prohibit offers to any investors in the EEA or UK i.e. where the Warrants are going to be sold only outside the EEA and the UK.

## FORM OF FINAL TERMS FOR NON-EXEMPT WARRANTS

sold or otherwise made available to [any investor, including for such purposes,]<sup>9</sup> any retail investor, in the European Economic Area ("EEA") or in the United Kingdom (the "UK"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Warrants or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation. For the purposes of this provision, 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 2016/97/EU (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**").<sup>10</sup>

[The Warrants 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 EEA or in the UK other than in accordance with Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") and in each case in accordance with the additional requirements (if any) of the national competent authority in the Member State of EEA and the UK (the "**Relevant State**"). Pursuant to the PRIIPs Regulation, any Relevant State may require the ex-ante notification of the key information document (the "**KID**") to the competent authority for PRIIPs marketed in that Relevant State (a "**Notification State**"). The Warrants should not be offered, sold or otherwise made available to any retail investor in any such Notification State unless all relevant requirements in such Notification State have been first complied with. Where the Notification State requires a KID to be provided in a particular language, to the extent that BBVA has not already prepared a KID in such language, the Warrants should not be offered, sold or otherwise made available to any retail investor in any such Notification State unless a KID has been prepared by Banco Bilbao Vizcaya Argentaria, S.A. in the relevant language. Responsibility for compliance with any ex-ante notification and any ongoing regulatory obligation in respect of such KID in such Notification State shall lie solely with the person offering, selling or otherwise making the Warrants available in the Notification State. 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 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129, as amended.]<sup>11</sup>

**[MIFID II PRODUCT GOVERNANCE TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Warrants has led to the conclusion that: (i) the target market for the Warrants is eligible counterparties[,][ and] professional clients [and retail clients], each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and [(ii) all channels for distribution of the Warrants are appropriate]/ [(ii) the following channels for distribution of the Warrants are appropriate: [investment advice][,/ and] [portfolio management][,/ and] [non advised sales ] [and pure execution services] [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Warrants to retail clients are appropriate – [investment advice][,/ and] [portfolio management][,/ and] [non advised sales ] [and pure execution services] [, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Warrants (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Warrants (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]<sup>12</sup>. All references to Regulations or Directives include, in relation to the UK, those Regulations or Directives as they form part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 or have been implemented in UK domestic law, as appropriate.

### PART A- CONTRACTUAL TERMS

- <sup>9</sup> Include wording in brackets if Issuer wishes to prohibit offers to any investors in the EEA or UK i.e. where the Warrants are going to be sold only outside the EEA and the UK.
- <sup>10</sup> Legend to be included on front of the Final Terms if the Not Warrants es potentially constitute "packaged" products and (i) the issuer wishes to prohibit offers to EEA and UK retail investors or (ii) where the Warrants are going to be sold only outside the EEA and the UK, in which case the selling restriction should be specified to be "Applicable".
- <sup>11</sup> Insert as necessary, where the product is a PRIIP for which a KID will be prepared, and in accordance with the advice of the BBVA Legal Department.
- <sup>12</sup> Delete where Warrants are sold wholly outside EEA and UK.

## FORM OF FINAL TERMS FOR NON-EXEMPT WARRANTS

<sup>13</sup>[Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions of the Warrants (and, together with the applicable Annex(es), the "**Conditions**") set forth in the Base Prospectus dated

[7 September 2020] [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus [for the purposes of the Prospectus Regulation]<sup>14</sup> (the "**Base Prospectus**"). This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 8 of the Prospectus Regulation]<sup>15</sup> and must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectus. [An issue specific summary of the Warrants (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms]. The Base Prospectus has been published on the websites of Euronext Dublin ([www.ise.ie](http://www.ise.ie)).]

[Investors should note that if a supplement to or an updated version of the Base Prospectus is published at any time during the Offer Period (as defined below), such supplement or updated Base Prospectus as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of these Final Terms. Any investors who have indicated acceptances of the Offer (as defined below) prior to the date of approval of such supplement or updated version of the Base Prospectus, as the case may be (the "**Approval Date**"), have the right within two working days of the Approval Date to withdraw their acceptances.]<sup>16</sup>

[The Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or under any state securities laws, and the Warrants may not be offered, sold, transferred, pledged, delivered, exercised, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. person. Furthermore, the Warrants do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the U.S. Commodity Exchange Act, as amended (the "**CEA**"), and trading in the Warrants has not been approved by the U.S. Commodity Futures Trading Commission (the "**CFTC**") pursuant to the CEA, and no U.S. person may at any time trade or maintain a position in the Warrants. For a description of the restrictions on offers and sales of the Warrants, see "*Subscription and Sale*" in the Base Prospectus

As used herein, "**U.S. person**" includes any "**U.S. person**" or person that is not a "**non-United States person**" as either such term may be defined in Regulation S or in regulations adopted under the CEA.]<sup>17</sup>

[The Warrants issued pursuant to these Final Terms may be considered structured products in Switzerland pursuant to Article 70 the Swiss Financial Services Act of 15 June 2018 ("**FinSA**"); they are not collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("**CISA**"). Accordingly, they are not subject to the supervision of the Swiss Financial Market Supervisory Authority, FINMA and potential investors do not benefit from the specific investor protection provided under the CISA. Investors bear the credit risk of the Issuer and the Guarantor. [The Warrants documented in these Final Terms are not being offered, sold or advertised, directly or indirectly, in, into or from Switzerland to retail clients (*Privatkundinnen und -kunden*) ("**Retail Clients**") pursuant to Article 4 para. 2 FinSA. Neither these Final Terms nor any offering materials relating to the Warrants may be available to Retail Clients in or from Switzerland. The offering of the Warrants directly or indirectly, in, into or from Switzerland is only made by way of private placement by addressing the Warrants solely at investors classified as professional clients (*professionelle Kunden*) or institutional clients (*institutionelle Kunden*) ("**Professional or Institutional Clients**") as defined in the FinSA. ]<sup>18</sup> [The Programme has been registered with a Swiss Prospectus Office under the rules of the FinSA and the Warrants documented in these Final Terms may be offered, sold or advertised, directly or indirectly, in, into or from Switzerland to retail clients (*Privatkundinnen und -kunden*) ("**Retail Clients**") pursuant to Article 4 para. 2 FinSA in a way that triggers a

- <sup>13</sup> Include this for all Warrants unless the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.
- <sup>14</sup> Include this wording for Warrants for which a prospectus is required to be published under the Prospectus Regulation.
- <sup>15</sup> Include this wording for Warrants for which a prospectus is required to be published under the Prospectus Regulation and that the issue price per Warrant is less than €100,000 (or its equivalent in another currency).
- <sup>16</sup> Include in respect of issues of Warrants for which the offer period spans a supplement to the Base Prospectus or an update to the Base Prospectus.
- <sup>17</sup> Include for Restricted Warrants or Warrants that have been determined to be permanently prohibited from being offered, sold, resold, transferred, pledged or delivered in the United States or to a U.S. person.
- <sup>18</sup> Include where no offer intended to Retail Clients in or from Switzerland. Please note that it would also be possible to benefit from such a private placement exemption if (a) the offer is made to less than 500 Retail Clients, (b) if the issue price per Warrant is at least CHF 100'000, (c) if the Warrants may only be purchased by investors investing at least CHF 100'000 or (d) if the offer does not exceed the cap of CHF 8'000 (over a 12 months period). In the event that the issuer would benefit from such other exemption, please adjust the wording accordingly.

## FORM OF FINAL TERMS FOR NON-EXEMPT WARRANTS

prospectus requirement under the FinSA. Such offer of the Warrants to Retail Clients may only be made after the registration of the Programme with a FinSA Prospectus Office according to the rules of the FinSA. The Programme and these Final Terms are available on [*specify website*] or may be requested as hard copies on request of the investor at [*specify address*]<sup>19</sup><sup>20</sup><sup>21</sup>

*Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms. Where the context so permits, Terms in these Final Terms may be attributed a numerical or letter suffix value when included hereon. Without limitation, the suffix can be denoted as "j", "k", "m", "q", "n", "t" or "i" and the term may be completed on the basis of the number or numbers represented by j, k, m, q, n, t or i, as chosen at the time of an issue of Warrants. When applicable and in order to improve the reading and intelligibility of the formula(e) in the Final Terms, the applicable suffixes may be included, completed and explained and may be presented as a table, if necessary, in the Final Terms. Where the Final Terms specify that a table may be inserted, such table will set out amounts, entities, dates, items, rates, value levels, triggers, figures and other information which completes the definitions that appear in the relevant subparagraphs of the Final Terms, the Terms and Conditions of the Warrants and the applicable Annex(es) to the Terms and Conditions of the Warrants.<sup>22</sup>*

1. (i) Issuer: BBVA Global Markets B.V. (NIF: N0035575J)
- (ii) Guarantor: Banco Bilbao Vizcaya Argentaria, S.A. (NIF: A48265169)
- (iii) Principal Warrant Agent: [Deutsche Bank AG, London Branch] [Banco Bilbao Vizcaya Argentaria, S.A.] [*specify*][Not applicable]
- (iv) Registrar: [Deutsche Bank Luxembourg, S.A.] [Banco Bilbao Vizcaya Argentaria, S.A.] [*specify*][Not applicable]
- (v) Transfer Agent: [Deutsche Bank Luxembourg, S.A.] [Banco Bilbao Vizcaya Argentaria, S.A.] [*specify*][Not applicable]
- (vi) Calculation Agent: [Banco Bilbao Vizcaya Argentaria, S.A.][Dealer][*other*][Address]
2. (i) Series Number: [*specify*]
- (ii) Tranche Number: [*specify*]  
*(If fungible with an existing Series, details of that Series, including the date on which the Warrants become fungible)*
- (iii) Aggregate Number of Warrants of the Series: [*specify*]

<sup>19</sup> Upon request, the Programme and the Final Terms should be made available as hard copies.

<sup>20</sup> Include where offer is not exempted from the Swiss prospectus requirements under the FinSA.

<sup>21</sup> Delete where no offer into Switzerland is intended.

<sup>22</sup> Remove guidance notes in italics when preparing Final Terms.

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- (iv) Aggregate Number of Warrants of the Tranche: *[specify]*
- (v) Date on which the Warrants will be consolidated and form a single Series: The Warrants will be consolidated and form a single Series with *[identify earlier Tranches]* on *[the Issue Date]**[exchange of the Temporary Global Warrant for interests in the Permanent Global Warrant, as referred to in paragraph 33 below, which is expected to occur on or about *[date]*][Not applicable]*
- [(vi) Notional Amount per Warrant: *[specify]*]
- [(vii) Aggregate Notional Amount of the Series: *[specify]*]
- (viii) Aggregate Notional Amount of the Tranche: *[specify]*
3. Applicable Annex(es): *[Annex 1: Payout Conditions] [Annex 2: Index Linked Conditions] [Annex 3: Equity Linked Conditions] [Annex 4: ETF Linked Conditions] [Annex 5: Fund Linked Conditions] [Annex 6: Inflation Linked Conditions] [Annex 7: Foreign Exchange (FX) Rate Linked Conditions]*  
*(More than one Annex may apply)*
4. Specified Currency: *[specify]* [(the “**SER Subject Currency**”) for the purpose of the Issue Price and calculations] [and payments][other than those to which the Settlement Exchange Rate Provisions are specified to apply] shall be made in *[specify]* (the “**Settlement Currency**”)  
  
[In respect of which payments to which the Settlement Exchange Rate Provisions and the SER Intermediate Currency Requirements are specified to apply, the “SER Intermediate Currency” is *[specify]*]
5. Issue Date: *[specify]*
6. Trade Date: *[specify]*
7. Issue Price: *[specify]* per Warrant] [being *[specify]* per cent. of the Notional Amount per Warrants]  
  
[converted into the Settlement Currency at the Initial SER being *[specify amount]* in respect of the Aggregate Number of Warrants where “**Initial SER**” means *[specify]*]
8. Minimum Transfer Number: *[specify]* Warrants][Not applicable]
9. Calculation Amount *[specify]* per Warrant] [Not applicable]



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10. [Cash][Physical Delivery] Settlement Date: *[specify]* [the date falling *[specify]* [Business Days][days] after [the Exercise Date][*[specify]*] or if that is not a Business Day the immediately [succeeding][preceding] Business Day [unless it would thereby fall into the next calendar month, in which event it will be brought forward to the immediately preceding Business Day][the later of the Cash Settlement Date and the Physical Delivery Settlement Date, as the case may be][and subject to Automatic Early Expiration] [or, if applicable, such later date for payment determined under the Settlement Exchange Rate Provisions set out in Payout Condition 6]
- (Repeat as necessary where Cash Settlement and Physical Settlement both apply)*
11. Type of Warrants:
- (a) The Warrants are [Index Linked Warrants][Equity Linked Warrants][ETF Linked Warrants][Fund Linked Warrants][Inflation Linked Warrants][FX Linked Warrants][Combination Warrants]
- (b) The Warrants are [American][European][Bermudan] Style Warrants.
12. Reference Item(s): See paragraph *[specify]* [Index][Basket of Indices][Share][Basket of Shares][Indice][Fund][Fund Basket][Subject Currency][Subject Currencies] *(Repeat if necessary)*
13. Settlement Exchange Rate Provisions:
- [Not applicable][Applicable][in respect of][all payments][only those payments to which these Settlement Exchange Rate Provisions are specified to apply]
- [(See paragraph[s] *[specify]* below)]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) SER Intermediate Currency Requirements: [Not applicable][Applicable][in respect of][all payments][only those payments to which these Settlement Exchange Rate Provisions and these SER Intermediate Currency Requirements are specified to apply]
- [Second Settlement Exchange Rate means *[specify]*]
- [SER Intermediate Currency means *[specify]*]
- (ii) Settlement Exchange Rate: *[specify rate]*
- (if a rate is specified then delete the remaining subparagraphs of this paragraph).*
- (iii) SER Valuation Date(s): *[specify]* [SER Scheduled Trading Days prior to the [scheduled] *[specify each date]*]
- (where different SER Valuation Dates apply to different payment dates, specify in respect of each applicable payment date)*
- (iv) Provisions applicable to determining the Settlement Exchange Rate: For the purpose of the definition of Settlement Exchange Rate in Payout Condition 6:
- SER Price Source: [in respect of the Settlement Exchange Rate:] *[specify]* [as per Payout Condition 6.3]
- SER Valuation Time: [in respect of the Settlement Exchange Rate:] *[specify]* [as per Payout Condition 6.3]

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- SER Scheduled Trading Day Centre(s) : [in respect of the Settlement Exchange Rate:] [*specify*] [as per Payout Condition 6.3]
- (v) SER Disruption Events: [Price Source Disruption]  
[Illiquidity Disruption]  
[Dual Exchange Rate]  
[General Inconvertibility]  
[General Non-Transferability]  
[Material Change in Circumstance]  
[Nationalisation]  
[Price Materiality, where:  
SER Price Materiality Percentage: [*specify*][3] per cent.  
SER Primary Rate: [*specify*][The rate determined as set out in the definition of Settlement Exchange Rate]  
SER Secondary Rate: [*specify*][SER First Fallback Reference Price [and]][SER Second Fallback Reference Price]  
[as per Payout Condition 6.1 and 6.2]
- (vi) SER Scheduled Trading Day City/Cities: [*specify*] [as per Payout Condition 6.3]
- (vii) SER Disruption Fallbacks (for Price Source Disruption and Price Materiality only): [The following Disruption Fallbacks apply in the following order:  
[Valuation Postponement]  
SER Number of Postponements Settlement Days: [[Two][*specify*]] [Business Days][SER Settlement Days] [*specify*]  
SER Maximum Days of Postponement: [*specify*]  
[First Fallback Reference Price, where:  
SER First Fallback Price Source: [*specify*]  
SER First Fallback Valuation Time: [*specify*]  
SER First Fallback Number of Settlement Days: [*specify*]]  
[Second Fallback Reference Price, where:  
SER Second Fallback Price Source: [*specify*]  
SER Second Fallback Valuation Time: [*specify*]  
SER Second Fallback Number of Settlement Days: [*specify*]]  
[Calculation Agent Determination]  
(*specify fallbacks required and arrange order in which to be applied*)  
[as per Payout Condition 6.3]
- (viii) SER Cumulative Events: [Not applicable][Applicable and Maximum Cumulative Days of Postponement means [*specify*]]  
[as per Payout Condition 6.1]
- (ix) SER Number of Settlement Days: [Two][Zero][*specify other*] [where SER Settlement Day Centre(s) means [in respect of the Settlement Exchange Rate:] [*specify*] [and in respect of the Intermediate Exchange Rate [*specify*]]]

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- [as per Payout Condition 6.3]
- (x) SER Additional Disruption Event: (specify each of the following which applies) [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]  
[Trade Date means [specify]]  
[as per Payout Condition 6.2]
14. Knock-in Event: [Not applicable][Applicable: Knock-in Value is [(i)][greater than][greater than or equal to][less than][less than or equal to] the Knock-in [Barrier] [within][outside] the Knock-in Range]
- (Only applicable if a payment to be made in respect of the Warrants is subject to a condition precedent that a Knock-in Event has occurred. If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Knock-in Value: [insert definition from Payout Condition 5.1]
- (ii) Knock-in Barrier: [specify value or percentage]
- (iii) Knock-in Range: From and [including][excluding] [specify range of values, percentages, level, or prices] to and [including][excluding] [specify range of values, percentages, level, or prices] [Not applicable]
- (iv) Knock-in Determination Day(s): [specify][Each Scheduled Trading Day in the Knock-in Determination Period][Not applicable]
- [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission] [Postponement] [Modified Postponement] will apply.
- [specify][Not applicable]
- (v) Knock-in Determination Period: [specify][Not applicable]
- (vi) Knock-in Period Beginning Date: [specify][Not applicable]
- (vii) Knock-in Period Beginning Date Scheduled Trading Day Convention: [specify][Not applicable]
- (viii) Knock-in Period Ending Date: [specify][Not applicable]
- (ix) Knock-in Period Ending Date Scheduled Trading Day Convention: [specify][Not applicable]
- (x) Knock-in Valuation Time: [specify][Scheduled Closing Time][Any time on a Knock-in Determination Day][Not applicable]
15. Knock-out Event: [Not applicable][Applicable: The Knock-out Value is [(i)] [greater than][greater than or equal to][less than][less than or equal to] the Knock-out [Barrier] [within][outside] the Knock-out Range]
- (Only applicable if a payment to be made in respect of the Warrants is subject to a condition precedent that a Knock-out Event has occurred. If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Knock-out Value: [insert definition from Payout Condition 5.1]
- (ii) Knock-out Barrier: [specify value or percentage]

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- (iii) Knock-out Range: From and [including][excluding] [specify range of values, percentages, level, or prices etc.] to and [including] [excluding] [specify range of values, percentages, level, or prices etc.] [Not applicable]
- (iv) Knock-out Determination Day(s): [[From and including][From and excluding][To and including][To but excluding]][specify]  
[specify][Each Scheduled Trading Day in the Knock-out Determination Period][Not applicable]  
[In the event that a Knock-out Determination Day is a Disrupted Day, [Omission][Postponement][Modified Postponement] will apply.
- (v) Knock-out Determination Period: [specify][Not applicable]
- (vi) Knock-out Period Beginning Date: [specify][Not applicable]
- (vii) Knock-out Period Ending Date: [specify][Not applicable]
- (viii) Knock-out Period Beginning Date Scheduled Trading Day Convention: [specify][Not applicable]
- (ix) Knock-out Period Ending Date Scheduled Trading Day Convention: [specify][Not applicable]
- (x) Knock-out Valuation Time: [specify][Scheduled Closing Time][Any time on a Knock out Determination Day][Not applicable]

### PROVISIONS RELATING TO EXERCISE

16. Automatic Exercise: [Applicable][Not applicable]  
*(N.B. Automatic Exercise may only apply to Cash Settled Warrants and does not apply for warrants in definitive form)*  
*(N.B. Automatic Exercise will only take place if there would be a positive cash settlement amount payable to the holder on exercise)*
17. Potential Exercise Dates: [The potential exercise dates of the Warrants [is][are] set out below.][Not applicable] [See table in paragraph 25 below]  
*(N.B. Only applicable in relation to Bermudan Style Warrants).*
18. Specified Exercise Date: [specify][Not applicable]  
*(N.B. Only applicable in relation to European Style Warrants)*
19. Exercise Period: [The exercise period in respect of the Warrants [is set out below, [inclusive of the dates specified]][the period from and [including][excluding] [specify], up to and [including][excluding] [specify]][each an “**Exercise Date**”)] [Not applicable]  
*(N.B. Only applicable in relation to certain American Style Warrants and Bermudan Style Warrants)*
20. Minimum Exercise Number: [The minimum number of Warrants that may be exercised (including automatic exercise) on any day by any Warrantholder is [specify]] [and Warrants may only be exercised (including automatic exercise) in integral multiples of [specify] Warrants in excess thereof][Not applicable]

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21. Maximum Exercise Number: [The maximum number of Warrants that may be exercised on any day by any Warrantholder or group of Warrantholders (whether or not acting in concert) is *[specify ]*][Not applicable].  
*(N.B. not applicable for European Style Warrants)*

### PROVISIONS RELATING TO SETTLEMENT

22. Settlement: [The Warrants are Cash Settled Warrants and provisions of General Condition 3(d) apply][and/or] [The Warrants are Physical Delivery Warrants and the provisions of General Condition 3(e) apply][as the circumstances may require]
23. [Cash] Settlement Amount: [Calculation Amount\* Final Payout] *[specify percentage]* [per Calculation Amount]
24. Final Payout: *(In respect of the following, extract, insert and complete required formula and definitions from the relevant Payout Condition as necessary)*
- [Final Payout (i)—European Call]
  - [Final Payout (ii)—European Put]
  - [Final Payout (iii)—European Call Spread]
  - [Final Payout (iv)—European Put Spread]
  - [Final Payout (v)—Call Knock-in]
  - [Final Payout (vi)—Put Knock-In]
  - [Final Payout (vii)—Bonus Call]
  - [Final Payout (viii)—Bonus Put]
  - [Final Payout (ix)—Strike Podium n Conditions]
  - [Final Payout (x)—Range]
  - [Final Payout (xi)—Reverse Range]
  - [Final Payout (xii)—Twin Win]
  - [Final Payout (xiii)—Twin Win Spread]
  - [Final Payout (xiv)]—Twin Win Bonus]
  - [Final Payout (xv)—Bonus Flex]
  - [Final Payout (xvi)—Twin Win Podium]
  - [Final Payout (xvii)—Digital]
  - [Final Payout (xviii)—Replace]
  - [Final Payout (xix)—Himalaya]
  - [Final Payout (xx)]
  - [Final Payout (xxi)—Strike Podium n Barriers]
  - [Final Payout (xxii)—Knock-in]
  - [Final Payout (xxiii)—Barrier and Knock-in Standard]
  - [Final Payout (xxiv)—Booster]
  - [Final Payout (xxv)—Booster with Cap]
  - [Final Payout (xxvi)—Autocall]

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- [Final Payout (xxvii)—Booster Autocall]
- [Option FX: applicable] (*specify applicable for each formula where FX applies*)
25. Automatic Early Expiration: [Applicable][Not applicable]
- (i) Automatic Early Expiration Event: [In respect of [any][all] Automatic Early Expiration Valuation Date[s] [from (i)=[*specify*] to (i)=[*specify*]] [for [each][the] [relevant][any][all] Automatic Early Expiration Valuation Period[s] [from (i)=[*specify*] to (i)=[*specify*]] [,the] AEE Value is: [greater than][greater than or equal to][less than][less than or equal to] the Automatic Early Expiration [Trigger][within][outside] the Automatic Early Expiration Range]
- (repeat as necessary)*
- (ii) AEE Value: *(insert relevant value definition and where applicable relevant definitions from Payout Condition 5.1 and 5.2)*
- (iii) Automatic Early Expiration Amount: The Automatic Early Expiration Amount shall be determined in accordance with the following formula:
- (If applicable specify one of the following)*
- [Automatic Early Expiration Amount (i)]
- [Automatic Early Expiration Amount (ii)]
- [Automatic Early Expiration Amount (iii)]
- [Option FX: applicable] (*specify applicable for each formula where FX applies*)
- (iv) Automatic Early Expiration Trigger: [[*specify*] [per cent.]] [Not applicable] [See table [above][below]]  
[*Insert table*]
- (v) Automatic Early Expiration Range: From and [including][excluding] [*specify range of values, percentages, levels, or prices*] to and [including][excluding] [*specify range of values, percentages, levels, or prices*] [Not applicable] [See table [above][below]]
- (vi) AEE Percentage: [[*specify*] [per cent.]] [Not applicable] [See table [above][below]]
- (vii) Automatic Early Expiration Settlement Date: [*specify*] [or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout conditions]] [See table [above][below]] [*Insert table*][The date falling [*specify*] Business Days following the Automatic Early Expiration Date in respect of which an Automatic Early Expiration Event has occurred]
- (viii) [(i)] Automatic Early Expiration Valuation Date(s): [*specify*] Each [*specify*] [Scheduled Trading Day] falling within the [relevant] Automatic Early Expiration Valuation Period] [See table [above][below]][Each Scheduled Trading Day from and including [*specify*] to and including the [*specify*]]
- (ix) [(ii)] Automatic Early Expiration Valuation Period(s): [[from (i)=[*specify*] to [*specify*] [Each][The] period from [and including][but excluding][*specify*], to [and including][but excluding][*specify*] [See table [above][below]]]
- (x) Automatic Early Expiration Valuation Time: [*specify*][Scheduled Closing][Any time [on the relevant Automatic Early Expiration Valuation Date][during the Automatic Early Expiration Valuation Period].

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- (xi) Averaging: [Not applicable][Averaging [applies] to the Warrants.] [The Averaging Dates are [specify].] [See paragraph [specify] above] [See table [above][below]]
- [In the event that an Averaging Date is a Disrupted Day [Omission][Postponement][Modified Postponement] will apply]
- [Specified Maximum Days of Disruption will be equal to: [specify]]
- (If no Specific Maximum Days of Disruption are stated, Specific Maximum Days of Disruption will be equal to five)*
26. Provisions applicable to Physical Delivery [Applicable][Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Entitlement Amount: [The Entitlement Amount per Calculation Amount] as specified below.]
- (Insert formula, relevant value(s) and other related definitions from Payout Conditions)*
- [Entitlement Amount (i)]
- [Entitlement Amount (ii)]
- (ii) Relevant Asset(s): [specify]
- (iii) Cut-Off Date: [specify]
- (iv) Settlement Business Day(s): [specify]
- (v) Delivery Agent: [Banco Bilbao Vizcaya Argentaria, S.A.][Dealer][specify] of [specify address]
- (vi) Assessed Value Payment Amount: [Applicable][Not applicable]
- (vii) Failure to Deliver due to Illiquidity: [Applicable][Not applicable]
- (viii) Exercise Price: [The Exercise Price(s) per Warrant (which may be subject to adjustment in accordance with the relevant Annex is) [specify][Not applicable]
- (N.B. This should take into account any relevant Weighting and, in the case of an Index Linked Warrants, must be expressed as a monetary value)*
- (ix) Exercise Price Payment Date(s): [[specify] [and [specify]][Not applicable]

### PRODUCT SPECIFIC PROVISIONS

27. Index Linked Warrants: [Applicable][Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) [Index][Basket of Indices]: The following Reference Item(s)[(k) [(from [k] = 1 to [[k]][specify]] will apply:] [not applicable] [See table below] [Insert table]
- [For [k]=1][specify][insert description and, if relevant, details of*

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*where investors can obtain information about the Index]](repeat as necessary)*



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- [Composite][Non Composite]
- [Weighting: [Not applicable][*specify*] [Each such Weighting shall be subject to adjustment in accordance with the Index Linked Conditions]]
- (ii) Exchange and Index Sponsor: (a) the relevant Exchange[s] [is][are] [*specify*][There are no relevant Exchange][*specify*]; and  
(b) the relevant Index Sponsor is [*specify*]  
[See table [above][below]]
- (iii) Related Exchange: [*specify*][All Exchanges] [Not applicable]
- (iv) Screen Page: [*specify*] [Not applicable] [See table [above][below]]
- (v) [Strike Date] [Strike Period and Strike Days]: [*specify*] [Not applicable] [*specify* applicable Strike Days in the period if applicable] [See table [above][below]] [*Insert table*]
- (vi) Averaging: [Not applicable][Averaging [applies] to the Warrants] [The Averaging Dates are [*specify*]] [See paragraph [*specify*] above] [See table [above][below]]  
[In the event that an Averaging Date is a Disrupted Day [Omission][Postponement][Modified Postponement] will apply]
- (vii) [Valuation Date][Valuation Period]: [*specify*] [Not applicable] [See table [above] [below]]
- (viii) Valuation Time: [*specify*] [Scheduled Closing Time] [Any time [on the relevant Valuation Date] [during the Observation Period.]] [*specify*], being the time specified on the relevant Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Level] (*If no time specified, the Valuation Time will be the Scheduled Closing Time*)
- (ix) [Observation Date(s)][Observation Period]: [*specify*][Not applicable][See table [above] [below]]  
[In the event that an Observation Date is a Disrupted Day][Omission][Postponement][Modified Postponement] will apply.]
- (x) Exchange Business Day: [(All Indices Basis)][(Per Index Basis)][(Single Index Basis)][(Cross Asset Basis)]
- (xi) Scheduled Trading Day: [(All Indices Basis)][(Per Index Basis)][(Single Index Basis)][(Cross Asset Basis)]  
(*must match election made for Exchange Business Day*)
- (xii) Index Correction Period: [As set out in the Index Linked Conditions][*specify*]
- (xiii) Specified Maximum Days of Disruption: [*specify*][Scheduled Trading Days][Not applicable]  
(*If no Specific Maximum Days of Disruption are stated to apply, Specified Maximum Days of Disruption will be equal to five*)
- (xiv) Index Adjustment Event: [As set out in the Index Linked Conditions][*specify*]
- (xv) Additional Disruption Events: [Not applicable][As per the Index Linked Conditions][The following Additional Disruption Events apply to the Warrants:  
(*Specify each of the following which applies*)  
[Hedging Disruption]

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[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Loss of Stock Borrow]

[Changes in Law: Not applicable]

[[The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share] is [specify](only applicable if Loss of Stock Borrow is applicable)]

[[The Initial Stock Loan rate in respect of [specify in relation to each relevant Share] is [specify] (only applicable if Increased Cost is Stock Borrow is applicable)][Not applicable]]

### 28. Equity Linked Warrants:

[Applicable][Not applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) [Share(s)][Basket of Shares][Share Company] of [Basket Company]: The following Reference Item(s) (k) [(from [k] = 1 to [[k][specify]])] will apply: [Not applicable] [See table [above] [below]] [*Insert table*]]

[For [k]=1][specify][insert description]](*repeat as necessary*)

[Weighting: [Not applicable][specify] [Each such Weighting shall be subject to adjustment in accordance with the Equity Linked Conditions]]

(ii) Share Currency: [specify] [See table [above][below]]

(iii) ISIN of Share(s): [specify] [See table [above][below]]

(iv) Screen Page: [specify] [See table [above][below]]

(v) Exchange: [specify] [See table [above][below]]

(vi) Related Exchange: [specify] [All Exchanges][Not applicable]

(vii) Depository Receipt provisions: [Applicable][Not applicable] [For Reference Item K=[specify][and k=[specify]]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Details of share: [specify name and ISIN code of the share to which the relevant Depository Receipts relate]

(b) Share Exchange: [specify]

(d) Share Exchange: [specify]

(viii) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable][See table [above][below]] [*Insert table*]

(ix) Averaging: [Not applicable][Averaging [applies] to the Warrants] [The Averaging Dates are [specify]] [See paragraph [specify] above][See table [above][below]]

[In the event that an Averaging Date is a Disrupted Day Omission][Postponement][Modified Postponement] will apply]

(x) [Valuation Date] [Valuation Period]: [specify][Not applicable][See table [above][below]] [or such later date as is provided in the Settlement Exchange Rate Provisions set out in condition 6 of the Payout Conditions]

(xi) Valuation Time: [specify][Scheduled Closing Time][Any time [on the relevant Valuation Date][during the Observation Period.] [[Specify], being

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the time specified on the relevant Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.]

*(N.B. if no time is specified, the Valuation Time will be the Scheduled Closing Time).*

[specify][Not applicable][See table [above][below]]

- (xii) [Observation Date(s)]  
[Observation Period]: [In the event that an Observation Date is a Disrupted Date [Omission][Postponement][Modified Postponement] will apply]
- (xiii) Exchange Business Day: [(All Shares Basis)][(Per Share Basis)][(Single Share Basis)][(Cross Asset Basis)]
- (xiv) Scheduled Trading Day: [(All Shares Basis)][(Per Share Basis)][(Single Share Basis)][(Cross Asset Basis)]
- (xv) Share Correction Period: [As set out in Equity Linked Condition 8][specify]
- (xvi) Specified Maximum Days of Disruption: [specify][scheduled Trading Days][Not applicable]  
*(If no Specified Maximum Days of Disruption are stated to apply, Specified Maximum Days of Disruption will be equal to five)*
- (xvii) Market Disruption Event: [As set out in the Equity Linked Condition 8][Not applicable]
- (xviii) Extraordinary Events: [Not Applicable][As per the Equity Linked Conditions][In addition to De-Listing, Insolvency, Merger Event, Tender Offer unless Tender Offer (*specified below as not applicable*) and Nationalisation, the following Extraordinary Events apply to the [Warrants]: (*Specify each of the following which applies*)  
[Listing Change]  
[Listing Suspension]  
[Illiquidity]  
[Tender Offer: Not applicable]
- (xix) Additional Disruption Events: [Not applicable][As per the Equity Linked Conditions][The following Additional Disruption Events apply to the Warrants:] (*Specify each of the following which applies*)  
[Hedging Disruption]  
[Insolvency Filing]  
[Increased Cost of Hedging]  
[Increased Cost of Stock Borrow]  
[Loss of Stock Borrow]  
[Stop-Loss Event]  
[Stop Loss Event Percentage: [specify] per cent.]  
[Change in Law: Not applicable]  
[Failure to Deliver due to Illiquidity: Not applicable]  
*(Only applicable in the case of Physical Delivery Warrants— Failure to Deliver due to Illiquidity is applicable to certain Share Linked Warrants.)*  
[The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share] is [specify].(*Only applicable if Loss of Stock Borrow is applicable*)]

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- [The Initial Stock Loan rate in respect of [specify in relation to each relevant Share] is [specify].(Only applicable if Increased Cost of Stock Borrow is applicable)]
29. ETF Linked Warrants: [Applicable][Not applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) [ETF(s)][ETF Basket]: The following Reference Item(s)[(k)] [(from [k] = 1 to [(k)[specify]] will apply:] [Not applicable] [See table [above][below]] [*Insert table*]
- [For [k]=1][specify][*insert description*][(see paragraph [specify])(*repeat as necessary*)]
- [Weighting: [Not Applicable] [[specify] [Each such Weighting shall be subject to adjustment in accordance with the ETF Linked Conditions]]]
- (ii) ETF Share Currency: [specify] [See table [above][below]]
- (iii) ISIN of ETF Share(s): [specify] [See table [above][below]]
- (iv) Screen Page: [specify] [See table [above][below]]
- (v) Exchange(s): [specify][Not applicable] [See table [above][below]]
- (vi) Related Exchange(s): [specify][All Exchanges][Not applicable]
- (vii) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [*specify applicable Strike Days in the period if applicable*][See table [above][below]]
- (viii) Averaging: [Not applicable][Averaging [applies] to the Warrants]. [The Averaging Dates are [specify].] [See paragraph [specify] above][See table [above][below]]
- [In the event that an Averaging Date is a [Disrupted Day], [Omission][Postponement][Modified Postponement] will apply]
- (ix) [Valuation Date][Valuation Period]: [specify] [Not applicable] [See table [above][below]] [or such later date as is provided in the Settlement Exchange Rate Provisions set out in condition 6 of the Payout Conditions]
- (x) Valuation Time: [Scheduled Closing Time][Any time [on the relevant Valuation Date][during the Valuation Period]] [[specify], being the time specified on the relevant [Valuation Date] [Observation Date] or an Averaging Date, as the case may be, for the calculation of the
- (If no time is specified, the Coupon Valuation Time will be the close of trading on the Exchange)*
- (xi) [Observation Date(s)][Observation Period(s)]: [specify][Not applicable][See table [above][below]]
- [In the event that an Observation Date is a Disrupted Day [Omission][Postponement][Modified Postponement] will apply.]
- (xii) Exchange Business Day: [[(All ETF Shares Basis)][(Per ETF Shares Basis)]][(Single ETF Share Basis)][(Cross Asset Basis)]
- (xiii) Scheduled Trading Day: [[(All ETF Share Basis)][(Per ETF Share Basis)]][(Single ETF Share Basis)][(Cross Asset Basis)]
- (xiv) ETF Share Correction Period: [specify][As set out in ETF Linked Condition 3]
- (xv) Specified Maximum Days of Disruption: [specify][Scheduled Trading Days][Not applicable]

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*(If no Specified Maximum Days of Disruption are stated to apply, Specified Maximum Days of Disruption will be equal to five)*

- (xvi) Extraordinary ETF Events: [As set out in ETF Linked Condition 2(b)] [*specify*]
- (xxiv) Additional Extraordinary ETF Events: [Not applicable][As per the ETF Linked Conditions][The following Additional Extraordinary ETF Events apply to the Warrants:  
*(Specify each of the following which applies)*  
[Hedging Disruption]  
[Increased Cost of Hedging]  
[Change in Law: Not applicable]  
[Increased Cost of Stock Borrow]  
[Insolvency Filing]  
[Stop-Loss Event]  
[Stop-Loss Event Percentage: [*specify*] per cent.]  
[The Maximum Stock Loan Rate in respect of [*specify* in relation to each relevant ETF Share] is [*specify*]] (*Only applicable if Loss of Stock Borrow is applicable*)  
[[The Initial Stock Loan rate in respect of [*specify* in relation to each relevant ETF Share] is [*specify*]] (*Only applicable if Increased Cost of Stock Borrow is applicable*)  
[Tender Offer: Not applicable]
30. Fund Linked Warrants: [Applicable][Not applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) [Fund(s)]/[Fund Basket(s)]: The following Reference Item(s)[(k)] [(from [k] = 1 to [[k][*specify*]])] will apply:] [Not applicable] [See table [above][below]] [*Insert table*]  
[For [k]=1][*specify*][*insert description*][(see paragraph [*specify*])](*repeat as necessary*)  
[The NAV per Fund Share will be published on [*specify*]]  
*(The Fund must be a UCITS Fund or an investment fund authorised by the Central Bank of Ireland or the Competent Authority of another EU Member State deemed equivalent by Euronext Dublin)*  
[Weighting: [[Not Applicable]] [[*specify*]] [Each such Weighting shall be subject to adjustment in accordance with the [Fund Linked Conditions]]
- (ii) [Fund Shares]: [*specify*][a unit of the relevant Fund] [See table [above][below]]
- (iii) Averaging: [Not applicable][Averaging [applies] to the Warrants]. [The Averaging Dates are [*specify*].] [See paragraph [*specify*] above][See table [above][below]]  
[In the event that an Averaging Date is a Fund Non-Valuation Date, [Omission][Postponement][Modified Postponement] will apply]

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- (iv) [Observation Date(s)][Observation Period(s)]: [specify][Not applicable][See table [above][below]]  
[In the event that an Observation Date is a Fund-Non Valuation Date [Omission][Postponement][Modified Postponement] will apply.]
  - (v) [Valuation Date][Valuation Period] [specify][Not applicable] [see table [above][below]] [or such later date as is provided in the Settlement Exchange Rate Provisions set out in condition 6 of the Payout Conditions]
  - (vi) Fund Business Day: [specify][(All Fund Share Basis)][(Per Fund Share Basis)][(Single Fund Share Basis)] [As per the Fund Linked Conditions]
  - (vii) Initial Calculation Dates:
    - (a) Initial Calculation Day: [specify] [Not applicable]
    - (b) Initial Calculation Date: [specify] [Not applicable]
    - (c) Initial Calculation Period: [specify] [Not applicable]
  - (viii) Final Calculation Date: [specify] [Not applicable]
  - (ix) Calculation Date(s): [specify] [Not applicable]
  - (x) Extraordinary Fund Events: [As set out in Fund Linked Condition 1] [specify]
    - (a) NAV Barrier: [specify][Not applicable]
    - (b) NAV Trigger Percentage: [specify][As set out in Fund Linked Condition 6] [Not applicable]
    - (c) NAV Trigger Period: [specify][As set out in Fund Linked Condition 6] [Not applicable]
    - (d) Number of NAV Publication Days: [specify][As set out in Fund Linked Condition 6] [Not applicable]
    - (e) Basket Trigger Level: [specify][As set out in Fund Linked Condition 6] [Not applicable]
  - (xi) Additional Extraordinary Fund Events: [Not applicable][As per the Fund Linked Conditions][The following Additional Extraordinary Fund Events apply to the Warrants:  
*(Specify each of the following which applies)*  
[Hedging Disruption]  
[Increased Cost of Hedging]  
[Change in Law: Not applicable]  
[As set out in Fund Linked Condition 3][specify]
  - (xii) Delayed Payment Cut-Off Date:
31. Inflation Linked Warrants: [Applicable][Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/Indices: [specify] [Reference Item[s]][(k)]
  - (ii) Screen page/Exchange/ CODE: [specify]

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- (iii) Index Sponsor: *[specify]*
- (iv) Cut-Off Date: [As per the Inflation Linked Conditions]*[specify]*

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- (v) Related Bond: [specify][Fallback Bond][Not applicable]
  - (vi) Fallback Bond: [Applicable][Not applicable]
  - (vii) Related Bond Redemption Event: [As set out in Inflation Linked Condition [specify]]
  
  - (viii) Reference Month [specify][Not applicable]
  - (ix) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable]
  
  - (x) Determination Date(s): [specify]
  - (xi) Additional Disruption Event: [Not applicable][As per the Inflation Linked Conditions][The following Additional Disruption Events apply to the Warrants:  
(Specify each of the following which applies)  
[Hedging Disruption]  
[Increased Cost of Hedging]  
[Change in Law: Not applicable]
32. Foreign Exchange (FX) Rate Linked Warrants: [Applicable][Not applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Base Currency: [specify][Not applicable][For Reference Item[(k)]: [insert]]
  - (ii) Subject Currency/Currencies: [specify][Not applicable][For Reference Item[(k)]: [insert]] [and EM Foreign Exchange Rate Provisions apply to such Subject Currency]
  - (iii) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable][See table [above][below][Insert table]
  - (iv) Averaging: [Not applicable][Averaging [applies] to the Warrants] [The Averaging Dates are [specify]] [See paragraph [specify] above]  
[In the event that an Averaging Date is a Disrupted Day Omission][Postponement][Modified Postponement] will apply]
  - (v) [Valuation Date] [Valuation Period]: [specify][Not applicable] [or such later date as is provided in the Settlement Exchange Rate Provisions set out in condition 6 of the Payout Conditions]
  - (vi) [Observation Date(s)][Observation Period(s)]: [specify][Not applicable][See table above]  
[In the event that an Observation Date is a Disrupted Day [Omission][Postponement][Modified Postponement] will apply.]
  - (vii) Provisions applicable where EM Foreign Exchange (FX) Rate Provisions do not apply to a Specified Currency: [Applicable [in respect of[specify Subject Currencies to which these provisions apply where there is a Basket]]][Not applicable]  
(Where applicable for more than one Subject Currency, complete as relevant for each such Subject Currency)
    - (a) Relevant Screen Page [specify][Not applicable]
    - (b) Specified Maximum Days of Disruption: [specify] [Scheduled Trading Days] [Not applicable]  
(If no Specified Maximum Days of Disruption are stated to apply, Specified Maximum Days of Disruption will be equal to five)
    - (c) Price Source: [specify]



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(d) Valuation Time: *[specify]*[As per Foreign Exchange (FX) Rate Linked Warrant Condition 6]

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- (viii) Provisions applicable where EM Foreign Exchange (FX) Rate Provisions apply: [Applicable [in respect of][specify Subject Currencies to which these provisions apply where there is a Basket]] [Not applicable]  
(Where applicable for more than one Subject Currency, complete as relevant for each such Subject Currency)
- (a) Provisions applicable to determining the Settlement Price: For the purpose of the definition of Settlement Price in Foreign Exchange (FX) Rate Linked Warrant Condition 6 [and [specify the relevant Subject Currency where more than one Subject Currency]:  
EM FX Price Source: [specify]  
EM Valuation Time: [specify]  
EM Scheduled Trading Day Jurisdiction: [specify]
- (b) EM Disruption Events: [Price Source Disruption]  
[Illiquidity Disruption]  
[Dual Exchange Rate]  
[General Inconvertibility]  
[General Non-Transferability]  
[Material Change in Circumstance]  
[Nationalisation]  
[Price Materiality, where:  
EM Price Materiality Percentage: [specify][3] per cent.  
EM Primary Rate: [specify][The rate determined as set out in the definition of Settlement Price]  
EM Secondary Rate: [specify][[EM First Fallback Reference Price [and]][EM Second Fallback Reference Price]]  
(Specify in respect of each Subject Currency where EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different EM Disruption Events (or components thereof) also apply thereto)
- (c) EM Disruption Fallbacks: [EM First Fallback Reference Price, where:  
First Fallback EM FX Price Source: [specify]  
First Fallback EM Valuation Time: [specify]  
First Fallback EM Number of Settlement Days: [specify]]  
[EM Second Fallback Reference Price, where:  
Second Fallback EM FX Price Source: [specify]  
Second Fallback EM Valuation Time: [specify]  
Second Fallback EM Number of Settlement Days: [specify]]  
[EM Calculation Agent Determination]  
[EM Valuation Postponement]  
(Specify in respect of each Subject Currency where EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different EM Disruption Fallbacks (or components thereof) also apply thereto)

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- (d) EM Maximum Days of Postponement: [specify]  
*(Specify in respect of each Subject Currency where EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different EM Disruption Fallbacks (or components thereof) also apply thereto)*
- (e) EM Cumulative Events: [Not applicable][Applicable and EM Maximum Cumulative Days of Postponement means [specify]]  
*(Specify in respect of each Subject Currency where EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different EM Disruption Fallbacks (or components thereof) also apply thereto)*
- (f) EM Number of Settlement Days: [Two][Zero][specify other] [where Settlement Day Centre(s) means [specify]]
- (g) EM Number of Postponement Settlement Days: [[Two][specify]] [Business Days][EM Settlement Days] [specify]
- (ix) Additional Disruption Events: [Not applicable] [As per the Foreign Exchange (FX) Rate Linked Conditions] [The following Additional Disruption Events apply to the Warrants:]  
*(Specify each of the following which applies)*  
[Hedging Disruption]  
[Increased Cost of Hedging]  
[Trade Date means [specify]]  
[Change in Law: Not applicable]  
*(insert where Change in Law applies)*
33. Combination Warrants: [Applicable][Not applicable]  
*(Applicable in relation to Warrants linked to a combination of types of Reference Items)*  
*(If applicable, complete relevant prompts from Paragraphs [TBD] to [TBD] above)*
34. Payment Disruption Event: [Applicable][Not applicable]

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### GENERAL PROVISIONS APPLICABLE TO THE WARRANTS

34. Forms of Warrants: [Bearer Warrants][*specify*]:
- [Temporary Global Warrant exchangeable for a Permanent Global Warrant which is exchangeable for Definitive Warrants on [*specify*] days' notice/at any time/in the limited circumstances specified in the Permanent Global Warrant.]
- [Temporary Global Warrant exchangeable for Definitive Warrants on [*specify*] days' notice.]
- [Permanent Global Warrant exchangeable for Definitive Warrants on [*specify*] days' notice/at any time/in the limited circumstances specified in the Permanent Global Warrant.]
- [Registered Warrants:
- Global Warrant Certificate exchangeable for Individual Warrant Certificates on [*specify*] days' notice/at any time/in the limited circumstances described in the Global Warrant Certificate.]
35. Spanish Tax Treatment [The Warrant is considered to be an "option" for Spanish tax purposes and Condition 7(b) applies][[The Warrant is considered to be a "financial asset" for Spanish tax purposes and Condition 7(c) applies]
36. (i) Financial Centre(s): [Not Applicable] [*give details*]
- (ii) Additional Business Centre(s): [Not applicable][*specify*] (Note that this paragraph relates to the place of payment. All relevant Financial Centre(s) (including the location at the relevant agent(s)) should be included other than Target).
37. Prohibition of Sales to EEA Retail Investors: [Applicable][Not applicable]
- [(If the Warrants clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Warrants may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified)]
38. Sales outside EEA only: [Applicable] [Not applicable]

### RESPONSIBILITY

[The Issuer and the Guarantor accepts responsibility for the information contained in these Final Terms. [[Insert Relevant third party information ] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By: \_\_\_\_\_

By: \_\_\_\_\_

Duly authorised

Duly authorised

# FORM OF FINAL TERMS FOR NON-EXEMPT WARRANTS

## PART B—OTHER INFORMATION

### 1. Listing and Admission to trading

Listing and admission to trading: [Euronext Dublin 's Official List][specify other][Not applicable]  
[Application has been made for the Warrants to be admitted to trading on the [Euronext Dublin's regulated market] ][and to trading on its Global Exchange Market ("GEM")] [specify other] with effect from [specify]  
*(Where documenting a fungible issue need to indicate that original Warrants are already admitted to trading)*

### 2. [Interests of Natural and Legal Persons Involved in the [Issue][Offer]

*(Description of any interest, including conflicting interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. This may be satisfied by the inclusion of the following statement:)*

(i) Save for any fee paid to the Dealer (if applicable, such fee shall be as set out in paragraph 3 below) and/or any fee or other inducement paid to the distributor (if any), so far as the Issuer is aware no person involved in the offer of the Warrants has an interest material to the offer. For specific and detailed information on the nature and quantity of the fee or inducement paid to the distributor (if any) the investor should contact the distributor.

*(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation)*

(ii) Dealer commission [Specify]/[Not applicable]

### 3. [Estimated Net Proceeds and Total Expenses

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

[(iii) Estimated total expenses: [specify]  
*(Include breakdown of expenses into each principal intended "use", presented in order of priority of such "uses")*

### 4. [Performance of Index/Share/ETF/Fund/ Formula, Explanation of Effect on Value of Investment and Associated Risks and Other Information concerning the Underlying

*(Include details of where past and future performance and volatility of the shares, index/formula/commodity/rates/exchange traded fund/fund/foreign exchange rate/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Where the underlying is an index need to include details of where the information about the index can be obtained)]*

*(Where the underlying is a security need to include the name of the issuer of the security and the ISIN or equivalent identification number. Where the underlying is a basket of underlying, need to include the relevant weightings of each underlying in the basket. N.B. refer to the relevant sections in paragraph 28 or 29 in the Final Terms where this information is disclosed)*

[For a description of any market disruption or settlement disruption events that affect the underlying and any adjustment rules in relation to events concerning the underlying (if applicable) please see Annex [specify] in the Issuer's Base Prospectus].

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information]

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### 5. Operational Information

- (i) ISIN Code: [specify]
- (ii) Common Code: [specify]
- (iii) CUSIP: [specify] [Not applicable]
- (iv) Valoren Code [specify] [Not applicable]
- (v) Other Code(s): [specify][Not applicable]
- (c) [Valoren Code: [specify][Not applicable]]
- (d) [CFI:<sup>12</sup> [specify][Not applicable]]
- (e) [FISN:<sup>12</sup> [specify][Not applicable]]
- (vi) Any clearing system(s) other than Euroclear Bank S.A./N.V, Clearstream Banking, société anonyme approved by the Issuer and the Principal Warrant Agent and the relevant identification number(s): [Not applicable][give name(s) and number(s)]
- (vii) Delivery: Delivery [against][free of] payment
- (viii) Additional Warrant Agent(s) (if any): [Not applicable][give name]

### 6. Distribution

- 6.1 Method of distribution: [Syndicated][Non-syndicated] (if non-syndicated delete paragraph 6.2 and 6.3)
- 6.2 If syndicated, names [and addresses] of Managers [and underwriting commitments: ] [Not applicable][give names [and addresses] of each entity acting as underwriter [and its respective underwriting commitments]]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- 6.3 Date of Subscription Agreement: [Not applicable][specify]
- 6.4 If non-syndicated, name [and address] of relevant Dealer: [Not applicable][give name [and address]]
- 6.5 U.S. Selling Restrictions: [The Warrants are only for offer and sale outside the United States in offshore transactions to non-U.S. persons in reliance on Regulation S under the Securities Act and may not be offered, sold, transferred, pledged, delivered, exercised, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. person.]

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12 Only to be included if required by the relevant stock exchange for reference data reporting purposes.

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Each initial purchaser of the Warrants and each subsequent purchaser or transferee of the Warrants shall be deemed to have agreed with the issuer or the seller of such Securities that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, such Securities so purchased in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person and (ii) it is not purchasing any Securities for the account or benefit of any U.S. person.]

Reg. S Compliance Category [2]; [TEFRA D][TEFRA C][TEFRA not applicable]

- 6.6 Non-exempt Offer: [Applicable] [Not Applicable] *(if not applicable, delete the remaining placeholders of this paragraph 7.6 and also paragraph 8 below).*
- (i) on-exempt Offer Jurisdictions: *[specify relevant Member State(s) where the Issuer intends to make Non-exempt Offers (where the Base Prospectus lists the Non-exempt Offer Jurisdictions, select from that list), which must therefore be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)]*
- (ii) Offer Period: *[specify date] until [specify date or a formula such as “the Issue Date” or “the date which falls [specify] Business Days thereafter”]*
- (iii) Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the Conditions in it: *[Insert names and addresses of financial intermediaries receiving consent (specific consent)] (N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non- exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the Base Prospectus (and any supplement) has been notified / passported.)*

### 7. Terms and Conditions of the Offer<sup>13</sup>

[Applicable][Not applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* [The Warrants will be offered to the public in each Public Offer Jurisdictions in accordance with the arrangements listed below.]

- 7.1 Offer Price: [Not applicable][See 8.11 below][give details]
- 7.2 [Conditions to which the offer is subject:]: [Not applicable][give details]  
[Offers of the Warrants are conditional on their issue and are subject to such conditions as are set out in the [Distribution Agreement], As between Dealers and their customers (including Authorised Offerors) or between Authorised Offerors and their customers offers of the Warrants are further subject to such conditions as may be agreed between them and/or as is specified in any arrangements in place between them]
- 7.3 Offer Period: [Not applicable][give details]
- 7.4 [Description of the application process]: [Not applicable][give details]

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<sup>13</sup> Delete in respect of Warrants with an issue price per Warrant of at least €100,000 (or equivalent in another currency).



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- 7.5 [Details of the minimum and/or maximum amount of application:] [Not applicable][*give details*]
- 7.6 [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:] [Not applicable][*give details*]
- 7.7 [Details of the method and time limits for paying up and delivering the Warrants:] [Not applicable][*give details*]  
*(NB: Under normal circumstances, on the Issue Date, allocated Warrants will be made available to the Dealer(s)/Authorised Offerors in such account as may be held by them directly or indirectly at Euroclear or Clearstream. Luxembourg.)*
- 7.8 [Manner in and date on which results of the offer are to be made public:] [Not applicable][*give details*]  
*(If applicable (i) specify date on which the final size of the issue will be made public and (ii) insert specific details in respect of the method of publication (including, where relevant, details of any advertisements to be published).)*
- 7.9 [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercise:] [Not applicable][*give details*]
- 7.10 Indication of the expected price at which the Warrants will be offered or the method of determining the price and the process for its disclosure: [Not applicable] [The Issuer had offered and will sell the Warrants to the Dealer(s) (and no one else) at the Issue Price of [*specify*] [less a total commission of [*specify*]]. The Dealer(s) and Authorised Offerors will offer and sell the Warrants to their customers in accordance with the arrangements in place between each such Dealer and its customers (including the Authorised Offers) or each such Authorised Offeror and its customers by reference to the Issue Price and the market conditions prevailing at the time]
- 7.11 [Process for notification to applications of the amount allotted and the indication whether dealing may begin before notification is made:] [Not applicable][*give details*]  
 [Prospective Warrantholders will be notified by the relevant Dealer(s) and Authorised Offeror in accordance with the arrangements in place between such Dealer(s) or Authorised Offeror and its customers. Any dealing in the Warrants, which take place will be at the risk of the prospective Warrantholders]
- 7.12 [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] [Not applicable][*give details*]
- 7.13 [Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.] [The Authorised Offerors are identified in 9.5 above and identifiable from the Base Prospectus/[None]/[*give details*]]

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### 8. [Benchmark Regulation]

[[Include if applicable: Amounts payable under the Warrants may be calculated by reference to [*Specify benchmark*]. [*Specify benchmark*] is provided by [administrator legal name] [repeat as necessary]. [As at the date of these Final Terms, [*administrator legal name*] [appears]/[does not appear] [repeat as necessary] in the register of administrators and benchmarks established and maintained by European Securities and Markets Authority (ESMA) pursuant to article 36 of the Benchmark Regulation.]

[As far as the Issuer is aware, [Benchmark] [does]/[do] not fall within the scope of the BMR by virtue of the transitional provisions in Article 51 of the BMR, such that [Administrator] [is]/[are] not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).] / [Not Applicable]<sup>14</sup>]

### 9. [Index/Other Disclaimer]<sup>15</sup>

[The Warrants are not sponsored, recommended, endorsed, sold or promoted by the Index or the Index Sponsor. The Index Sponsor does not make any representations, whether express or implied, regarding the results to be obtained from using their Index or the level at which an Index may stand at any particular time or any particular date or otherwise, nor its suitability. Further, the Index Sponsor will not have any liability (whether in negligence or otherwise) for any inaccuracy in the data on which the Index is based, for any mistakes, errors, or omissions in the calculation and/or dissemination of the Index, or for the manner in which it is applied in the Warrants or the offering thereof. The Issuer shall not have any liability for any act of failure to act by the Index Sponsor in connection with the calculation adjustment or maintenance of the Index. None of the Issuer or its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.]

*(Insert unless the relevant Index has a bespoke disclaimer, in which case, substitute for such bespoke disclaimer)*

[[The Issuer is only offering to and selling to the Dealer(s) pursuant to and in accordance with the terms of the [Programme Agreement]. All sales to persons other than the Dealer(s) will be made by the Dealer(s) or persons to whom they sell, and/or otherwise make arrangements with, including the Financial Intermediaries. The Issuer shall not be liable for any offers, sales or purchase of Warrants by the Dealer(s) or Financial Intermediaries in accordance with the arrangements in place between any such Dealer or any such Financial Intermediary and its customers.]

[[Each [of] the Dealer(s) has acknowledged and agreed, and any Financial Intermediary will be required by the Dealer(s) to acknowledge and agree, that for the purpose of offer(s) of the Warrants, the Issuer has passported the Base Prospectus in each of the Non-exempt Offer Jurisdictions and will not passport the Base Prospectus into any other European Economic Area Member State; accordingly, the Warrants may only be publicly offered in Non-exempt Offer Jurisdictions or offered to Qualified Investors (as defined in the Prospectus Regulation) in any other European Economic Area Member States and that all offers of Warrants by it will be made only in accordance with the selling restrictions set forth in the Prospectus and the provisions of these Final Terms and in compliance with all applicable laws and regulations.]<sup>16</sup>]

[Financial intermediaries seeking to rely on the Base Prospectus and any Final Terms to resell or place Warrants as permitted by article 3.2 of the 2010 PD Amending Directive must obtain prior written consent from the Issuer and the Guarantor; nothing herein is to be understood as a waiver of such requirement for prior written consent.]<sup>17</sup>

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14 If Benchmark Regulation is not applicable, delete this section

15 Delete this section 9 if not required

16 Delete unless for a public offer

17 Delete in respect of Warrants with an issue price per Warrant of at least €100,000 (or equivalent in another currency)

**FORM OF PRICING SUPPLEMENT FOR EXEMPT WARRANTS**

**[SUMMARY]**

*[Include issue specific Summary]*

## FORM OF PRICING SUPPLEMENT FOR EXEMPT WARRANTS

Set out below is the form of Pricing Supplement for Exempt Warrants which will be completed for each Tranche of Warrants issued under the Programme.<sup>1</sup>

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

[Date]

#### **BBVA GLOBAL MARKETS, B.V.**

*(a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under Dutch law with its seat in Amsterdam, the Netherlands but its tax residency in Spain)*

(as "**Issuer**")

Legal Entity Identifier ("**LEI**"): 213800L2COK1WB5Q3Z55

Issue of [Aggregate Number of Tranche][Title of Warrants] (the "**Warrants**") under the €2,000,000,000 Programme for the Issue of Warrants guaranteed by

#### **BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

*(incorporated with limited liability in Spain)*

(as "**Guarantor**")

["The Warrants are not intended to be offered, distributed or sold to any investor in the European Economic Area or the United Kingdom, and no person may offer, sell or otherwise make available any Warrants which are the subject of the offering contemplated by the Base Prospectus as completed by this Pricing Supplement to any investor in the European Economic Area or the United Kingdom."]<sup>2</sup>

[These Warrants are not intended for, and are not to be offered to, the public in any jurisdiction of the European Economic Area or in the United Kingdom. Any person making or intending to make an offer of the Warrants may only do so in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended or superseded).]<sup>3</sup>

<sup>4</sup>**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS]**—The Warrants – [Consistent with the foregoing paragraph,]<sup>5</sup> are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to [any investor, including for such purposes,]<sup>6</sup> any retail investor, in the European Economic Area ("**EEA**") or in the United Kingdom (the "**UK**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIPs Regulation**") for offering or selling the Warrants or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation. For the purposes of this provision, 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

<sup>1</sup> Delete when completing the Pricing Supplement.

<sup>2</sup> Insert where the Warrants are going to be sold only outside the EEA and the UK.

<sup>3</sup> Insert where no public offer (in accordance with the Prospectus Regulation) is intended in EEA or in the UK.

<sup>4</sup> Legend to be included on front of the Pricing Supplement if the Warrants potentially constitute "packaged" products and (i) the issuer wishes to prohibit offers to EEA and UK retail investors or (ii) where the Warrants are going to be sold only outside the EEA and the UK, in which case the selling restriction should be specified to be "Applicable".

<sup>5</sup> Include wording in brackets if Issuer wishes to prohibit offers to any investors in the EEA or UK i.e. where the Warrants are going to be sold only outside the EEA and the UK.

<sup>6</sup> Include wording in brackets if Issuer wishes to prohibit offers to any investors in the EEA or UK i.e. where the Warrants are going to be sold only outside the EEA and the UK.

## FORM OF PRICING SUPPLEMENT FOR EXEMPT WARRANTS

the meaning of Directive 2016/97/EU (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**").]

[The Warrants 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 EEA or in the UK other than in accordance with Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") and in each case in accordance with the additional requirements (if any) of the national competent authority in the Member State of EEA and the UK (the "**Relevant State**"). Pursuant to the PRIIPs Regulation, any Relevant State may require the ex-ante notification of the key information document (the "**KID**") to the competent authority for PRIIPs marketed in that Relevant State (a "**Notification State**"). The Warrants should not be offered, sold or otherwise made available to any retail investor in any such Notification State unless all relevant requirements in such Notification State have been first complied with. Where the Notification State requires a KID to be provided in a particular language, to the extent that BBVA has not already prepared a KID in such language, the Warrants should not be offered, sold or otherwise made available to any retail investor in any such Notification State unless a KID has been prepared by Banco Bilbao Vizcaya Argentaria, S.A. in the relevant language. Responsibility for compliance with any ex-ante notification and any ongoing regulatory obligation in respect of such KID in such Notification State shall lie solely with the person offering, selling or otherwise making the Warrants available in the Notification State. 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 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129, as amended.]<sup>7</sup>

[**MI FID II PRODUCT GOVERNANCE TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Warrants has led to the conclusion that: (i) the target market for the Warrants is eligible counterparties[,][ and] professional clients [and retail clients], each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and [(ii) all channels for distribution of the Warrants are appropriate]/ [(ii) the following channels for distribution of the Warrants are appropriate: [investment advice][,/ and] [portfolio management][,/ and][ non advised sales ][and pure execution services] [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Warrants to retail clients are appropriate – [investment advice][,/ and] [portfolio management][,/ and][ non advised sales ][and pure execution services] [, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Warrants (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Warrants (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]<sup>8</sup> .

The Base Listing Particulars referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Warrants in any Member State of the European Economic Area or in the United Kingdom (each, a "Relevant State") will be made pursuant to an exemption under the Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation") from the requirement to publish a prospectus for offers of the Warrants. Accordingly any person making or intending to make an offer in that Relevant State of the Warrants may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish

<sup>7</sup> Insert as necessary, where the product is a PRIIP for which a KID will be prepared, and in accordance with the advice of the BBVA Legal Department.

<sup>8</sup> Delete where Warrants are sold wholly outside EEA and UK.

## FORM OF PRICING SUPPLEMENT FOR EXEMPT WARRANTS

a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. None of the Issuer, the Guarantor and any Dealer has authorised, nor does any of them authorise, the making of any offer of Warrants in any other circumstances.

For the purposes of this section, all references to Regulations or Directives include, in relation to the UK, those Regulations or Directives as they form part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 or have been implemented in UK domestic law, as appropriate.

### PART A- CONTRACTUAL TERMS

[Any person making or intending to make an offer of the Warrants 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 Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.]

This document constitutes the Pricing Supplement for the Warrants described herein. This document must be read in conjunction with the Base Listing Particular [as supplemented by the supplement[s] dated [date[s]]] (the "**Base Listing Particulars**"). Full information on the Issuer, the Guarantor and the offer of the Warrants is only available on the basis of the combination of this Pricing Supplement and the Base Listing Particular. Copies of the Base Listing Particulars [as supplemented] have been published on the website of the Irish Stock Exchange plc trading as Euronext Dublin ([www.ise.ie](http://www.ise.ie)) [and] [the website of the Vienna Stock Exchange (<https://www.wienerborse.at/>)].

Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions of the Warrants (and, together with the applicable Annex(es), the "**Conditions**") set forth in the Base Listing Particulars dated [original date] [and the supplement dated [date]] which are incorporated by reference in the Base Listing Particulars.

[Investors should note that if a supplement to or an updated version of the Base Listing Particular is published at any time during the Offer Period (as defined below), such supplement or updated Base Listing Particulars as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of the Pricing Supplement. Any investors who have indicated acceptances of the Offer (as defined below) prior to the date of approval of such supplement or updated version of the Base Listing Particulars, as the case may be (the "**Approval Date**"), have the right within two working days of the Approval Date to withdraw their acceptances.]<sup>9</sup>

[The Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or under any state securities laws, and the Warrants may not be offered, sold, transferred, pledged, delivered, exercised, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. person. Furthermore, the Warrants do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the U.S. Commodity Exchange Act, as amended (the "**CEA**"), and trading in the Warrants has not been approved by the U.S. Commodity Futures Trading Commission (the "**CFTC**") pursuant to the CEA, and no U.S. person may at any time trade or maintain a position in the Warrants. For a description of the restrictions on offers and sales of the Warrants, see "*Subscription and Sale*" in the Base Prospectus

As used herein, "**U.S. person**" includes any "**U.S. person**" or person that is not a "**non-United States person**" as either such term may be defined in Regulation S or in regulations adopted under the CEA.]<sup>10</sup>

[The Warrants issued pursuant to this Pricing Supplement may be considered structured products in Switzerland pursuant to Article 70 the Swiss Financial Services Act of 15 June 2018 ("**FinSA**"); they are not collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("**CISA**"). Accordingly, they are not subject to the supervision of the Swiss Financial Market

<sup>9</sup> Include in respect of issues of Warrants for which the offer period spans a supplement to the Base Prospectus or an update to the Base Prospectus.

<sup>10</sup> Include for Restricted Warrants or Warrants that have been determined to be permanently prohibited from being offered, sold, resold, transferred, pledged or delivered in the United States or to a U.S. person.

## FORM OF PRICING SUPPLEMENT FOR EXEMPT WARRANTS

Supervisory Authority, FINMA and potential investors do not benefit from the specific investor protection provided under the CISA. Investors bear the credit risk of the Issuer and the Guarantor. [The Warrants documented in this Pricing Supplement are not being offered, sold or advertised, directly or indirectly, in, into or from Switzerland to retail clients (Privatkundinnen und -kunden) ("**Retail Clients**") pursuant to Article 4 para. 2 FinSA. Neither this Pricing Supplement nor any offering materials relating to the Warrants may be available to Retail Clients in or from Switzerland. The offering of the Warrants directly or indirectly, in, into or from Switzerland is only made by way of private placement by addressing the Warrants solely at investors classified as professional clients (*professionelle Kunden*) or institutional clients (*institutionelle Kunden*) ("**Professional or Institutional Clients**") as defined in the FinSA.]<sup>11 12</sup>

*Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Pricing Supplement. Where the context so permits, Terms in this Pricing Supplement may be attributed a numerical or letter suffix value when included hereon. Without limitation, the suffix can be denoted as "j", "k", "m", "q", "n", "t" or "i" and the term may be completed on the basis of the number or numbers represented by j, k, m, q, n, t or i, as chosen at the time of an issue of Warrants. When applicable and in order to improve the reading and intelligibility of the formula(e) in the Pricing Supplement Terms, the applicable suffixes may be included, completed and explained and may be presented as a table, if necessary, in the Pricing Supplement. Where the Pricing Supplement specify that a table may be inserted, such table will set out amounts, entities, dates, items, rates, value levels, triggers, figures and other information which completes the definitions that appear in the relevant subparagraphs of the Pricing Supplement, the Terms and Conditions of the Warrants and the applicable Annex(es) to the Terms and Conditions of the Warrants.*<sup>13</sup>

- |                                |  |
|--------------------------------|--|
| 1. (i) Issuer:                 | BBVA Global Markets B.V. (NIF: N0035575J)  |
| (ii) Guarantor:                | Banco Bilbao Vizcaya Argentaria, S.A. (NIF: A48265169)   |
| (iii) Principal Warrant Agent: | [Deutsche Bank AG, London Branch] [Banco Bilbao Vizcaya Argentaria, S.A.] [ <i>specify</i> ][Not applicable] |
| (iv) Registrar:                | [Deutsche Bank Luxembourg, S.A.] [Banco Bilbao Vizcaya Argentaria, S.A.] [ <i>specify</i> ][Not applicable]  |
| (v) Transfer Agent:            | [Deutsche Bank Luxembourg, S.A.] [Banco Bilbao Vizcaya Argentaria, S.A.] [ <i>specify</i> ][Not applicable]  |
| (vi) Calculation Agent:        | [Banco Bilbao Vizcaya Argentaria, S.A.][Dealer][ <i>other</i> ][Address]                                     |
| 2. (i) Series Number:          | [ <i>specify</i> ]   |
| (ii) Tranche Number:           | [ <i>specify</i> ]   |
- (If fungible with an existing Series, details of that Series, including the date on which the Warrants become fungible)*

<sup>11</sup> Please note that it would also be possible to benefit from such a private placement exemption if (a) the offer is made to less than 500 Retail Clients, (b) if the issue price per Warrants is at least CHF 100'000, (c) if the Warrants may only be purchased by investors investing at least CHF 100'000 or (d) if the offer does not exceed the cap of CHF 8'000 (over a 12 months period). In the event that the issuer would benefit from such other exemption, please adjust the wording accordingly. For Exempt Warrants, it would not be possible to recognise the Programme under the rules of the FinSA and, therefore, such Warrants could not be offered in Switzerland in a way that triggers a prospectus requirement under the FinSA.

<sup>12</sup> Delete where no offer into Switzerland is intended.

<sup>13</sup> Remove guidance notes in italics when preparing Pricing Supplement.

## FORM OF PRICING SUPPLEMENT FOR EXEMPT WARRANTS

- (iii) Aggregate Number of *[specify]* Warrants of the Series:
- (iv) Aggregate Number of *[specify]* Warrants of the Tranche:
- (v) Date on which the Warrants will be consolidated and form a single Series: The Warrants will be consolidated and form a single Series with *[identify earlier Tranches]* on *[the Issue Date]**[exchange of the Temporary Global Warrant for interests in the Permanent Global Warrant, as referred to in paragraph 33 below, which is expected to occur on or about *[date]*]**[Not applicable]*
- [(vi) Notional Amount per Warrant: *[specify]*]
- [(vii) Aggregate Notional Amount of the Series: *[specify]*]
- (viii) Aggregate Notional Amount of the Tranche: *[specify]*
3. Applicable Annex(es): *[Annex 1: Payout Conditions]*  
*[Annex 2: Index Linked Conditions]* *[Annex 3: Equity Linked Conditions]* *[Annex 4: ETF Linked Conditions]* *[Annex 5: Fund Linked Conditions]*  
*[Annex 6: Inflation Linked Conditions]*  
*[Annex 7: Foreign Exchange (FX) Rate Linked Conditions]* (*More than one Annex may apply*)
4. Specified Currency: the *[specify]* [(the “**SER Subject Currency**”) for the purpose of Issue Price and calculations] *[and payments]**[other than those to which the Settlement Exchange Rate Provisions are specified to apply]* shall be made in *[specify]* (the “**Settlement Currency**”)  
*[In respect of which payments to which the Settlement Exchange Rate Provisions and the SER Intermediate Currency Requirements are specified to apply, the “SER Intermediate Currency” is *[specify]*]*
5. Issue Date: *[specify]*
6. Trade Date: *[specify]*
7. Issue Price: *[specify]* per Warrant] *[being *[specify]* per cent. of the Notional Amount per Warrants]*  
*[converted into the Settlement Currency at the Initial SER being *[specify amount]* in respect of the Aggregate Number of Warrants where “Initial SER” means *[specify]*]*



**FORM OF PRICING SUPPLEMENT FOR EXEMPT WARRANTS**

8. Minimum Transfer Number: [[specify] Warrants][Not applicable]  
*(If the Issuer Price per Warrant is less than €100.000 the Warrant must have a Minimum Transfer Number of Warrants with an aggregate Issue Price of €100.000 (or equivalent) in order to benefit from the wholesale exemption set out in Article 4(d) of the Prospectus Regulation in that Member State.)*
9. Calculation Amount [[specify] per Warrant] [Not applicable]
10. [Cash][Physical Settlement Date]: Delivery] [specify][the date falling [specify][Business Days][days] after [the Exercise Date][specify]] or if that is not a Business Day the immediately [succeeding][preceding]Business Day [unless it would thereby fall into the next calendar month, in which event it will be brought forward to the immediately preceding Business Day][the later of the Cash Settlement Date and the Physical Delivery Settlement Date, as the case may be][and subject to Automatic Early Expiration] [or, if applicable, such later date for payment determined under the Settlement Exchange Rate Provisions set out in Payout Condition 6]  
*(Repeat as necessary where Cash Settlement and Physical Settlement both apply)*
11. Type of Warrants: (a) The Warrants are [Index Linked Warrants][Equity Linked Warrants][ETF Linked Warrants][Fund Linked Warrants][Inflation Linked Warrants][FX Linked Warrants][Combination Warrants]  
(b) The Warrants are [American][European][Bermudan] Style Warrants.
12. Reference Item(s): See paragraph [specify] [Index][Basket of Indices][Share][Basket of Shares][Indice][Fund][Fund Basket][Subject Currency][Subject Currencies] *(Repeat if necessary)*
13. Settlement Exchange Rate Provisions: [Not applicable][Applicable][in respect of][all payments][only those payments to which these Settlement Exchange Rate Provisions are specified to apply]  
[(See paragraph[s] [specify] below)]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) SER Intermediate Currency Requirements: [Not applicable][Applicable][in respect of][all payments][only those payments to which these Settlement Exchange Rate Provisions and these SER Intermediate Currency Requirements are specified to apply]  
[Second Settlement Exchange Rate means [specify]]  
[SER Intermediate Currency means [specify]]

**FORM OF PRICING SUPPLEMENT FOR EXEMPT WARRANTS**

- (ii) Settlement Exchange Rate: [specify rate]  
*(if a rate is specified then delete the remaining subparagraphs of this paragraph).*
- (iii) SER Valuation Date(s): [specify] [SER Scheduled Trading Days prior to the [scheduled] [specify each date]]  
*(where different SER Valuation Dates apply to different payment dates, specify in respect of each applicable payment date)*
- (iv) Provisions determining Exchange Rate: applicable the Settlement to

For the purpose of the definition of Settlement Exchange Rate in Payout Condition 6:

SER Price Source: [in respect of the Settlement Exchange Rate:] [specify] [as per Payout Condition 6.3]

SER Valuation Time: [in respect of the Settlement Exchange Rate:] [specify] [as per Payout Condition 6.3] SER Scheduled Trading Day Centre(s) : [in respect of the Settlement Exchange Rate:] [specify] [as per Payout Condition 6.3]

- (v) SER Disruption Events:

[Price Source Disruption]

[Illiquidity Disruption]

[Dual Exchange Rate]

[General Inconvertibility]

[General Non-Transferability]

[Material Change in Circumstance]

[Nationalisation]

[Price Materiality, where:

SER Price Materiality Percentage: [specify][3] per cent.

SER Primary Rate: [specify][The rate determined as set out in the definition of Settlement Exchange Rate]

SER Secondary Rate: [specify][SER First Fallback Reference Price [and]][SER Second Fallback Reference Price]

[as per Payout Condition 6.1 and 6.2]

**FORM OF PRICING SUPPLEMENT FOR EXEMPT WARRANTS**

- (vi) SER Scheduled Trading Day City/Cities: *[specify]* [as per Payout Condition 6.3]
- (vii) SER Disruption Fallbacks (for Price Source Disruption and Price Materiality only): [The following Disruption Fallbacks apply in the following order:  
[Valuation Postponement]  
SER Number of Postponements Settlement Days: [[Two]*[specify]*][Business Days][SER Settlement Days] *[specify]*  
SER Maximum Days of Postponement: *[specify]*  
[First Fallback Reference Price, where:  
SER First Fallback Price Source: *[specify]*  
SER First Fallback Valuation Time: *[specify]*  
SER First Fallback Number of Settlement Days: *[specify]*]  
[Second Fallback Reference Price, where:  
SER Second Fallback Price Source: *[specify]*  
SER Second Fallback Valuation Time: *[specify]*  
SER Second Fallback Number of Settlement Days: *[specify]*]  
[Calculation Agent Determination]  
*(specify fallbacks required and arrange order in which to be applied)*  
[as per Payout Condition 6.3]

**FORM OF PRICING SUPPLEMENT FOR EXEMPT WARRANTS**

- (viii) SER Cumulative Events: [Not applicable][Applicable and Maximum Cumulative Days of Postponement means *[specify]*]  
[as per Payout Condition 6.1]
- (ix) SER Number of Settlement Days: [Two][Zero]*[specify other]* [where SER Settlement Day Centre(s) means [in respect of the Settlement Exchange Rate:] *[specify]* [and in respect of the Intermediate Exchange Rate *[specify]*]]  
[as per Payout Condition 6.3]
- (x) SER Additional Disruption Event: *(specify each of the following which applies)* [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]  
[Trade Date means *[specify]*]  
[as per Payout Condition 6.2]
14. Knock-in Event: [Not applicable][Applicable: Knock-in Value is [(i)][greater than][greater than or equal to][less than][less than or equal to] [the Knock-in [Barrier] [within][outside] the Knock-in Range]  
  
*(Only applicable if a payment to be made in respect of the Warrants is subject to a condition precedent that a Knock-in Event has occurred. If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Knock-in Value: *[insert definition from Payout Condition 5.1]*
- (ii) Knock-in Barrier *[specify value or, percentage]*
- (iii) Knock-in Range: From and [including][excluding] *[specify range of values, percentages, level, or prices]* to and [including][excluding] *[specify range of values, percentages, level, or prices]* [Not applicable]
- (iv) Knock-in Determination Day(s): *[specify]*[Each Scheduled Trading Day in the Knock-in Determination Period][Not applicable]  
  
[In the event that a Knock-in Determination Day is a Disrupted Day, [Omission] [Postponement] [Modified Postponement] will apply.  
*[specify]*][Not applicable]
- (v) Knock-in Determination Period: applicable]
- (vi) Knock-in Period Beginning Date: *[specify]*][Not applicable]
- (vii) Knock-in Period Beginning Date Scheduled Trading Day Convention: applicable]  
  
*[specify]*][Not applicable]  
  
applicable]
- (viii) Knock-in Period Ending Date: *[specify]*][Not applicable]

**FORM OF PRICING SUPPLEMENT FOR EXEMPT WARRANTS**

(ix) Knock-in Period Ending [specify][Not applicable]  
Date Scheduled Trading Day  
Convention:

(x) Knock-in Valuation Time: [specify][Scheduled Closing Time][Any time on a Knock-in  
Determination Day][Not applicable]

15. Knock-out Event: [Not applicable][Applicable: The Knock-out Value is [(i)]  
[greater than][greater than or equal to][less than][less than or

equal to] the Knock-out [Barrier] [within[outside] the  
Knock-out Range]

*(Only applicable if a payment to be made in respect of the  
Warrants is subject to a condition precedent that a Knock-  
out Event has occurred. If not applicable, delete the  
remaining sub-paragraphs of this paragraph)*

(i) Knock-out Value: [insert definition from Payout Condition 5.1]

(ii) Knock-out Barrier: [specify value or percentage]

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- (iii) Knock-out Range: From and [including][excluding] [specify range of values, percentages, level, or prices etc.] to and [including] [excluding] [specify range of values, percentages, level, or prices etc.] [Not applicable]
- (iv) Knock-out Determination Day(s): [[From and including][From and excluding][To and including][To but excluding][specify]]  
[specify][Each Scheduled Trading Day in the Knock-out Determination Period][Not applicable]  
[In the event that a Knock-out Determination Day is a Disrupted Day, [Omission][Postponement][Modified Postponement] will apply.  
[specify][Not applicable]
- (v) Knock-out Determination Period: [specify][Not applicable]
- (vi) Knock-out Period Beginning Date: [specify][Not applicable]
- (vii) Knock-out Period Ending Date: [specify][Not applicable]
- (viii) Knock-out Period Beginning Date Scheduled Trading Day Convention: [specify][Not applicable]
- (ix) Knock-out Period Ending Date Scheduled Trading Day Convention: [specify][Not applicable]

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- (x) Knock-out Valuation Time: [specify][Scheduled Closing Time][Any time on a Knock out Determination Day][Not applicable]

### PROVISIONS RELATING TO EXERCISE

16. Automatic Exercise: [Applicable][Not applicable]  
*(N.B. Automatic Exercise may only apply to Cash Settled Warrants and does not apply for warrants in definitive form)*  
*(N.B. Automatic Exercise will only take place if there would be a positive cash settlement amount payable to the holder on exercise)*
17. Potential Exercise Dates: [The potential exercise dates of the Warrants [is][are] set out below.][Not applicable] [See table in paragraph 25 below] *(N.B. Only applicable in relation to Bermudan Style Warrants).*
18. Specified Exercise Date: [specify][Not applicable]  
*(N.B. Only applicable in relation to European Style Warrants)*
19. Exercise Period: [The exercise period in respect of the Warrants [is set out below, [inclusive of the dates specified]][the period from and [including][excluding] [specify], up to and [including][excluding] [specify]][each an “Exercise Date”] [Not applicable]  
*(N.B. Only applicable in relation to certain American Style Warrants and Bermudan Style Warrants)*
20. Minimum Exercise Number: [The minimum number of Warrants that may be exercised (including automatic exercise) on any day by any Warrantholder is [specify]] [and Warrants may only be exercised (including automatic exercise) in integral multiples of [specify] Warrants in excess thereof][Not applicable]
21. Maximum Exercise Number: [The maximum number of Warrants that may be exercised on any day by any Warrantholder or group of Warrantholders (whether or not acting in concert) is [specify ]][Not applicable].  
*(N.B. not applicable for European Style Warrants)*

### PROVISIONS RELATING TO SETTLEMENT

22. Settlement: [The Warrants are Cash Settled Warrants and provisions of General Condition 3(d) apply][and/or] [The Warrants are Physical Delivery Warrants and the provisions of General Condition 3(e) apply][as the circumstances may require]
23. [Cash] Settlement Amount: [Calculation Amount\* Final Payout] [specify percentage] [per Calculation Amount]
24. Final Payout: *(In respect of the following, extract, insert and complete*

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*required formula and definitions from the relevant Payout Condition as necessary)*

[Final Payout (i)—European Call]

[Final Payout (ii)—European Put]

[Final Payout (iii)—European Call Spread]

[Final Payout (iv)—European Put Spread]

[Final Payout (v)—Call Knock-in]

[Final Payout (vi)—Put Knock-In]

[Final Payout (vii)—Bonus Call]

[Final Payout (viii)—Bonus Put]

[Final Payout (ix)—Strike Podium n Conditions]

[Final Payout (x)—Range]

[Final Payout (xi)—Reverse Range]

[Final Payout (xii)—Twin Win]

[Final Payout (xiii)—Twin Win Spread]

[Final Payout (xiv)]—Twin Win Bonus]

[Final Payout (xv)—Bonus Flex]

[Final Payout (xvi)—Twin Win Podium]

[Final Payout (xvii)—Digital]

[Final Payout (xviii)—Replace]

[Final Payout (xix)—Himalaya]

[Final Payout (xx)]

[Final Payout (xxi)—Strike Podium n Barriers]

[Final Payout (xxii)—Knock-in]

[Final Payout (xxiii)—Barrier and Knock-in Standard]

[Final Payout (xxiv)—Booster]

[Final Payout (xxv)—Booster with Cap]

[Final Payout (xxvi)—Autocall]

[Final Payout (xxvii)—Booster Autocall]

[Option FX: applicable] (*specify applicable for each formula where FX applies*)

25. Automatic Early Expiration:

[Applicable][Not applicable]

- (i) Automatic Early Expiration Event:

[In respect of [any][all] Automatic Early Expiration Valuation Date[s] [from (i)=[specify] to (i)=[specify]] [for [each][the] [relevant][any][all] Automatic Early Expiration Valuation Period[s] [from ([i)=[specify] to ([i)=[specify]] [,the] AEE Value is: [greater than][greater than or equal to][less than][less than or equal to] the Automatic Early Expiration [Trigger][within][outside] the Automatic Early Expiration Range]

(*repeat as necessary*)

- (ii) AEE Value:

(*insert relevant value definition and where applicable*)



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*relevant definitions from Payout Condition 5.1 and 5.2)*

- (iii) Automatic Early Expiration Amount:      The Automatic Early Expiration Amount shall be determined in accordance with the following formula:  
*(If applicable specify one of the following)*  
[Automatic Early Expiration Amount (i)]  
[Automatic Early Expiration Amount (ii)]  
[Automatic Early Expiration Amount (iii)]  
[Option FX: applicable] (*specify applicable for each formula where FX applies*)
- (iv) Automatic Early Expiration Trigger:      [[*specify*] [per cent.]] [Not applicable] [See table [above]][below]] [*Insert table*]
- (v) Automatic Early Expiration Range      From and [including][excluding] [*specify range of values, percentages, levels, or prices*] to and [including][excluding] [*specify range of values, percentages, levels, or prices*] [Not applicable] [See table [above]][below]
- (vi) AEE Percentage:      [[*specify*] [per cent.]] [Not applicable] [See table [above]][below]]
- (vii) Automatic Early Expiration Settlement Date:      [[from (i)]=[*specify*] to [*specify*] [Each][The] period from [and including][but excluding][*specify*], to [and including][but excluding][*specify*] [See table [above]][below]]  
  
[*specify*][Scheduled Closing][Any time [on the relevant Automatic Early Expiration Valuation Date][during the Automatic Early Expiration Valuation Period].
- (viii) [(i)] Automatic Early Expiration Valuation Date(s):
- (ix) [(ii)] Automatic Early Expiration Valuation Period(s):
- (x) Automatic Early Expiration Valuation Time:

[*specify*] [or such later date for payment determined as provided in the Settlement Exchange Rate Provisions set out in Condition 6 of the Payout conditions]] [See table [above]][below] [*Insert table*][The date falling [*specify*] Business Days following the Automatic Early Expiration Date in respect of which an Automatic Early Expiration Event has occurred]

[*specify*] Each [*specify*] [Scheduled Trading Day] falling within the [relevant] Automatic Early Expiration Valuation Period] [See table [above]][below][Each Scheduled Trading Day from and including [*specify*] to and including the [*specify*]

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- (xi) Averaging: [Not applicable][Averaging [applies] to the Warrants.] [The Averaging Dates are [specify].] [See paragraph [specify] above] [See table [above][below]]
- [In the event that an Averaging Date is a Disrupted Day [Omission][Postponement][Modified Postponement] will apply]
- [Specified Maximum Days of Disruption will be equal to: [specify]]
- (If no Specific Maximum Days of Disruption are stated, Specific Maximum Days of Disruption will be equal to five)*
26. Provisions applicable to Physical Delivery [Applicable][Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Entitlement Amount: [The Entitlement Amount per Calculation Amount] as specified below.]
- (Insert formula, relevant value(s) and other related definitions from Payout Conditions)*
- [Entitlement Amount (i)]
- [Entitlement Amount (ii)]
- (ii) Relevant Asset(s): [specify]
- (iii) Cut-Off Date: [specify]
- (iv) Settlement Business Day(s): [specify]
- (v) Delivery Agent: [Banco Bilbao Vizcaya Argentaria, S.A.][Dealer][specify] of [specify address]
- (vi) Assessed Value Payment Amount: [Applicable][Not applicable]
- (vii) Failure to Deliver due to Illiquidity: [Applicable][Not applicable]
- (viii) Exercise Price: [The Exercise Price(s) per Warrant (which may be subject to adjustment in accordance with the relevant Annex is) [specify][Not applicable]
- (N.B. This should take into account any relevant Weighting and, in the case of an Index Linked Warrants, must be expressed as a monetary value)*
- (ix) Exercise Price Payment Date(s): [[specify] [and [specify]]][Not applicable]

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### PRODUCT SPECIFIC PROVISIONS

27. Index Linked Warrants: [Applicable][Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) [Index][Basket of Indices]: The following Reference Item(s)[(k) [(from [k] = 1 to [[k]][specify])] will apply:] [not applicable] [See table below] [Insert table]  
*[For [k]=1][specify][insert description and, if relevant, details of where investors can obtain information about the Index](repeat as necessary)*  
[Composite][Non Composite]  
[Weighting: [Not applicable][specify] [Each such Weighting shall be subject to adjustment in accordance with the Index Linked Conditions]]
- (ii) Exchange and Index Sponsor: (a) the relevant Exchange[s] [is][are] [specify][There are no relevant Exchange][specify]; and  
(b) the relevant Index Sponsor is [specify]  
[See table [above][below]]
- (iii) Related Exchange: [specify][All Exchanges] [Not applicable]
- (iv) Screen Page: [specify] [Not applicable] [See table [above][below]]
- (v) [Strike Date] [Strike Period and Strike Days]: [specify] [Not applicable] [specify applicable Strike Days in the period if applicable] [See table [above][below]] [Insert table]
- (vi) Averaging: [Not applicable][Averaging [applies] to the Warrants] [The Averaging Dates are [specify]] [See paragraph [specify] above] [See table [above][below]]  
[In the event that an Averaging Date is a Disrupted Day [Omission][Postponement][Modified Postponement] will apply]
- (vii) [Valuation Date][Valuation Period]: [specify] [Not applicable] [See table [above] [below]]
- (viii) Valuation Time: [specify] [Scheduled Closing Time] [Any time [on the relevant Valuation Date] [during the Observation Period.]] [[specify], being the time specified on the relevant Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Level] *(If no time specified, the Valuation Time will be the Scheduled Closing Time)*
- (ix) [Observation Date(s)][Observation Period]: [specify][Not applicable][See table [above] [below]]  
[In the event that an Observation Date is a Disrupted Day][Omission][Postponement][Modified Postponement] will apply.]
- (x) Exchange Business Day: [(All Indices Basis)][(Per Index Basis)][(Single Index Basis)][(Cross Asset Basis)]
- (xi) Scheduled Trading Day: [(All Indices Basis)][(Per Index Basis)][(Single Index

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Basis)][(Cross Asset Basis)]

*(must match election made for Exchange Business Day)*

(xii) Index Correction Period: [As set out in the Index Linked Conditions][*specify*]

(xiii) Specified Maximum Days of Disruption: [*specify*][Scheduled Trading Days][Not applicable]

*(If no Specific Maximum Days of Disruption are stated to apply, Specified Maximum Days of Disruption will be equal to five)*

(xiv) Index Adjustment Event: [As set out in the Index Linked Conditions][*specify*]

(xv) Additional Disruption Events: [Not applicable][As per the Index Linked Conditions][The following Additional Disruption Events apply to the Warrants: (*Specify each of the following which applies*)

[Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow] [Loss of Stock Borrow]

[Changes in Law: Not applicable]

[[The Maximum Stock Loan Rate in respect of [*specify in relation to each relevant Share*] is [*specify*](*only applicable if Loss of Stock Borrow is applicable*)]

[[The Initial Stock Loan rate in respect of [*specify in relation to each relevant Share*] is [*specify*] (*only applicable if Increased Cost is Stock Borrow is applicable*)][Not applicable]]

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28. Equity Linked Warrants: [Applicable][Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) [Share(s)][Basket of Shares][Share Company] [Basket Company]: The following Reference Item(s) (k) [(from [k] = 1 to [[k][specify]]] will apply:] [Not applicable] [See table [above] [below]] [*Insert table*]]  
 [For [k]=1][specify][insert description]](*repeat as necessary*)  
 [Weighting: [Not applicable][specify] [Each such Weighting shall be subject to adjustment in accordance with the Equity Linked Conditions]]
- (ii) Share Currency: [specify] [See table [above][below]]
- (iii) ISIN of Share(s): [specify] [See table [above][below]]
- (iv) Screen Page: [specify] [See table [above][below]]
- (v) Exchange: [specify] [See table [above][below]]
- (vi) Related Exchange: [specify] [All Exchanges][Not applicable]
- (vii) Depository Receipt provisions: [Applicable][Not applicable] [For Reference Item K=[specify][and k=[specify]]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Details of share: [specify name and ISIN code of the share to which the relevant Depository Receipts relate]
- (b) Share Exchange: [specify]
- (d) Share Exchange: [specify]
- (viii) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable][See table [above][below]] [*Insert table*]
- (ix) Averaging: [Not applicable][Averaging [applies] to the Warrants] [The Averaging Dates are [specify]] [See paragraph [specify] above][See table [above][below]]
- [In the event that an Averaging Date is a Disrupted Day Omission][Postponement][Modified Postponement] will apply]
- (x) [Valuation Date] [Valuation Period]: [specify][Not applicable][See table [above][below]] [or such later date as is provided in the Settlement Exchange Rate Provisions set out in condition 6 of the Payout Conditions]
- (xi) Valuation Time: [specify][Scheduled Closing Time][Any time [on the relevant Valuation Date][during the Observation Period.] [[specify], being

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the time specified on the relevant Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.]

*(N.B. if no time is specified, the Valuation Time will be the Scheduled Closing Time).*

- (xii) [Observation Date(s)] [Observation Period]: [specify][Not applicable][See table [above][below]]  
[In the event that an Observation Date is a Disrupted Date [Omission][Postponement][Modified Postponement] will apply]
- (xiii) Exchange Business Day: [(All Shares Basis)][(Per Share Basis)][(Single Share Basis)][(Cross Asset Basis)]
- (xiv) Scheduled Trading Day: [(All Shares Basis)][(Per Share Basis)][(Single Share Basis)][(Cross Asset Basis)]
- (xv) Share Correction Period: [As set out in Equity Linked Condition 8][specify]
- (xvi) Specified Maximum Days of Disruption: [specify][scheduled Trading Days][Not applicable]  
*(If no Specified Maximum Days of Disruption are stated to apply, Specified Maximum Days of Disruption will be equal to five*

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- (xvii) Market Disruption Event: [As set out in the Equity Linked Condition 8][Not applicable]
- (xviii) Extraordinary Events: [Not Applicable][As per the Equity Linked Conditions][In addition to De-Listing, Insolvency, Merger Event, Tender Offer unless Tender Offer (*specified below as not applicable*) and Nationalisation, the following Extraordinary Events apply to the [Warrants]: (*Specify each of the following which applies*)
- [Listing Change]
- [Listing Suspension]
- [Illiquidity]
- [Tender Offer: Not applicable]
- (xix) Additional Disruption Events:[Not applicable][As per the Equity Linked Conditions][The following Additional Disruption Events apply to the Warrants:] (*Specify each of the following which applies*)
- [Hedging Disruption]
- [Insolvency Filing]
- [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]
- [Loss of Stock Borrow]
- [Stop-Loss Event]
- [Stop Loss Event Percentage: *specify* per cent.]
- [Change in Law: Not applicable]
- [Failure to Deliver due to Illiquidity: Not applicable]
- (Only applicable in the case of Physical Delivery Warrants—Failure to Deliver due to Illiquidity is applicable to certain Share Linked Warrants.)*
- [The Maximum Stock Loan Rate in respect of *specify in*
- relation to each relevant Share] is *specify*.(*Only applicable if Loss of Stock Borrow is applicable*)
- [The Initial Stock Loan rate in respect of *specify in* relation to each relevant Share] is *specify*.(*Only applicable if Increased Cost of Stock Borrow is applicable*)
29. ETF Linked Warrants: [Applicable][Not applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) [ETF(s)][ETF Basket]: The following Reference Item(s)[(k)] [(from [k] = 1 to [(k)[*specify*])] will apply:] [Not applicable] [See table [above][below]] [*Insert table*]
- [For [k]=1][*specify*][*insert description*][(see paragraph [*specify*])](*repeat as necessary*)
- [Weighting: [Not Applicable] [*specify*] [Each such Weighting shall be subject to adjustment in accordance with the ETF Linked

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- Conditions]]
- (ii) ETF Share Currency: [specify] [See table [above]][below]]
  - (iii) ISIN of ETF Share(s): [specify] [See table [above]][below]]
  - (iv) Screen Page: [specify] [See table [above]][below]]
  - (v) Exchange(s): [specify][Not applicable] [See table [above]][below]]
  - (vi) Related Exchange(s): [specify][All Exchanges][Not applicable]
  - (vii) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable][See table [above]][below]]
  - (viii) Averaging: [Not applicable][Averaging [applies] to the Warrants]. [The Averaging Dates are [specify].] [See paragraph [specify] above][See table [above]][below]]  
 [In the event that an Averaging Date is a [Disrupted Day], [Omission][Postponement][Modified Postponement] will apply]
  - (ix) [Valuation Date][Valuation Period]: [specify] [Not applicable] [See table [above]][below]] [or such later date as is provided in the Settlement Exchange Rate Provisions set out in condition 6 of the Payout Conditions]
  - (x) Valuation Time: [Scheduled Closing Time][Any time [on the relevant Valuation Date][during the Valuation Period]] [[specify], being the time specified on the relevant [Valuation Date] [Observation Date] or an Averaging Date, as the case may be, for the calculation of the  
*(If no time is specified, the Coupon Valuation Time will be the close of trading on the Exchange)*
  - (xi) [Observation Date(s)][Observation Period(s)]: [specify][Not applicable][See table [above]][below]]  
 [In the event that an Observation Date is a Disrupted Day [Omission][Postponement][Modified Postponement] will apply.]
  - (xii) Exchange Business Day: [[(All ETF Shares Basis)][[(Per ETF Shares Basis)]][(Single ETF Share Basis)]][(Cross Asset Basis)]
  - (xiii) Scheduled Trading Day: [[(All ETF Share Basis)]][(Per ETF Share Basis)]][(Single ETF Share Basis)]][(Cross Asset Basis)]
  - (xiv) ETF Share Correction Period:[specify][As set out in ETF Linked Condition 3]
  - (xv) Specified Maximum Days of Disruption: [specify][Scheduled Trading Days][Not applicable]



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*(If no Specified Maximum Days of Disruption are stated to apply, Specified Maximum Days of Disruption will be equal to five)*

- (xvi) Extraordinary ETF Events: [As set out in ETF Linked Condition 2(b)] [*specify*]
- (xxiv) Additional Extraordinary ETF Events: [Not applicable][As per the ETF Linked Conditions][The following Additional Extraordinary ETF Events apply to the Warrants:  
*(Specify each of the following which applies)*  
[Hedging Disruption]  
[Increased Cost of Hedging]  
[Change in Law: Not applicable]  
[Increased Cost of Stock Borrow]  
[Insolvency Filing]  
[Stop-Loss Event]  
[Stop-Loss Event Percentage: *specify* per cent.]  
[The Maximum Stock Loan Rate in respect of *specify* in relation to each relevant ETF Share] is *specify*] (*Only applicable if Loss of Stock Borrow is applicable*)  
[[The Initial Stock Loan rate in respect of *specify* in relation to each relevant ETF Share] is *specify*] (*Only applicable if Increased Cost of Stock Borrow is applicable*)  
[Tender Offer: Not applicable]
30. Fund Linked Warrants: [Applicable][Not applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) [Fund(s)]/[Fund Basket(s)]: The following Reference Item(s)[(k)] [(from [k] = 1 to [[k][*specify*])] will apply:] [Not applicable] [See table [above][below]] [*Insert table*]  
[For [k]=1][*specify*][*insert description*][(see paragraph [*specify*])](*repeat as necessary*)  
[The NAV per Fund Share will be published on *specify*]  
*(The Fund must be a UCITS Fund or an investment fund authorised by the Central Bank of Ireland or the Competent Authority of another EU Member State deemed equivalent by Euronext Dublin)*  
[Weighting: [[Not Applicable]] [*specify*] [Each such Weighting shall be subject to adjustment in accordance with the [Fund Linked Conditions]]
- (ii) [Fund Shares]: [*specify*][a unit of the relevant Fund] [See table [above][below]]
- (iii) Averaging: [Not applicable][Averaging [applies] to the Warrants]. [The Averaging Dates are *specify*.] [See paragraph [*specify*] above][See table [above][below]]  
[In the event that an Averaging Date is a Fund Non-Valuation Date, [Omission][Postponement][Modified Postponement] will

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- apply]
- (iv) [Observation Date(s)][Observation Period(s)]: [specify][Not applicable][See table [above][below]] [In the event that an Observation Date is a Fund-Non Valuation Date [Omission][Postponement][Modified Postponement] will apply.]
- (v) [Valuation Date][Valuation Period] [specify][Not applicable] [see table [above][below]] [or such later date as is provided in the Settlement Exchange Rate Provisions set out in condition 6 of the Payout Conditions]
- (vi) Fund Business Day: [specify][(All Fund Share Basis)][(Per Fund Share Basis)][(Single Fund Share Basis)] [As per the Fund Linked Conditions]
- (vii) Initial Calculation
- D  
a  
t  
e  
s  
.  
[Not applicable]
- [specify] [Not applicable] [specify]
- (a) Initial Calculation Day: [specify] [Not applicable]
- (b) Initial Calculation Date: applicable]
- (c) Initial Calculation Period:
- (viii) Final Calculation Date: [specify] [Not applicable]
- (ix) Calculation Date(s): [specify] [Not applicable]
- (x) Extraordinary Fund Events: [As set out in Fund Linked Condition 1] [specify]
- (a) NAV Barrier: [specify][Not applicable]
- (b) NAV Trigger Percentage: [specify][As set out in Fund Linked Condition 6] [Not applicable]
- (c) NAV Trigger Period: [specify][As set out in Fund Linked Condition 6] [Not applicable]
- (d) Number of NAV Publication Days: [specify][As set out in Fund Linked Condition 6] [Not applicable]
- (e) Basket Trigger Level: [specify][As set out in Fund Linked Condition 6] [Not applicable]
- (xi) Additional Extraordinary Fund Events:

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- (xii) Delayed Payment Cut-Off Date: [Not applicable][As per the Fund Linked Conditions][The following Additional Extraordinary Fund Events apply to the Warrants:  
*(Specify each of the following which applies)*  
[Hedging Disruption]  
[Increased  
Cost of Hedging] [Change in Law: Not applicable]  
[As set out in Fund Linked Condition 3][*specify*]
31. Inflation Linked Warrants: [Applicable][Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/Indices: [*specify*] [Reference Item[s]][(k)]
- (ii) Screen page/Exchange/ CODE: [*specify*]
- (iii) Index Sponsor: [*specify*]
- (iv) Cut-Off Date: [As per the Inflation Linked Conditions][*specify*]

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- (v) Related Bond: [specify][Fallback Bond][Not applicable]
  - (vi) Fallback Bond: [Applicable][Not applicable]
  - (vii) Related Bond Redemption Event: [As set out in Inflation Linked Condition [specify]]
  - (viii) Reference Month [specify][Not applicable]
  - (ix) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable]
  - (x) Determination Date(s): [specify]
  - (xi) Additional Disruption Event: [Not applicable][As per the Inflation Linked Conditions][The following Additional Disruption Events apply to the Warrants: (*Specify each of the following which applies*)  
[Hedging Disruption]  
[Increased Cost of Hedging]  
[Change in Law: Not applicable]
32. Foreign Exchange (FX) Rate Linked Warrants: [Applicable][Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Base Currency: [specify][Not applicable][For Reference Item[(k)]: *insert*]
  - (ii) Subject Currency/Currencies: [specify][Not applicable][For Reference Item[(k)]: *insert*] [and EM Foreign Exchange Rate Provisions apply to such Subject Currency]
  - (iii) [Strike Date] [Strike Period and Strike Days]: [specify][Not applicable] [specify applicable Strike Days in the period if applicable][See table [above][below][*Insert table*]
  - (iv) Averaging: [Not applicable][Averaging [applies] to the Warrants] [The Averaging Dates are [specify]] [See paragraph [specify] above]  
  
[In the event that an Averaging Date is a Disrupted Day Omission][Postponement][Modified Postponement] will apply]
  - (v) [Valuation Date] [Valuation Period]: [specify][Not applicable] [or such later date as is provided in the Settlement Exchange Rate Provisions set out in condition 6 of the Payout Conditions]
  - (vi) [Observation Date(s)][Observation Period(s)]: [specify][Not applicable][See table above]  
  
[In the event that an Observation Date is a Disrupted Day [Omission][Postponement][Modified Postponement] will apply.]
  - (vii) Provisions applicable where EM Foreign Exchange (FX) Rate Provisions do not apply to a Specified Currency: [Applicable [in respect of[specify Subject Currencies to which these provisions apply where there is a Basket]]][Not applicable]  
*(Where applicable for more than one Subject Currency, complete as relevant for each such Subject Currency)*
- (a) Relevant Screen Page [specify][Not applicable]

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- (b) Specified Maximum Days of Disruption: [specify] [Scheduled Trading Days] [Not applicable]  
*(If no Specified Maximum Days of Disruption are stated to apply, Specified Maximum Days of Disruption will be equal to five)*
- (c) Price Source: [specify]
- (d) Valuation Time: [specify][As per Foreign Exchange (FX) Rate Linked Warrant Condition 6]
- (viii) Provisions applicable where EM Foreign Exchange (FX) Rate Provisions apply: [Applicable [in respect of [specify Subject Currencies to which these provisions apply where there is a Basket]]][Not applicable]  
*(Where applicable for more than one Subject Currency, complete as relevant for each such Subject Currency)*
- (a) Provisions applicable to determining the Settlement Price: For the purpose of the definition of Settlement Price in Foreign Exchange (FX) Rate Linked Warrant Condition 6 [and [specify the relevant Subject Currency where more than one Subject Currency]:  
EM FX Price Source: [specify]  
EM Valuation Time: [specify]  
EM Scheduled Trading Day Jurisdiction: [specify]
- (b) EM Disruption Events: [Price Source Disruption]  
[Illiquidity Disruption]  
[Dual Exchange Rate]  
[General Inconvertibility]  
[General Non-Transferability]  
[Material Change in Circumstance]  
[Nationalisation]  
[Price Materiality, where:  
EM Price Materiality Percentage: [specify][3] per cent.  
EM Primary Rate: [specify][The rate determined as set out in the definition of Settlement Price]  
EM Secondary Rate: [specify][[EM First Fallback Reference Price [and]][EM Second Fallback Reference Price]]  
*(Specify in respect of each Subject Currency where EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different EM Disruption Events (or components thereof) also apply thereto)*
- (c) EM Disruption Fallbacks: [EM First Fallback Reference Price, where:  
First Fallback EM FX Price Source: [specify]  
First Fallback EM Valuation Time: [specify]  
First Fallback EM Number of Settlement Days: [specify]]  
[EM Second Fallback Reference Price, where:  
Second Fallback EM FX Price Source: [specify]  
Second Fallback EM Valuation Time: [specify]  
Second Fallback EM Number of Settlement Days: [specify]]  
[EM Calculation Agent Determination]  
[EM Valuation Postponement]

## FORM OF PRICING SUPPLEMENT FOR EXEMPT WARRANTS

- respect of each Subject Currency where EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different EM Disruption Fallbacks (or components thereof) also apply thereto)*
- (Specify in
- (d) EM Maximum Days of Postponement: [specify]  
*(Specify in respect of each Subject Currency where EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different EM Disruption Fallbacks (or components thereof) also apply thereto)*
- (e) EM Cumulative Events: [Not applicable][Applicable and EM Maximum Cumulative Days of Postponement means [specify]]  
*(Specify in respect of each Subject Currency where EM Foreign Exchange (FX) Rate Provisions apply to more than one such Subject Currency and different EM Disruption Fallbacks (or components thereof) also apply thereto)*
- (f) EM Number of Settlement Days: [Two][Zero][specify other] [where Settlement Day Centre(s) means [specify]]  
[[Two][specify]] [Business Days][EM Settlement Days] [specify]
- (g) EM Number of Postponement Settlement Days:
- (ix) Additional Disruption Events: [Not applicable] [As per the Foreign Exchange (FX) Rate Linked Conditions] [The following Additional Disruption Events apply to the Warrants:]  
*(Specify each of the following which applies)*  
[Hedging Disruption]  
[Increased Cost of Hedging]  
[Trade Date means [specify]]  
[Change in Law: Not applicable]  
*(insert where Change in Law applies)*
33. Combination Warrants: [Applicable][Not applicable]  
*(Applicable in relation to Warrants linked to a combination of types of Reference Items)*  
*(If applicable, complete relevant prompts from Paragraphs [TBD] to [TBD] above)*
34. Payment Disruption Event: [Applicable][Not applicable]

## FORM OF PRICING SUPPLEMENT FOR EXEMPT WARRANTS

### GENERAL PROVISIONS APPLICABLE TO THE WARRANTS

34. Forms of Warrants: [Bearer Warrants][*specify*]:
- [Temporary Global Warrant exchangeable for a Permanent Global Warrant which is exchangeable for Definitive Warrants on [*specify*] days' notice/at any time/in the limited circumstances specified in the Permanent Global Warrant.]
- [Temporary Global Warrant exchangeable for Definitive Warrants on [*specify*] days' notice.]
- [Permanent Global Warrant exchangeable for Definitive Warrants on [*specify*] days' notice/at any time/in the limited circumstances specified in the Permanent Global Warrant.]
- [Registered Warrants:
- Global Warrant Certificate exchangeable for Individual Warrant Certificates on [*specify*] days' notice/at any time/in the limited circumstances described in the Global Warrant Certificate.]
35. Spanish Tax Treatment [The Warrant is considered to be an "option" for Spanish tax purposes and Condition 7(b) applies][[The Warrant is considered to be a "financial asset" for Spanish tax purposes and Condition 7(c) applies]
36. (i) Financial Centre(s): [Not Applicable] [*give details*]
- (ii) Additional Business Centre(s): [Not applicable][*specify*] (Note that this paragraph relates to the place of payment. All relevant Financial Centre(s) (including the location at the relevant agent(s)) should be included other than Target).
37. Prohibition of Sales to EEA Retail Investors: [Applicable][Not applicable]
- [(If the Warrants clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Warrants may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified)]
38. Sales outside EEA only: [Applicable] [Not applicable]

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By: \_\_\_\_\_

By: \_\_\_\_\_

Duly authorised

Duly authorised

### PART B—OTHER INFORMATION

#### 1. Listing and Admission to trading

Listing and admission to trading: [Not applicable]

[Application has been made for the Warrants to be admitted to trading on the [Vienna MTF of the Vienna Stock Exchange][Global Exchange Market of Euronext Dublin][*specify other*] [which is not a regulated market][with effect from [*specify*]]

(insert specific language required by Stock Exchange/Listing Authority)

## FORM OF PRICING SUPPLEMENT FOR EXEMPT WARRANTS

*(Where documenting a fungible issue need to indicate that original Warrants are already admitted to trading)*

### 2. [Interests of Natural and Legal Persons Involved in the [Issue][Offer]

*(Description of any interest, including conflicting interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. This may be satisfied by the inclusion of the following statement:)*

(i) Save for any fee paid to the Dealer (if applicable, such fee shall as be set out in below) [and/or any fee or other inducement paid to the distributor (if any)], so far as the Issuer is aware no person involved in the offer of the Warrants has an interest material to the offer. For specific and detailed information on the nature and quantity of the fee or inducement paid to the distributor (if any) the investor should contact the distributor.]

(ii) Dealer commission [*Specify*]/[Not applicable]

### 3. [Reasons for the Offer, Estimated Net Proceeds and Total Expenses

[(ii) Estimated net proceeds: [*specify*]

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

[(iii) Estimated total expenses: [*specify*]

*(Include breakdown of expenses into each principal intended "use", presented in order of priority of such "uses")*



## FORM OF PRICING SUPPLEMENT FOR EXEMPT WARRANTS

### 4. Performance of Index/Share/ETF/Fund/ Formula, Explanation of Effect on Value of Investment and Associated Risks and Other Information concerning the Underlying

*(Include details of where past and future performance and volatility of the shares, index/formula/commodity/rates/exchange traded fund/fund/foreign exchange rate/other variable can be obtained)*

*(Where the underlying is a security need to include the name of the issuer of the security and the ISIN or equivalent identification number. Where the underlying is a basket of underlying, need to include the relevant weightings of each underlying in the basket. N.B. refer to the relevant sections in paragraph 28 or 29 in the Final Terms where this information is disclosed)*

[For a description of any market disruption or settlement disruption events that affect the underlying and any adjustment rules in relation to events concerning the underlying (if applicable) please see Annex [specify] in the Issuer's Base Prospectus].

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information]

### 5. Operational Information

- (i) ISIN Code: [specify]
- (ii) Common Code: [specify]
- (iii) CUSIP: [specify] [Not applicable]
- (iv) Valoren Code [specify] [Not applicable]
- (v) Other Code(s): Banking, société anonyme approved by the Issuer and the Principal Warrant Agent and the relevant identification number(s):
- (c) [Valoren Code:
- (d) [CFI:<sup>12</sup> [specify][Not applicable] [specify][Not applicable]]
- (e) [FISN:<sup>12</sup> applicable]] [specify][Not applicable]]
- (vi) Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream [specify][Not applicable]] [Not applicable][give name(s) and number(s)]
- (vii) Delivery: Delivery [against][free of] payment
- (viii) Additional Warrant Agent(s) (if any): [Not applicable][give name]

### 6. Distribution

- 6.1 Method of distribution: [Syndicated][Non-syndicated] *(if non-syndicated delete paragraph 6.2 and 6.3)*
- 6.2 If syndicated, names [and addresses] of Managers [and underwriting commitments: ] [Not applicable][give names [and addresses] of each entity acting as underwriter [and its respective underwriting commitments]] *(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- 6.3 Date of Subscription Agreement: [Not applicable][specify]
- 6.4 If non-syndicated, name [and address] of relevant Dealer: [Not applicable][give name [and address]]

## FORM OF PRICING SUPPLEMENT

- 6.5 U.S. Selling Restrictions: [The Warrants are only for offer and sale outside the United States in offshore transactions to non-U.S. persons in reliance on Regulation S under the Securities Act and may not be offered, sold, transferred, pledged, delivered, exercised, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. person.]

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<sup>12</sup> Only to be included if required by the relevant stock exchange for reference data reporting purposes.

Each initial purchaser of the Warrants and each subsequent purchaser or transferee of the Warrants shall be deemed to have agreed with the issuer or the seller of such Securities that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, such Securities so purchased in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person and (ii) it is not purchasing any Securities for the account or benefit of any U.S. person.]  
Reg. S Compliance Category [2]; [TEFRA D][TEFRA C][TEFRA not applicable]

### 7. [Index/Other Disclaimer]<sup>14</sup>

[The Warrants are not sponsored, recommended, endorsed, sold or promoted by the Index or the Index Sponsor. The Index Sponsor does not make any representations, whether express or implied, regarding the results to be obtained from using their Index or the level at which an Index may stand at any particular time or any particular date or otherwise, nor its suitability. Further, the Index Sponsor will not have any liability (whether in negligence or otherwise) for any inaccuracy in the data on which the Index is based, for any mistakes, errors, or omissions in the calculation and/or dissemination of the Index, or for the manner in which it is applied in the Warrants or the offering thereof. The Issuer shall not have any liability for any act of failure to act by the Index Sponsor in connection with the calculation adjustment or maintenance of the Index. None of the Issuer or its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.]

*(Insert unless the relevant Index has a bespoke disclaimer, in which case, substitute for such bespoke disclaimer)*

[[The Issuer is only offering to and selling to the Dealer(s) pursuant to and in accordance with the terms of the [Programme Agreement]. All sales to persons other than the Dealer(s) will be made by the Dealer(s) or persons to whom they sell, and/or otherwise make arrangements with, including the Financial Intermediaries. The Issuer shall not be liable for any offers, sales or purchase of Warrants by the Dealer(s) or Financial Intermediaries in accordance with the arrangements in place between any such Dealer or any such Financial Intermediary and its customers.]

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<sup>14</sup> Delete this section 9 if not required

## USE OF PROCEEDS

The net proceeds from each issue will constitute profits of the Issuer and will be used for hedging purposes and/or investments extended to, or made in, other companies and entities belonging to the group (for this purposes, as defined in Section 3:2 of the Dutch financial market supervision act (*wet op het financieel toezicht*) (“**FMSA**”).

## FORMS OF WARRANTS

Warrants will be issued in bearer form (“**Bearer Warrants**”) and in registered form (“**Registered Warrants**”). Bearer Warrants may be in either definitive form or global form. Warrants in definitive bearer form will be serially numbered. Registered Warrants may be either in individual certificate form or in global form.

### **Bearer Warrants**

Unless otherwise specified in the Conditions or the Final Terms, each issue of Bearer Warrants will initially be in the form of a temporary global warrant in bearer form (a “**Temporary Global Warrant**”) or of a permanent global warrant in bearer form (a “**Permanent Global Warrant**”) and, together with a Temporary Global Warrant, the “**Global Warrants**”). Each Temporary Global Warrant will be deposited on or around the issue date of such Warrants (or any Tranche thereof) with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Upon deposit of each Temporary Global Warrant, Euroclear or Clearstream, Luxembourg or, as applicable, any other relevant clearing system, will credit each subscriber with a number of Warrants equal to the number for which it has subscribed and paid.

The interests of the beneficial owner or owners in a Temporary Global Warrant will be exchangeable, in whole or in part, for interests in the Permanent Global Warrant, to be held by such depository or common depository from the date (the “**Exchange Date**”) that is 40 days after the date on which the Issuer receives the proceeds of the sale of the relevant Warrants (or the relevant Tranche thereof) (the “**Closing Date**”) only upon certification as to non-U.S. beneficial ownership. However, that exchange will be made only upon receipt of Ownership Certificates (as defined below).

Whenever any interest in the Temporary Global Warrant is to be exchanged for an interest in a Permanent Global Warrant, the Issuer shall procure (in the case of the first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Warrant, duly authenticated, to the bearer of the Temporary Global Warrant or (in the case of any subsequent exchange) an increase in the aggregate number of Warrants represented by the Permanent Global Warrant the Permanent Global Warrant in accordance with its terms against:

- (a) presentation and (in the case of final exchange) surrender of the Temporary Global Warrant at the specified office of the Principal Warrant Agent; and
- (b) receipt by the Principal Warrant Agent of a certificate or certificates of non-U.S. beneficial ownership, within seven days of the bearer requesting such exchange.

The aggregate number of Warrants represented by the Permanent Global Warrant shall be equal to the aggregate number of Warrants specified in the certificates of non-U.S. beneficial ownership; provided, however, that in no circumstances shall the aggregate number of Warrants represented by the Permanent Global Warrant exceed the aggregate number of Warrants represented by the Temporary Global Warrant.

The Permanent Global Warrant will be exchangeable in whole, but not in part, for warrants in definitive bearer form (each, a “**Definitive Warrant**”), which will be serially numbered, if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business.

Whenever the Permanent Global Warrant is to be exchanged for Definitive Warrants, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Warrants, duly authenticated, in an aggregate number of Warrants equal to the aggregate number of Warrants represented by the Permanent Global Warrant to the bearer of the Permanent Global Warrant against the surrender of the Permanent Global at the specified office of the Principal Warrant Agent within 30 days of the bearer requesting such exchange. The depository or common depository for Euroclear and Clearstream, Luxembourg or, as applicable, any other relevant clearing system will instruct the Principal Warrant Agent regarding the aggregate number of Definitive Warrants that must be authenticated and delivered to each of Euroclear and Clearstream, Luxembourg or, as applicable, any other relevant clearing system. Definitive Warrants may not be delivered in the United States.

## FORMS OF WARRANTS

### Legend Concerning United States Persons

Unless otherwise specified in the Final Terms, Global Warrants and Definitive Warrants will bear a legend, in English, to the following effect:

“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.”

The sections referred to in such legend provide that a United States person who holds a Warrant will generally not be allowed to deduct any loss realised on the sale, exchange or exercise of such Warrant and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or exercise will be treated as ordinary income.

### Limitations on Issue of, Payments on, and Delivery of Bearer Warrants

Unless otherwise specified in the Final Terms, Bearer Warrants will not be offered, sold or delivered, directly or indirectly, in the United States or its possessions or to United States persons, as defined below, except as otherwise permitted by United States Treasury Regulations Section 1.163-5(c)(2)(i)(D) (or any successor rules). Any Dealer participating in the offerings of Bearer Warrants, directly or indirectly, must agree that (i) it will not, in connection with the original issue of any Bearer Warrants or during the restricted period with respect to such Bearer Warrants (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)) (the “**Restricted Period**”), offer, sell or deliver, directly or indirectly, any Bearer Warrants in the United States or its possessions or to United States persons, other than as permitted by the applicable Treasury Regulations described above; and (ii) it will not at any time offer, sell or deliver, directly or indirectly, any Bearer Warrants in the United States or its possessions or to United States persons, other than as permitted by the applicable Treasury Regulations above. For these purposes, it is presumed that United States Treasury Regulations Section 1.163-5(c)(2)(i)(D) will apply to the Bearer Warrants.

In addition, any Dealer must have procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Warrants is aware of the above restrictions on the offering, sale or delivery of Bearer Warrants.

Unless otherwise specified in the Final Terms, Bearer Warrants, other than Bearer Warrants that satisfy the requirements of United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3)(iii), will not be delivered in definitive form, and no payment will be made thereon, unless the Issuer has received a signed certificate in writing, or an electronic certificate described in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3)(ii), (an “**Ownership Certificate**”) stating that on the date of the Ownership Certificate that Bearer Warrant:

- (1) is owned by a person that is not a United States person;
- (2) is owned by a United States person that is described in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(6); or
- (3) is owned by a United States or foreign financial institution for the purposes of resale during the Restricted Period,

and, in addition, if the owner of the Bearer Warrant is a United States or foreign financial institution described in clause (3) above, whether or not also described in clause (1) or clause (2) above, the financial institution certifies that it has not acquired the Bearer Warrant for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

The Issuer will make payments on Bearer Warrants only outside the United States and its possessions.

As used herein, “**United States person**” means, for United States federal income tax purposes, (i) a citizen or resident of the United States; (ii) a corporation, partnership or other entity created or organised in or under the laws of the United States or any political subdivision thereof; (iii) an estate the income of which is subject to United States federal income taxation regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust.

## FORMS OF WARRANTS

### Terms and Conditions applicable to the Bearer Warrants

The terms and conditions of any Definitive Warrant will be endorsed on that Definitive Warrant and will consist of the terms and conditions set out under “Terms and Conditions of the Warrants”, as set out above and the provisions of the Final Terms, which complete those terms and conditions.

The terms and conditions applicable to any Bearer Warrant in global form will differ from those terms and conditions which would apply to the Warrant were it in definitive form to the extent described under “*Summary of Provisions Relating to the Warrants While in Global Form*” below.

### Registered Warrants

Registered Warrants will be in the form of either individual warrant certificates in registered form (“**Individual Warrant Certificates**”) or a global warrant certificate in registered form (a “**Global Warrant Certificate**”), in each case as specified in the Final Terms. Each Global Warrant Certificate will be registered in the name of a common depository (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Warrant Certificate will be deposited on or about the Closing Date with the depository or common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, and will be exchangeable in accordance with its terms.

If the Final Terms specify the form of Warrants or Certificates as being “Individual Warrant Certificates”, then the Warrants will at all times be in the form of Individual Warrant Certificates issued to each Warrantholder in respect of their respective holdings.

If the Final Terms specify the form of Warrants or Certificates as being “Global Warrant Certificate exchangeable for Individual Warrant Certificates”, then the Warrants will initially be in the form of a Global Warrant Certificate which will be exchangeable in whole, but not in part, for Individual Warrant Certificates if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business

Whenever the Global Warrant Certificate is to be exchanged for Individual Warrant Certificates, the Issuer shall procure that Individual Warrant Certificates will be issued in an aggregate number of Warrants equal to the number of Warrants represented by the Global Warrant Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Warrant Certificate to the Registrar of such information as is required to complete and deliver such Individual Warrant Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Warrant Certificates are to be registered and the quantity of each such person’s holding) against the surrender of the Global Warrant Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Warrant Agreement and the regulations concerning the transfer and registration of Warrants 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.

### Terms and Conditions applicable to the Registered Warrants

The terms and conditions applicable to any Individual Warrant Certificate will be endorsed on that Individual Warrant Certificate and will consist of the terms and conditions set out under “*Terms and Conditions of the Warrants*” above and the provisions of the Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Warrant Certificate will differ from those terms and conditions which would apply to the Warrants were they in individual form to the extent described under “*Summary of Provisions Relating to the Warrants while in Global Form*” below.

### Legends Concerning Regulation S and ERISA

Unless otherwise specified in the Final Terms, Bearer Warrants will bear a legend, in English, substantially to the following effect:

“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 United States Internal Revenue Code of 1986, as amended (the “**Internal Revenue Code**”).

## FORMS OF WARRANTS

This warrant and the securities to be delivered upon exercise hereof have not been and will not be registered under the Securities Act of 1933, as amended (the “**Securities Act**”), or any securities laws of any State in the United States. This warrant may not be offered, sold, pledged, delivered or otherwise transferred at any time, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. person (as defined in either Regulation S under the Securities Act (“**Regulation S**”) or the Internal Revenue Code). This warrant may not be exercised by or on behalf of any U.S. person.

By its acquisition hereof, the holder (1) represents that it is purchasing the instrument evidenced hereby for its own account or an account over which it exercises sole investment discretion and that it and any such account is a non-U.S. person acquiring this instrument in an offshore transaction (as defined in Regulation S) in accordance with Regulation S; (2) agrees that it will not resell or otherwise transfer the instrument evidenced hereby except in accordance with rule 903 or 904 of Regulation S; and (3) agrees that it will deliver to each person to whom the instrument evidenced hereby is transferred a notice substantially to the effect of this legend.

The investor shall be deemed to represent by its acquisition and holding of an interest herein that it is not acquiring the warrants with the assets of any employee benefit plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), any individual retirement account or plan subject to Section 4975 of the Internal Revenue Code or any entity whose underlying assets include, or are deemed to include, “plan assets” within the meaning of ERISA and 29 U.S.C.F.R. §2510.3-101 (as modified by Section 3(42) of ERISA) by reason of any such plan’s or account’s investment herein.”

Unless otherwise specified in the Final Terms, certificates in respect of Registered Warrants will bear a legend, in English, substantially to the following effect:

“This warrant and the securities to be delivered upon exercise hereof have not been and will not be registered under the Securities Act of 1933, as amended (the “**Securities Act**”), or any securities laws of any State in the United States. This warrant may not be offered, sold, pledged, delivered or otherwise transferred at any time, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. person (as defined in either Regulation S under the Securities Act (“**Regulation S**”) or the Internal Revenue Code). This warrant may not be exercised by or on behalf of any U.S. person.

By its acquisition hereof, the holder (1) represents that it is purchasing the instrument evidenced hereby for its own account or an account over which it exercises sole investment discretion and that it and any such account is a non-U.S. person acquiring this instrument in an offshore transaction (as defined in Regulation S) in accordance with Regulation S; (2) agrees that it will not resell or otherwise transfer the instrument evidenced hereby except in accordance with rule 903 or 904 of Regulation S; and (3) agrees that it will deliver to each person to whom the instrument evidenced hereby is transferred a notice substantially to the effect of this legend.

The investor shall be deemed to represent by its acquisition and holding of an interest herein that it is not acquiring the warrants with the assets of any employee benefit plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), any individual retirement account or plan subject to Section 4975 of the Internal Revenue Code or any entity whose underlying assets include, or are deemed to include, “plan assets” within the meaning of ERISA and 29 U.S.C.F.R. §2510.3-101 (as modified by Section 3(42) of ERISA) by reason of any such plan’s or account’s investment herein.”

## SUMMARY OF PROVISIONS RELATING TO THE WARRANTS WHILE IN GLOBAL FORM

### Clearing System Accountholders

In relation to any Bearer Warrants (or any Tranche thereof) represented by a Global Warrant, references in the “Terms and Conditions of the Warrants” to “**Warrantholder**” are references to the bearer of the relevant Global Warrant which, for so long as the Global Warrant is held by a depositary or common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be such depositary or common depositary. In relation to any Registered Warrants (or any Tranche thereof) represented by a Global Warrant Certificate, references in the “Terms and Conditions of the Warrants” to “**Warrantholder**” are references to the person in whose name such Global Warrant Certificate is for the time being registered which, for so long as the Global Warrant Certificate is held by or on behalf of a depositary or common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be such depositary or common depositary.

Each of the 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 Warrant or a Global Warrant Certificate (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer to the holder of such Global Warrant or Global Warrant Certificate and in relation to all other rights arising under such Global Warrant or Global Warrant Certificate, including any right to exchange any exchangeable Warrants or any right to require the Issuer to repurchase such Warrants. The respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time will determine the extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Warrant or Global Warrant Certificate and the timing requirements for meeting any deadlines for the exercise of those rights. For so long as the relevant Warrants are represented by the Global Warrant or Global Warrant Certificate, Accountholders shall have no claim directly against the Issuer in respect of its obligations under the Warrants and such obligations of the Issuer will be discharged by payment or delivery to the holder of the Global Warrant or Global Warrant Certificate, as the case may be, of each amount to be so paid or of each relevant Reference Item to be so delivered.

So long as Euroclear, Clearstream, Luxembourg or its nominee is the registered holder of a Global Warrant or Global Warrant Certificate, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, will be considered the sole owner of the Warrants represented by such Global Warrant or Global Warrant Certificate for all purposes under the Warrant Agreement and such Warrants, except to the extent that in accordance with Euroclear or Clearstream, Luxembourg’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

### Exchange of Temporary Global Warrant

If:

- (a) a Permanent Global Warrant has not been delivered or the number of Warrants represented thereby increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Warrant has requested exchange of an interest in the Temporary Global Warrant for an interest in a Permanent Global Warrant; or
- (b) a Temporary Global Warrant (or any part thereof) has become due and payable in accordance with the terms and conditions of such Temporary Global Warrant as set out in “Terms and Conditions of the Warrants” or the date for final exercise of a Temporary Global Warrant has occurred and, in either case, payment or delivery (as applicable) in full has not been made to the bearer of the Temporary Global Warrant in accordance with the terms of the Temporary Global Warrant on the due date for payment or delivery (as applicable),

then the Temporary Global Warrant (including the obligation to deliver a Permanent Global Warrant or increase the number of Warrants represented thereby, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Warrant will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Warrant or others may have in respect of the Warrants 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 Temporary Global Warrant will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before such Temporary Global Warrant became void, they had been



## **SUMMARY OF PROVISIONS RELATING TO THE WARRANTS WHILE IN GLOBAL FORM**

the holders of Warrants in definitive form in an aggregate number of Warrants equal to the number of the Warrants they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### **Exchange of Permanent Global Warrant**

Whenever a Permanent Global Warrant is to be exchanged for Warrants in definitive form, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such definitive Warrants, duly authenticated, in an aggregate number of Warrants equal to the number of Warrants represented by the Permanent Global Warrant to the bearer of the Permanent Global Warrant against the surrender of the Permanent Global Warrant at the Specified Office of the Principal Warrant Agent within 30 calendar days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Warrant was originally issued in exchange for part only of a Temporary Global Warrant representing the Warrants and such Temporary Global Warrant becomes void in accordance with its terms; or
- (b) a Permanent Global Warrant (or any part of it) has become due and payable in accordance with the terms and conditions of such Permanent Global Warrant as set out in “Terms and Conditions of the Warrants” or the Warrants have been exercised and, in either case, payment or delivery (as applicable) in full has not been made to the bearer of the Permanent Global Warrant in accordance with the terms of the Permanent Global Warrant on the due date for payment or delivery (as applicable),

then the Permanent Global Warrant (including the obligation to deliver Warrants in definitive form) will become void at 5.00 p.m. (London time) on the date on which such Temporary Global Warrant becomes void (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Warrant will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Warrant or others may have in respect of the Warrants 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 in force as being entitled to an interest in a Permanent Global Warrant in respect of the Warrants will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before such Permanent Global Warrant became void, they had been the holders of Warrants in definitive form in an aggregate number of Warrants equal to the number of the Warrants they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### **Exchange of Global Warrant Certificates**

Whenever a Global Warrant Certificate is to be exchanged for Individual Warrant Certificates, the Issuer shall procure that the relevant quantity of Individual Warrant Certificates will be issued within five business days of the delivery, by or on behalf of the holder of the Global Warrant Certificate to the Registrar of such information as is required to complete and deliver such Individual Warrant Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Warrant Certificates are to be registered and the quantity of each such person’s holding) against the surrender of the Global Warrant Certificate at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Warrant Agreement and the regulations concerning the transfer and registration of Registered Warrants 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 Warrant Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Warrant Certificate; or
- (b) any of the Warrants represented by a Global Warrant Certificate (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Warrants, payment or delivery (as applicable) in full has not been made to the holder of the Global Warrant Certificate in accordance with the terms of the Global Warrant Certificate on the due date for payment or delivery (as applicable),

## SUMMARY OF PROVISIONS RELATING TO THE WARRANTS WHILE IN GLOBAL FORM

then 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above), each person shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as being entitled to interest in the Warrants (each an “**Accountholder**”), shall acquire rights under the Deed of Covenant to enforce against the Issuer, the Issuer’s obligations to the Warrantholder in respect of the Warrants represented by the Global Warrant Certificate, including the obligation of the Issuer to make all payments and deliveries when due at any time in respect of such Warrants as if such Warrants had been duly presented and (where required by the Conditions) surrendered on the due date in accordance with the Conditions. Each Accountholder shall acquire such right without prejudice to any other rights which the Warrantholder may have under the Global Warrant Certificate and the Deed of Covenant. Notwithstanding the rights that each Accountholder may acquire under the Deed of Covenant, payment or delivery to the Warrantholder in respect of any Warrants represented by the Global Warrant Certificate shall constitute a discharge of the Issuer’s obligations to the extent of any such payment or delivery and nothing in the Deed of Covenant shall oblige the Issuer to make any payment or delivery under the Warrants to or to the order of any person other than the Warrantholder.

### Conditions Applicable to Global Warrants and Global Warrant Certificates

Each Global Warrant and Global Warrant Certificate will contain provisions which modify the terms and conditions set out in “*Terms and Conditions of the Warrants*” as they apply to the Global Warrant and the Global Warrant Certificate. The following is a summary of certain of those provisions:

*Transfers of interests in the Warrants* : Any transfers of the interest of an Accountholder in any Warrants that are represented by a Global Warrant or a Global Warrant Certificate must be effected through the relevant Accountholder’s account with Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (each a “**Clearing System**”) and in accordance with the rules of the relevant Clearing System.

*Exercise procedures*: Subject to prior termination of the Warrants as provided in the Conditions and except if the Warrants are Cash Settled Warrants and General Condition 4(a) (*Automatic Exercise in respect of Global Warrants or Global Warrant Certificates*) has been specified as applicable in the Final Terms, Warrants may be exercised by an Accountholder (at its own expense) at such time and on such day(s) as provided in Conditions 3(a) (*American Style Warrants*), 3(b) (*European Style Warrants*) or 3(c) (*Bermudan Style Warrants*) of the “*Terms and Conditions of the Warrants*” by delivery of a duly completed and signed Exercise Notice to:

- (i) the Clearing Systems (if so permitted by the rules and procedures of the Clearing Systems, such Exercise Notice may be in the form of an authenticated instruction via SWIFT delivered to the Clearing Systems by the relevant Warrantholder or, if such Warrantholder is not a participant or customer of the Clearing Systems, then on such Warrantholder’s behalf by such participant or customer, or such Exercise Notice may be sent to the Clearing Systems by any other communications channel authorised by the rules and operating procedures of the relevant Clearing System); and
- (ii) the relevant Warrant Agent or Registrar, with a copy to the Calculation Agent.

Any such exercise shall be subject to the rules and procedures of the relevant Clearing System and any Exercise Notice will be irrevocable and may not be withdrawn by the Accountholder. The holder of the Global Warrant (or Global Warrant Certificate upon the exercise of the Warrant in full) must, within the period specified therein for the deposit of the relevant Warrant, deposit such Global Warrant or Global Warrant Certificate (as the case may be) with the Principal Warrant Agent (in the case of a Global Warrant) or the Registrar (in the case of a Global Warrant Certificate).

Any Exercise Notice delivered (a) after the Expiration Date, in the case of American Style Warrants, shall be void, (b) after 10.00 a.m. (London time) on the Specified Exercise Date, in the case of European Style Warrants, shall be void, and (c) after the Latest Exercise Time on the Final Potential Exercise Date in the case of Bermudan Style Warrants, shall be void.

*Exercise dates and times*: Exercise of Warrants represented by a Global Warrant or a Global Warrant Certificate may only be effected on a day on which the relevant Clearing System is open for business in addition to any other relevant day as provided in the Conditions. Such Warrants must be exercised as provided in the “*Terms and Condition of the Warrants*” (as modified as set out below) by 10.00 a.m. in the place where Euroclear and/ or Clearstream, Luxembourg and/or any other relevant clearing system through which the relevant Warrants are exercised (unless otherwise specified in the Final Terms).

## SUMMARY OF PROVISIONS RELATING TO THE WARRANTS WHILE IN GLOBAL FORM

*Form of Exercise Notice:* Each Exercise Notice shall be in the form (for the time being current) available from each Warrant Agent or the Registrar and must:

- (i) specify the name, address, telephone and facsimile details of the Accountholder in respect of the Warrants being exercised;
- (ii) specify the number of Warrants of the relevant Series being exercised by the Accountholder (which must not be less than the Minimum Exercise Number);
- (iii) specify the number of the Accountholder's account at the relevant Clearing System to be debited with the Warrants being exercised and irrevocably instruct, or, as the case may be, confirm that the Accountholder has irrevocably instructed, the relevant Clearing System to debit the Accountholder's account with the Warrants being exercised and credit the same to the account of the Principal Warrant Agent (for the account of the Issuer);
- (iv) where applicable, specify the number of the Accountholder's account at the relevant Clearing System to be credited with the Cash Settlement Amount or the relevant Entitlement (as applicable) for the Warrants being exercised;
- (v) include an irrevocable undertaking to pay any applicable Taxes due and Expenses payable by reason of exercise of and an authority to the Issuer and the relevant Clearing System to deduct an amount in respect thereof from any Cash Settlement Amount due to such Accountholder or otherwise (on, or at any time after, the Cash Settlement Date) and to debit a specified account of the Accountholder at the relevant Clearing System with an amount or amounts in respect thereof;
- (vi) in the case of Physical Delivery Warrants, include an irrevocable instruction to the relevant Clearing System to debit the specified account of the Accountholder with an amount equal to the aggregate Exercise Price on the Exercise Price Payment Date in respect of the Warrants being exercised on the Physical Delivery Settlement Date and to credit such amount to the account of the Principal Warrant Agent (for the account of the Issuer);
- (vii) give a certification as to the non-U.S. beneficial ownership of the Warrants being exercised therewith; and
- (viii) authorise the production of such certification in any applicable administrative or legal proceedings.

*Verification of Accountholder:* To exercise any Warrants, the relevant Accountholder must duly complete an Exercise Notice. The relevant Clearing System shall, in accordance with its normal operating procedures, verify that each person exercising Warrants is the Accountholder thereof according to the records of such Clearing System and that such Accountholder has an account at the relevant Clearing System which contains Warrants in an amount being exercised and funds equal to any applicable Taxes in respect of the Warrants being exercised.

If, in the determination of the relevant Clearing System, the relevant Warrant Agent or the Registrar:

- (i) the Exercise Notice is not complete or not in proper form;
- (ii) the Accountholder submitting an Exercise Notice is not validly entitled to exercise the relevant Warrants or not validly entitled to deliver such Exercise Notice; or
- (iii) the relevant Accountholder does not provide evidence on behalf of the Warrantholder, at the reasonable request of the relevant Warrant Agent or the Registrar, that sufficient funds equal to any applicable Taxes, Expenses and the aggregate Exercise Price (if any) will be available on the Exercise Date,

that Exercise Notice will be treated as void and a new duly completed Exercise Notice must be submitted if exercise of the Accountholder's Warrants is still desired. The Issuer shall procure that the Principal Warrant Agent, upon being informed of the defective Exercise Notice by the relevant Clearing System, Warrant Agent or the Registrar, as the case may be, informs the Accountholder submitting such defective Exercise Notice of the defect(s) and of the requirement to submit a new duly completed Exercise Notice if such Accountholder intends to exercise the relevant Warrants on the relevant Exercise Date.

Any determination by the relevant Clearing System, the relevant Warrant Agent or the Registrar as to any of the matters set out above shall, in the absence of manifest error, be conclusive and binding upon the Issuer, the Accountholder and the beneficial owner of the Warrants exercised.

## SUMMARY OF PROVISIONS RELATING TO THE WARRANTS WHILE IN GLOBAL FORM

*Notification to the relevant Warrant Agent or the Registrar:* Subject to the verification set out above, the relevant Clearing System will:

- (i) confirm to the relevant Warrant Agent, in the case of Bearer Warrants, or to the Registrar, in the case of Registered Warrants (copied to the Issuer and the Calculation Agent) the number of Warrants being exercised and the number of the account to be credited with the Cash Settlement Amount; and
- (ii) promptly notify the common depositary of receipt of the Exercise Notice and the number of the Warrants to be exercised.

Upon exercise of less than all of the Warrants represented by the Global Warrant or Global Warrant Certificate, the common depositary will note such exercise on the Schedule to the Global Warrant or the Registrar will note such exercise in the Register relating to such Global Warrant Certificate and the aggregate number of Warrants so exercised as represented by the Global Warrant or Global Warrant Certificate shall be cancelled pro tanto.

*Debit of Accountholder's Account:* The relevant Clearing System will on or before the Settlement Date debit the relevant account of the Accountholder and credit the relevant account of the Principal Warrant Agent (in favour of the Issuer) with: (i) the Warrants being exercised, (ii) any applicable Taxes (if any) in respect of the Warrants being exercised and (iii) any other amounts as may be specified in the Final Terms.

If any of the items set out in the paragraph above are not so credited to the relevant account of the Principal Warrant Agent (in favour of the Issuer), then the Issuer shall be under no obligation to make any payment of any nature to the relevant Accountholder in respect of the Warrants being exercised, and the Exercise Notice delivered in respect of such Warrants shall thereafter be void for all purposes.

*Effect of Exercise Notice:* Delivery of an Exercise Notice shall constitute an irrevocable election and undertaking by the Accountholder to exercise the Warrants specified therein, provided that the person exercising and delivering such Exercise Notice is the person then appearing in the records of the relevant Clearing System as the holder of the relevant Warrants. If the person exercising and delivering the Exercise Notice is not the person so appearing, such Exercise Notice shall for all purposes become void and shall be deemed not to have been so delivered.

After the delivery of an Exercise Notice (other than an Exercise Notice which shall become void) by an Accountholder, such Accountholder shall not be permitted to transfer either legal or beneficial ownership of the Warrants exercised thereby. Notwithstanding this, if any Accountholder does so transfer or attempt to transfer such Warrants, the Accountholder will be liable to the Issuer for any losses, costs and expenses suffered or incurred by the Issuer including those suffered or incurred as a consequence of it having terminated any related hedging operations in reliance on the relevant Exercise Notice and subsequently: (i) entering into replacement hedging operations in respect of such Warrants; or (ii) paying any amount on the subsequent exercise of such Warrants without having entered into any replacement hedging operations.

*Payments:* All payments in respect of a Global Warrant which, in accordance with the “*Terms and Conditions of the Warrants*”, require presentation and/or surrender of a definitive Warrant or definitive Certificate will be made against presentation and (in the case of payment in full) and/or surrender of the Global Warrant at the specified office of the Principal Warrant Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Warrants. On each occasion on which a payment is made in respect of the Global Warrant, the Issuer shall procure that the same is noted in a schedule thereto and entered *pro rata* in the records of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system. Any payments shall be made in accordance with the rules and procedures of the relevant Clearing System and the Issuer. The Warrant Agents, the Registrar and the Transfer Agent, shall not be liable, under any circumstance, for any acts or defaults of any Clearing System in the performance of the Clearing System's duties in relation to the Warrants.

*Payment Record Date:* Each payment or delivery in respect of a Global Warrant Certificate will be made to the person shown as the holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each relevant Clearing System for which the Global Warrant Certificate is being held is open for business. Any payment in full will be made against surrender of the Global Warrant Certificate at the specified office of the Registrar and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Warrants.

## **SUMMARY OF PROVISIONS RELATING TO THE WARRANTS WHILE IN GLOBAL FORM**

*Notices:* Notwithstanding General Condition 10 (*Notices*) of the “*Terms and Conditions of the Warrants*”, while all the Warrants are represented by a Global Warrant or Global Warrant Certificate and the Global Warrant or Global Warrant Certificate is deposited with a Clearing System, notices to Warranholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Warranholders in accordance with General Condition 10 (*Notices*) of the “*Terms and Conditions of the Warrants*”, as applicable, on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### Person Responsible

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

### Introduction

BBVA Global Markets, B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), was incorporated under the laws of the Netherlands on 29 October 2009 for an unlimited duration and with the purpose of issuing Warrants under the Programme in accordance with the objects clause contained in article 3 of the Deed of Incorporation of the Issuer dated 29 October 2009 which reads as follows:

"The objects for which the Company is established are to raise finance through the issuance of bonds, notes, warrants, certificates and other debt instruments, and invest the funds raised in any kind of financial assets. For these purposes, the Company may enter into (i) derivative transactions or other hedging agreements, and (ii) other agreements with third parties in connection with the above object."

The Issuer has its seat (*zetel*) in Amsterdam. The Issuer's registered office in Amsterdam, the Netherlands and its principal place of business at Calle Saucedo, 28, Edificio Asia, 28050 Madrid, Spain (tel: +34 913745123). The Issuer is registered in the trade register of the Chamber of Commerce and Industry in Amsterdam under number 34363108. The Issuer has its place of effective management and centre of principal interests in Spain. The Legal Entity Identifier ("**LEI**") of the Issuer is 213800L2COK1WB5Q3Z55.

### Business

The principal business of the Issuer is to raise funds on the capital and money markets to finance the business activities of, and enter into other financial agreements with, the Guarantor and its subsidiaries. The Issuer serves as a financing company for the purposes of the Group and is regularly engaged in different financing transactions within the limits set forth in its deed of incorporation (the "**Deed of Incorporation**"). The Issuer's objective is, among others, to arrange medium and long term financing for the Group and cost saving by grouping these activities. Because of its aforementioned purpose, the Issuer does not have any markets in which it competes and, therefore, the Issuer cannot make a statement regarding its competitive position in any markets.

The Issuer is a financing company that is exempt from the licence requirements to operate as a bank pursuant to the exemption contained in section 3:2 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) (the "**FMSA**"), as long as:

- (i) there is an unconditional guarantee from the Guarantor for the due and punctual payment of all amounts payable to the Holders that form part of the "public" (as defined in the FSMA), and the Guarantor's consolidated equity capital remains positive throughout the term of the guarantee; and
- (ii) at least 95 per cent. of its borrowings consist of loans and/or investments extended to, or made in, other companies and entities belonging to the Group (as defined in section 3:2 of the FMSA).

### History

The Issuer has not previously carried on any business or carried on any activities other than (i) those incidental to its registration, the authorisation and issues of Warrants contemplated in this Base Prospectus and the other matters described or contemplated in this Base Prospectus, (ii) the obtaining of all approvals and the effecting of all registrations and filings necessary or desirable for its business activities, and (iii) other securities issues including Warrants and other structured notes.

## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### Ownership and Capital Structure

The authorised share capital of the Issuer is €90,000 divided into 900 ordinary shares of €100 each. The total issued and paid up share capital amounts to €18,000 consisting of 180 ordinary shares. The Issuer is a direct wholly-owned subsidiary of BBVA and does not have any subsidiaries of its own.

In addition, BBVA made a €19,000 share premium contribution to the Issuer on 21 November 2011 and a €53,000 share premium contribution to the Issuer on 19 December 2012. There are no preferential rights of shares or profit sharing certificates. There is no conditional share capital. The entire clause 4 of the Deed of Incorporation regarding the share capital reads as follows:

"The authorised share capital of the Company is ninety thousand euro (EUR 90,000), divided into nine hundred (900) Shares, each with a par value of one hundred euro (EUR 100)."

### Financial Statements

The Issuer has published audited financial statements for the financial years ended 31 December 2019 and 31 December 2018 (the "**Issuer's Financial Statements**"). The Issuer's Financial Statements were prepared in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code and are incorporated by reference into this Base Prospectus (see page 31). Other than as described herein there has been no material change in the capitalisation of the Issuer. No dividends have been paid out by the Issuer since its incorporation.

### Income Statement

The table below sets out summary information extracted from the Issuer's audited Financial Statements of profit or loss and other comprehensive income for the period ended 31 December 2019 and 31 December 2018.

Thousands of euros	31.12.2019 (audited)	31.12.2018(*) (audited)
—Exchange rate differences.....	(4)	(9)
—Other operating income .....	228	388
—Other operating expenses.....	(225)	(268)
—Gains (losses) on financial assets and liabilities designated at fair value through profit or loss, net.	—	—
<b>Result of the year before tax</b> .....	<b>(1)</b>	<b>61</b>
—Income tax .....	(3)	(18)
<b>Result of the year from continued operations</b> .....	<b>(4)</b>	<b>43</b>
<b>Comprehensive result of the year</b> .....	<b>—</b>	<b>—</b>
<b>Total comprehensive result of the year</b> .....	<b>(4)</b>	<b>43</b>

(\*) Presented for comparison purposes only.

### Statement of Financial Position

The table below sets out summary information extracted from the Issuer's audited Financial Statements of statement of financial position as of 31 December 2019 and 31 December 2018:

<u>Thousands of euros</u>	<u>31.12.2019</u> <u>AUDITED</u>	<u>31.12.2018(*)</u> <u>AUDITED</u>
<b>ASSETS:</b>		
<i>Non-current assets</i> .....	3,272,795	2,336,508
<i>Current assets</i> .....	323,210	211,550

**DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

<b>Total assets</b> .....								<b>3,596,005</b>	<b>2,548,058</b>
<b>LIABILITIES:</b> .....									
<i>Non-current liabilities</i> ...								3,272,473	2,336,186
<i>Current liabilities</i> .....								323,305	211,641
<b>Total liabilities</b> .....								<b>3,595,778</b>	<b>2,547,827</b>
<b>SHAREHOLDER'S EQUITY:</b>									
—Issued share capital.....								90	90
—Share premium.....								250	250
—Other reserves .....								(109)	(152)
—Result of the year.....								(4)	43
<b>Total shareholder's equity</b> .....								<b>227</b>	<b>231</b>
<b>Total liabilities and shareholder's equity</b> ...								<b>3,596,005</b>	<b>2,548,058</b>

(\*) Presented for comparison purposes only.

The Issuer has issued securities of the same class as the Warrants to be issued under the Programme which are listed on the following regulated markets: the regulated market of the Irish Stock Exchange trading as Euronext Dublin.

The auditors of the Issuer are KPMG Accountants N.V. Laan van Langerhuize 1, 1186 DS Amstelveen, The Netherlands, who are Chartered Accountants and members of the Royal Netherlands Institute of Chartered Accountants (Koninklijke Nederlandse Beroepsorganisatie van Accountants).

The Issuer does not have an audit committee. The audit committee of Guarantor, which is the sole shareholder of the Issuer, is fully compliant with Spanish corporate governance standards as is described in sections C.2.1 to C.2.5 of the "Informe Anual de Gobierno Corporativo" filed with the CNMV on 21 May 2020 with the audited consolidated and individual annual financial statements of the Guarantor for the financial year ended 31 December 2019.

**Management**

The Board of Directors of the Issuer consists of the following Managing Directors:

Name	Position at the Issuer	Present Principal Occupation Outside of the Issuer
Marian Coscarón Tomé	Managing Director	Head of Global Structured Solutions of BBVA
Christian Højbjerg Mortensen	Managing Director	Global Structured Solutions Manager of BBVA

There are no potential conflicts of interest between any duties of the directors of the Issuer and their private



## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

interests.

The business address of the Managing Directors of the Issuer is Calle Saucedo 28, Edificio Asia, 28050 Madrid, Spain. The Issuer does not have any employees.

The Issuer complies with the corporate governance regime in the Netherlands.

Tax Status of the Issuer

The Issuer has its tax residency in Spain.

### Legal Proceedings

There are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

### Person Responsible

The Guarantor assumes responsibility for the information featured under the heading "Description of Banco Bilbao Vizcaya Argentaria, S.A." in this Base Prospectus. To the best of the knowledge of the Guarantor, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

### History and Development of BBVA

BBVA's predecessor bank, BBV (Banco Bilbao Vizcaya), was incorporated as a public limited company (a "sociedad anónima" or S.A.) under the Spanish Corporations Law on 1 October 1988. BBVA was formed following the merger of Argentaria into BBV (Banco Bilbao Vizcaya), which was approved by the shareholders of each entity on 18 December 1999 and registered on 28 January 2000. It conducts its business under the commercial name "BBVA". BBVA is registered with the Commercial Registry of Vizcaya (Spain). It has its registered office at Plaza de San Nicolás 4, Bilbao, Spain, 48005, and operates out of Calle Azul, 4, 28050, Madrid, Spain (Telephone: +34-91-374-6201). BBVA's agent in the U.S. for U.S. federal securities law purposes is Banco Bilbao Vizcaya Argentaria, S.A. New York Branch (1345 Avenue of the Americas, 44th Floor, New York, New York 10105 (Telephone: +1-212-728-1660)). BBVA is incorporated for an unlimited term. The LEI of the Guarantor is K8MS7FD7N5Z2WQ51AZ71.

### Capital Expenditures

The Group's principal investments are financial investments in its subsidiaries and affiliates. The main capital expenditures from 2017 to 2019 and up to the date of filing of this Base Prospectus were the following:

#### *2020*

In 2020, up to the date of filing, there were no significant capital expenditures.

#### *2019*

In 2019 there were no significant capital expenditures.

#### *2018*

In 2018 there were no significant capital expenditures.

#### *2017*

## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### *Acquisition of an additional 9.95 per cent. of Garanti BBVA*

On 22 March 2017, the Guarantor acquired 41,790,000,000 shares (in the aggregate) of Türkiye Garanti Bankası ("**Garanti BBVA**") (amounting to 9.95 per cent. of the total issued share capital of Garanti BBVA) from Doğu Holding A.Ş. and Doğu Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş., under certain agreements entered into on 21 February 2017, at a purchase price of 7.95 Turkish Liras ("**TL**") per share (approximately 3,322 million TL or €859 million in the aggregate).

### **Capital Divestitures**

BBVA Group's principal divestitures are financial divestitures in its subsidiaries and in affiliates. The main capital divestitures from 2017 to 2019 and up to the date of filing of this Base Prospectus were the following:

#### **2020**

##### *Agreement for the creation of a joint venture and transfer of the non-life insurance business in Spain*

On 27 April 2020, BBVA reached an agreement with Allianz, Compañía de Seguros y Reaseguros, S.A. ("**Allianz**") in order to create a bancassurance partnership, for the purpose of developing the non-life insurance business in Spain, excluding the health insurance line. The transaction will be implemented through the creation by BBVA Seguros, S.A., de Seguros y Reaseguros ("**BBVA Seguros**") of a newly-incorporated insurance company, to which the assets and liabilities related to the non-life insurance business owned by BBVA Seguros will be contributed. The agreements to be signed at closing of the transaction will include, among others, a distribution agreement for a 15-year term under which BBVA will distribute in Spain, on an exclusive basis, the non-life insurance products of the newly incorporated insurance company (excluding the health insurance line) on the terms and conditions established in such agreement. On the closing date of the transaction, BBVA Seguros will transfer 50 percent plus one share of the newly created company to Allianz for an initial fixed price of approximately 277 million euros, which will be adjusted based on the variation in the company's shareholders equity between signing and closing date. In addition to the initial fixed price, Allianz shall pay to BBVA Seguros, if applicable, a variable price of up to 100 million euros related to achieving specific business goals and attaining certain milestones included in the integration plan agreed by the parties.

Excluding the variable part of the price, it is estimated that the transaction will generate a profit net of taxes amounting to approximately 300 million euros, and that the positive impact on the fully loaded CET1 capital ratio of BBVA Group will be approximately 7 basis points. The closing of the transaction is subject to obtaining the required regulatory authorizations.

#### **2019**

##### *Sale of BBVA Paraguay*

On 7 August 2019, BBVA reached an agreement with Banco GNB Paraguay, S.A., an affiliate of Grupo Financiero Gilinski, for the sale of its wholly-owned subsidiary BBVA Paraguay. The consideration for the acquisition of BBVA Paraguay's shares amounts to approximately \$270 million. The above mentioned consideration is subject to regular adjustments for these kind of transactions between the signing and closing of the transaction. It is expected that the transaction would result in a capital gain, net of taxes, calculated as of 31 December 2019 of approximately €40 million and in a positive impact on BBVA Group's Common Equity Tier 1 (fully loaded) of approximately 6 basis points. The closing of the transaction is subject to obtaining the required regulatory authorizations.

#### **2018**

##### *Sale of BBVA Chile*

On 29 November 2017, BBVA received a binding offer (the "**Offer**") from The Bank of Nova Scotia ("**Scotiabank**") for the acquisition of BBVA's stake in Banco Bilbao Vizcaya Argentaria Chile, S.A. ("**BBVA**

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**Chile**) as well as in other companies of the Group in Chile with operations that are complementary to the banking business (among them, BBVA Seguros de Vida, S.A.). BBVA owned, directly and indirectly, 68.19 per cent. of BBVA Chile's share capital. On 5 December 2017, BBVA accepted the Offer and entered into a sale and purchase agreement and the sale was completed on 6 July 2018.

The consideration received in cash by BBVA in the referred sale amounted to approximately \$2,200 million. The transaction resulted in a capital gain, net of taxes, of €633 million, which was recognised in 2018.

### *Transfer of real estate business and sale of stake in Divarian*

On 29 November 2017, BBVA reached an agreement with Promontoria Marina, S.L.U. ("**Promontoria**"), a company managed by Cerberus Capital Management, L.P. ("**Cerberus**"), for the creation of a joint venture to which an important part of the real estate business of BBVA in Spain (the "**Business**") was transferred.

The Business comprises: (i) foreclosed real estate assets (the "**REOs**") held by BBVA as of 26 June 2017, with a gross book value of approximately €13,000 million; and (ii) the necessary assets and employees to manage the Business in an autonomous manner. For purposes of the transaction with Cerberus, the Business was valued at approximately €5,000 million.

On 10 October 2018, after obtaining all the required authorizations, BBVA completed the transfer of the Business (except for part of the agreed REOs, which were contributed after that date once the relevant conditions precedent were fulfilled) to Divarian and the sale of an 80 per cent. stake in Divarian to Promontoria. Following the closing of the transaction, BBVA retained 20 per cent. of the share capital of Divarian.

As of 31 December 2018 and for the year then ended, the transaction did not have a significant impact on the Group's attributable profit or Common Equity Tier 1 (fully loaded).

The above transaction is referred to as the "**Cerberus Transaction**" in this Base Prospectus.

### *Sale of BBVA's stake in Testa*

On 14 September 2018, BBVA and other shareholders of Testa Residencial SOCIMI, S.A. ("**Testa**") entered into an agreement with Tropic Real Estate Holding, S.L. (a company which is advised and managed by a private equity investment group controlled by Blackstone Group International Partners LLP) pursuant to which BBVA agreed to transfer its 25.24 per cent. interest in Testa to Tropic Real Estate Holding, S.L. The sale was completed on 21 December 2018.

The consideration received in cash by BBVA in the referred sale amounted to €478 million.

### *Sale of non-performing and in default mortgage credits*

On 21 December 2018, BBVA reached an agreement with Voyager Investing UK Limited Partnership, an entity managed by Canada Pension Plan Investment Board, for the transfer of a portfolio of credit rights which is mainly composed by non-performing and in default mortgage credits, with an aggregate outstanding balance amounting to approximately €1,490 million. The transaction was completed during the third quarter of 2019 and resulted in a capital gain, net of taxes, of €138 million and a slightly positive impact on BBVA Group's Common Equity Tier 1 (fully loaded).

## **2017**

In 2017 there were no significant capital divestitures.

### **Business Overview**

BBVA Group is a customer-centric global financial services group founded in 1857. Internationally diversified and with strengths in the traditional banking businesses of retail banking, asset management and wholesale banking, the Group is committed to offering a compelling digital proposition focused on customer experience.

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For this purpose, the Group is focused on increasingly offering products online and through mobile channels, improving the functionality of its digital offerings and refining the customer experience. In 2019, the number of digital and mobile customers and the volume of digital sales continued to increase.

In 2019, the Group adopted a common global brand through the unification of BBVA brand as part of its efforts to offer a unique value proposition and a homogeneous customer experience in the countries in which the Group operates.

### Operating Segments

During 2019, BBVA Group changed the reporting structure of its operating segments as a result of the integration of the Non-Core Real Estate business area into Banking Activity in Spain, which was renamed “Spain”. Additionally, certain balance sheet intra-group adjustments between the Corporate Center and the operating segments were reallocated to the corresponding operating segments. In addition, certain expenses related to global projects and activities have been reallocated between the Corporate Center and the corresponding operating segments. In order to make the information as of and for the years ended 31st December, 2018 and 2017 comparable with the information as of and for the year ended 31st December, 2019, as required by IFRS 8 “Information by business segments”, the figures as of and for the years ended 31st December, 2018 and 2017 were recast in conformity with the new segment reporting structure. Set forth below are the Group's current six operating segments:

- Spain;
- The United States;
- Mexico;
- Turkey;
- South America; and
- Rest of Eurasia.

In addition to the operating segments referred to above, the Group has a Corporate Center which includes those items that have not been allocated to an operating segment. It includes the Group's general management functions, including costs from central units that have a strictly corporate function; management of structural exchange rate positions carried out by the Financial Planning unit; specific issues of capital instruments to ensure adequate management of the Group's overall capital position; certain proprietary portfolios; certain tax assets and liabilities; certain provisions related to commitments with employees; and goodwill and other intangibles. BBVA's 20 per cent. stake in Divarian is also included in this unit.

The breakdown of the Group's total assets by each of BBVA's operating segments and the Corporate Center as of 31 December 2019, 2018 and 2017 was as follows:

	As of 31 December		
Total Assets by Operating Segment	2019	2018	2017
	(in Millions of Euros)		
Spain	365,374	354,901	350,520
The United States	88,529	82,057	75,775
Mexico	109,079	97,432	90,214
Turkey	64,416	66,250	78,789
South America	54,996	54,373	75,320
Rest of Eurasia	23,248	18,834	17,265
<b>Subtotal Assets by Operating Segment</b>	<b>705,641</b>	<b>673,848</b>	<b>687,884</b>
<b>Corporate Center and other adjustments</b>	(6,951)	2,841	2,175
<b>Total Assets BBVA Group</b>	<b>698,690</b>	<b>676,689</b>	<b>690,059</b>

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The following table sets forth information relating to the profit (loss) attributable to parent company for each of BBVA's operating segments and the Corporate Center for the years ended 31 December 2019, 2018 and 2017:

	<b>Profit/(Loss) Attributable to Parent Company</b>			<b>% of Profit/(Loss) Attributable to Parent Company</b>			The
	<b>For the Year Ended 31 December</b>						
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	
	<b>(In Millions of Euros)</b>			<b>(In Percentage)</b>			
<b>Spain</b>	1,386	1,400	877	23	24	16	
<b>The United States</b>	590	736	486	10	13	9	
<b>Mexico</b>	2,699	2,367	2,170	45	41	41	
<b>Turkey</b>	506	567	823	8	10	15	
<b>South America</b>	721	578	847	12	10	16	
<b>Rest of Eurasia</b>	127	96	128	2	2	2	
<b>Subtotal operating segments</b>	<b>6,029</b>	<b>5,743</b>	<b>5,331</b>	<b>100</b>	<b>100</b>	<b>100</b>	
<b>Corporate Center</b>	<b>(2,517)</b>	<b>(343)</b>	<b>(1,817)</b>				
<b>Profit attributable to parent company</b>	<b>3,512</b>	<b>5,400</b>	<b>3,514</b>				

following table sets forth certain summarized information relating to the income of each operating segment and the Corporate Center for the years ended 31 December 2019, 2018 and 2017:

	<b>Operating Segments</b>							<b>Total</b>
	<b>Spain</b>	<b>The United States</b>	<b>Mexico</b>	<b>Turkey</b>	<b>South America</b>	<b>Rest of Eurasia</b>	<b>Corporate Center</b>	
	<b>(In Millions of Euros)</b>							
<b>2019</b>								
Net interest income	3,645	2,395	6,209	2,814	3,196	175	(233)	18,202
Gross income	5,734	3,223	8,029	3,590	3,850	454	(339)	24,542
Net margin before provisions(1)	2,480	1,257	5,384	2,375	2,276	161	(1,294)	12,639

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Operating profit/(loss) before tax	1,878	705	3,691	1,341	1,396	163	(2,775)	6,398
<b>Profit attributable to parent company</b>	<b>1,386</b>	<b>590</b>	<b>2,699</b>	<b>506</b>	<b>721</b>	<b>127</b>	<b>(2,517)</b>	<b>3,512</b>
<b>2018</b>								
Net interest income	3,698	2,276	5,568	3,135	3,009	175	(269)	17,591
Gross income	5,968	2,989	7,193	3,901	3,701	414	(420)	23,747
Net margin before provisions(1)	2,634	1,129	4,800	2,654	1,992	127	(1,291)	12,045
Operating profit/(loss) before tax (2)	1,840	920	3,269	1,444	1,288	148	(1,329)	7,580
<b>Profit attributable to parent company</b>	<b>1,400</b>	<b>736</b>	<b>2,367</b>	<b>567</b>	<b>578</b>	<b>96</b>	<b>(343)</b>	<b>5,400</b>
<b>2017</b>								
Net interest income	3,810	2,119	5,476	3,331	3,200	180	(357)	17,758
Gross income	6,162	2,876	7,122	4,115	4,451	468	74	25,270
Net margin before provisions(1)	2,665	1,026	4,646	2,608	2,424	164	(764)	12,770
Operating profit/(loss) before tax	1,189	749	2,960	2,143	1,671	181	(1,962)	6,931
<b>Profit attributable to parent company</b>	<b>877</b>	<b>486</b>	<b>2,170</b>	<b>823</b>	<b>847</b>	<b>128</b>	<b>(1,817)</b>	<b>3,514</b>

The following tables set forth information relating to the balance sheet of our operating segments and the Group Corporate Center and adjustments as of 31 December 2019 and 2018 and information relating to the balance sheet of our operating segments as of 31 December 2017:

**As of 31 December 2019**

	Spain	The United States	Mexico	Turkey	South America	Rest of Eurasia	Total Operating Segments	Corporate Center and Adjustments (1)
<b>(In Millions of Euros)</b>								
<b>Total Assets</b>	<b>365,374</b>	<b>88,529</b>	<b>109,079</b>	<b>64,416</b>	<b>54,996</b>	<b>23,248</b>	<b>705,641</b>	<b>(6,951)</b>
Cash, cash balances at central banks and other demand deposits	15,903	8,293	6,489	5,486	8,601	247	45,019	(716)
Financial assets designated at fair value (2)	122,844	7,659	31,402	5,268	6,120	477	173,770	(3,128)
Financial assets at amortised cost	195,269	69,510	66,180	51,285	37,869	22,224	442,336	(3,174)
Loans and advances to customers	167,341	63,162	58,081	40,500	35,701	19,660	384,445	(2,085)
<i>Of which:</i>								
Residential mortgages	73,871	14,160	10,786	2,928	7,168	1,624	110,536	
Consumer finance	11,390	5,201	8,683	5,603	7,573	453	38,904	
Loans	5,586	1,263	1,802	635	1,024	195	10,505	
Credit cards	2,213	883	5,748	3,837	2,239	8	14,928	
Loans to enterprises	57,203	36,361	24,780	26,552	16,226	16,706	177,828	
Loans to public sector	13,886	5,374	6,819	107	1,368	667	28,221	
<b>Total Liabilities</b>	<b>356,069</b>	<b>84,127</b>	<b>101,545</b>	<b>61,678</b>	<b>52,287</b>	<b>22,299</b>	<b>678,005</b>	<b>(34,240)</b>
Financial liabilities held for trading and designated at fair value through profit or loss	78,684	282	21,784	2,184	1,860	57	104,851	(5,208)
Financial liabilities at amortised cost - Customer deposits	182,370	67,525	55,934	41,335	36,104	4,708	387,976	(3,757)
<i>Of which:</i>								
Demand and savings deposits	150,917	46,338	43,015	15,737	22,615	3,292	281,914	
Time deposits	31,453	14,527	12,395	25,587	13,439	1,416	98,817	
<b>Total Equity</b>	<b>9,305</b>	<b>4,402</b>	<b>7,533</b>	<b>2,738</b>	<b>2,709</b>	<b>949</b>	<b>27,636</b>	<b>27,289</b>
<b>Assets under management</b>	<b>66,068</b>	<b>-</b>	<b>24,464</b>	<b>3,906</b>	<b>12,864</b>	<b>500</b>	<b>107,803</b>	
Mutual funds	41,390	-	21,929	1,460	3,860	-	68,639	
Pension funds	24,678	-	-	2,446	9,005	500	36,630	
Other placements	-	-	2,534	-	-	-	2,534	

(1) Includes balance sheet intra-group adjustments between the Corporate Center and the operating segments.

(2) Financial assets designated at fair value includes: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income".

**As of 31 December 2018**

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	Spain	The United States	Mexico	Turkey	South America	Rest of Eurasia	Total Operating Segments	Corporate Center and Adjustments (1)
<b>(In Millions of Euros)</b>								
<b>Total Assets</b>	<b>354,901</b>	<b>82,057</b>	<b>97,432</b>	<b>66,250</b>	<b>54,373</b>	<b>18,834</b>	<b>673,848</b>	<b>2,841</b>
Cash, cash balances at central banks and other demand deposits	28,545	4,835	8,274	7,853	8,987	238	58,732	(536)
Financial assets designated at fair value (2)	107,320	10,481	26,022	5,506	5,634	504	155,467	(2,564)
Financial assets at amortised cost	195,467	63,539	57,709	50,315	36,649	17,799	421,477	(1,818)
Loans and advances to customers	170,438	60,808	51,101	41,478	34,469	16,598	374,893	(867)
<i>Of which:</i>								
Residential mortgages	76,390	13,961	9,197	3,530	6,629	1,821	111,529	
Consumer finance	9,665	5,353	7,347	5,265	6,900	410	34,940	
Loans	5,562	1,086	1,766	570	955	212	10,151	
Credit cards	2,083	720	4,798	3,880	2,058	10	13,549	
Loans to enterprises	57,317	34,264	22,553	27,657	16,897	13,685	172,373	
Loans to public sector	15,379	5,400	5,726	95	1,078	414	28,093	
<b>Total Liabilities</b>	<b>345,592</b>	<b>77,976</b>	<b>90,961</b>	<b>63,657</b>	<b>52,683</b>	<b>18,052</b>	<b>648,921</b>	<b>(25,106)</b>
Financial liabilities held for trading and designated at fair value through profit or loss	71,033	234	18,028	1,852	1,357	42	92,545	(4,778)
Financial liabilities at amortised cost -								
Customer deposits	183,414	63,891	50,530	39,905	35,842	4,876	378,456	(2,486)
<i>Of which:</i>								
Demand and savings deposits	142,912	41,213	38,167	12,530	22,959	3,544	261,324	
Time deposits	40,072	16,856	11,593	27,367	12,829	1,333	110,051	
<b>Total Equity</b>	<b>9,309</b>	<b>4,082</b>	<b>6,471</b>	<b>2,593</b>	<b>1,690</b>	<b>782</b>	<b>24,927</b>	<b>27,947</b>
<b>Assets under management</b>	<b>62,559</b>	<b>-</b>	<b>20,647</b>	<b>2,894</b>	<b>11,662</b>	<b>388</b>	<b>98,150</b>	
Mutual funds	39,250	-	17,733	669	3,741	-	61,393	
Pension funds	23,274	-	-	2,225	7,921	388	33,807	
Other placements	35	-	2,914	-	-	-	2,949	

(1) Includes balance sheet intra-group adjustments between the Corporate Center and the operating segments.

(2) Financial assets designated at fair value includes: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income".

**As of 31 December 2017**

	Spain	The United States	Mexico	Turkey	South America	Rest of Eurasia	Total Operating Segments
<b>(In Millions of Euros)</b>							
<b>Total Assets</b>	<b>350,520</b>	<b>75,775</b>	<b>90,214</b>	<b>78,789</b>	<b>75,320</b>	<b>17,265</b>	<b>687,884</b>
Cash, cash balances at central banks and other demand deposits	13,636	7,138	8,833	4,036	9,039	877	43,561
Financial assets designated at fair value (1)	86,912	11,068	28,458	6,419	11,627	991	145,474
Financial assets at amortised cost	230,228	54,705	47,691	65,083	51,207	15,533	464,447
Loans and advances to customers	187,884	53,718	45,768	51,378	48,272	15,388	402,408
<i>Of which:</i>							
Residential mortgages	77,449	13,298	8,081	5,147	11,681	2,112	117,768
Consumer finance	9,642	4,432	10,820	11,185	10,474	297	46,850
Loans	7,752	3,894	6,422	6,760	7,760	282	32,871
Credit cards	1,890	538	4,397	4,425	2,715	15	13,979
Loans to enterprises	50,878	30,261	20,977	34,371	23,567	11,801	171,855
Loans to public sector	18,562	4,999	5,262	148	1,114	511	30,596
<b>Total Liabilities</b>	<b>338,612</b>	<b>72,653</b>	<b>86,700</b>	<b>70,348</b>	<b>70,569</b>	<b>16,330</b>	<b>655,211</b>
Financial liabilities held for trading and designated at fair value through profit or loss	43,793	139	9,405	648	2,823	45	56,852
Financial liabilities at amortised cost -							
Customer deposits	180,840	60,806	49,964	44,691	45,705	6,700	388,707
<i>Of which:</i>							
Demand and savings deposits	126,801	44,039	34,855	14,240	25,871	4,279	250,084

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Time deposits	48,014	16,762	10,237	30,300	20,099	2,416	127,828
<b>Total Equity</b>	<b>11,909</b>	<b>3,123</b>	<b>3,515</b>	<b>8,441</b>	<b>4,751</b>	<b>935</b>	<b>32,673</b>
<b>Assets under management</b>	<b>62,018</b>	-	<b>19,472</b>	<b>3,902</b>	<b>12,197</b>	<b>376</b>	<b>97,965</b>
Mutual funds	37,996	-	16,430	1,265	5,248	-	60,939
Pension funds	24,023	-	-	2,637	6,949	376	33,985
Other placements	-	-	3,041	-	-	-	3,041

(1) Financial assets designated at fair value includes: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income".

### Spain

This operating segment includes all of BBVA's banking and non-banking businesses in Spain, other than those included in the Corporate Center. The primary business units included in this operating segment are:

**Spanish Retail Network:** including individual customers, private banking, small companies and businesses in the domestic market;

**Corporate and Business Banking:** which manages small and medium sized enterprises ("SMEs"), companies and corporations, public institutions and developer segments;

**Corporate and Investment Banking:** responsible for business with large corporations and multinational groups and the trading floor and distribution business in Spain; and

**Other units:** which includes the insurance business unit in Spain (BBVA Seguros), the Asset Management unit (which manages Spanish mutual funds and pension funds), lending to real estate developers and foreclosed real estate assets in Spain (including assets from the previous Non-Core Real Estate operating segment), as well as certain proprietary portfolios and certain funding and structural interest-rate positions of the euro balance sheet which are not included in the Corporate Center.

Financial assets designated at fair value of this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") amounted to €122,844 million as of 31 December 2019, a 14.5 per cent increase from the €107,320 million recorded as of 31 December 2018, mainly as a result of the increase in the volume of reverse repurchase agreements with credit institutions recorded under "Financial assets held for trading" and, to a lesser extent, the increase in derivatives recorded under "Financial assets held for trading".

Financial assets at amortised cost of this operating segment as of 31 December 2019 amounted to €195,269 million, a 0.1 per cent decrease compared with the €195,467 million recorded as of 31 December 2018. Within this heading, loans and advances to customers amounted to €167,341 million as of 31 December 2019, a decrease of 1.8 per cent from the €170,438 million recorded as of 31 December 2018, mainly as a result of the decrease in residential mortgage loans and, to a lesser extent, the decrease in loans to the public sector, partially offset by an increase in consumer loans.

Financial liabilities held for trading and designated at fair value through profit or loss of this operating segment as of 31 December 2019 amounted to €78,684 million, a 10.8 per cent increase compared with the €71,033 million recorded as of 31 December 2018, mainly as a result of the increase in repurchase agreements with credit institutions.

Customer deposits at amortised cost of this operating segment as of 31 December 2019 amounted to €182,370 million, a 0.6 per cent decrease compared with the €183,414 million recorded as of 31 December 2018 mainly as a result of the decrease in time deposits due to the decreases in interest rates.

Mutual funds of this operating segment as of 31 December 2019 amounted to €41,390 million, a 5.5 per cent increase from the €39,250 million recorded as of 31 December 2018, mainly due to new contributions by our customers.

Pension funds of this operating segment as of 31 December 2019 amounted to €24,678 million, a 6.0 per cent increase compared with the €23,274 million recorded as of 31 December 2018, mainly due to new contributions by our customers.



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This operating segment's non-performing loan ratio decreased to 4.4 per cent as of 31 December 2019 from 5.1 per cent as of 31 December 2018, mainly due to a 14.3 per cent decrease in the balance of non-performing loans in the period (€8,635 million as of 31 December 2019 and €10,073 million as of 31 December 2018). This change was mainly explained by the sale of non-performing mortgage loans and write-offs in 2019. This operating segment's non-performing loan coverage ratio increased to 60 per cent as of 31 December 2019 from 57 per cent as of 31 December 2018.

### The United States

This operating segment includes the Group's business in the United States. BBVA USA accounted for 89.7 per cent of this operating segment's balance sheet as of 31 December 2019. Given the importance of BBVA USA in this segment, most of the comments below refer to BBVA USA. This operating segment also includes the assets and liabilities of BBVA branch in New York, which specializes in transactions with large corporations.

The U.S. dollar appreciated 1.9 per cent against the euro as of 31 December 2019 compared with 31 December 2018, positively affecting the business activity of the United States operating segment as of 31 December 2019 expressed in euros.

Financial assets designated at fair value of this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") as of 31 December 2019 amounted to €7,659 million, a 26.9 per cent decrease from the €10,481 million recorded as of 31 December 2018, mainly due to a decrease in the volume of U.S. Treasury and other U.S. government securities and in mortgage-backed securities due to the lower interest rates offered by such securities.

Financial assets at amortised cost of this operating segment as of 31 December 2019 amounted to €69,510 million, a 9.4 per cent increase compared with the €63,539 million recorded as of 31 December 2018. Within this heading, loans and advances to customers of this operating segment as of 31 December 2019 amounted to €63,162 million, a 3.9 per cent increase compared with the €60,808 million recorded as of 31 December 2018, mainly due to an increase in loans to non-financial entities.

Customer deposits at amortised cost of this operating segment as of 31 December 2019 amounted to €67,525 million, a 5.7 per cent increase compared with the €63,891 million recorded as of 31 December 2018, mainly due to an increase in demand deposits, partially offset by a decrease in time deposits due to the lower interest rates offered to customers.

The non-performing loan ratio of this operating segment as of 31 December 2019 decreased to 1.1 per cent from 1.3 per cent as of 31 December 2018, mainly due to the decrease in the non-performing loan portfolio. This operating segment's non-performing loan coverage ratio increased to 101 per cent as of 31 December 2019, from 85 per cent as of 31 December 2018, as a result of higher loss allowances and the decrease in non-performing loans, in particular, in the commercial, financial and agricultural portfolios.

### Mexico

The Mexico operating segment includes the banking and insurance businesses conducted in Mexico by BBVA Mexico. Since 2018, it also includes BBVA Mexico's branch in Houston (which was previously part of our United States segment).

The financial information for 2017 relating to such segments included in the Consolidated Financial Statements and in this Base Prospectus has been revised in order to improve its comparability with financial information for subsequent periods.

The Mexican peso appreciated 6.0 per cent against the euro as of 31 December 2019 compared with 31 December 2018, positively affecting the business activity of the Mexico operating segment as of 31 December 2019 expressed in euros.

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Financial assets designated at fair value of this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") as of 31 December 2019 amounted to €31,402 million, a 20.7 per cent increase from the €26,022 million recorded as of 31 December 2018, mainly as a result of the increase in the volume of reverse repurchase agreements with financial institutions within the trading portfolio, the increase in debt securities recorded under "Financial assets held for trading", the transfer of certain loans from the amortised cost portfolio and the appreciation of the Mexican peso against the euro.

Financial assets at amortised cost of this operating segment as of 31 December 2019 amounted to €66,180 million, a 14.7 per cent increase compared with the €57,709 million recorded as of 31 December 2018. Within this heading, loans and advances to customers of this operating segment as of 31 December 2019 amounted to €58,081 million, a 13.7 per cent increase compared with the €51,101 million recorded as of 31 December 2018, mainly due to the increase in the volume of wholesale loans and loans to non-financial entities and households and the appreciation of the Mexican peso against the euro, partially offset by the transfer of certain loans to the trading portfolio.

Financial liabilities held for trading and designated at fair value through profit or loss of this operating segment as of 31 December 2019 amounted to €21,784 million, a 20.8 per cent increase compared with the €18,028 million recorded as of 31 December 2018, mainly as a result of the increase in the volume of repurchase agreements and, to a lesser extent, the appreciation of the Mexican peso against the euro.

Customer deposits at amortised cost of this operating segment as of 31 December 2019 amounted to €55,934 million, a 10.7 per cent increase compared with the €50,530 million recorded as of 31 December 2018, primarily due to the increase in demand deposits for households and, to a lesser extent, the increase in wholesale deposits, being the latter positively affected by the appreciation of the Mexican peso against the euro.

Mutual funds of this operating segment as of 31 December 2019 amounted to €21,929 million, a 23.7 per cent increase compared with the €17,733 million recorded as of 31 December 2018, primarily due to the promotion of a wide range of investment products and the appreciation of the Mexican peso against the euro.

This operating segment's non-performing loan ratio increased to 2.4 per cent as of 31 December 2019 from 2.1 per cent as of 31 December 2018, mainly due to the operation of the contagion rules for retail exposures ('pulling effect'), as well as to the change in the accounting criteria for the recognition of non-performing loans (from three past-due installments to 90 days past-due). As a consequence, this operating segment's non-performing loan coverage ratio decreased to 136 per cent as of 31 December 2019 from 154 per cent as of 31 December 2018.

### **Turkey**

This operating segment comprises the activities carried out by Garanti BBVA as an integrated financial services group operating in every segment of the banking sector, including corporate, commercial, SME, payment systems, retail, private and investment banking, together with its subsidiaries in pension and life insurance, leasing, factoring, brokerage and asset management, as well as its international subsidiaries in the Netherlands and Romania.

The Turkish lira depreciated 9.4 per cent against the euro as of 31 December 2019 compared to 31 December 2018, negatively affecting the business activity of the Turkey operating segment as of 31 December 2019 expressed in euros.

Financial assets designated at fair value of this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") as of 31 December 2019 amounted to €5,268 million, a 4.3 per cent decrease from the €5,506 million recorded as of 31 December 2018, mainly as a result of the depreciation of the Turkish lira. At constant exchange rates, there was an increase in financial assets designated at fair value as

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a result of the increase in debt securities denominated in euros with central governments.

Financial assets at amortised cost of this operating segment as of 31 December 2019 amounted to €51,285 million a 1.9 per cent increase compared with the €50,315 million recorded as of 31 December 2018. Within this heading, loans and advances to customers of this operating segment as of 31 December 2019 amounted to €40,500 million, a 2.4 per cent decrease compared with the €41,478 million recorded as of 31 December 2018, mainly due to the depreciation of the Turkish lira, partially offset by the increase in the volume of Turkish-lira denominated loans, in particular commercial loans supported by the Credit Guarantee Fund, consumer loans and credit cards.

Financial liabilities held for trading and designated at fair value through profit or loss of this operating segment as of 31 December 2019 amounted to €2,184 million, a 17.9 per cent increase compared with the €1,852 million recorded as of 31 December 2018, mainly as a result of the increase in debt securities within the trading portfolio, which more than offset the effect of the depreciation of the Turkish lira.

Customer deposits at amortised cost of this operating segment as of 31 December 2019 amounted to €41,335 million, a 3.6 per cent increase compared with the €39,905 million recorded as of 31 December 2018, mainly due to the increase in demand deposits in both Turkish lira and foreign currencies, partially offset by the depreciation of the Turkish lira.

Mutual funds in this operating segment as of 31 December 2019 amounted to €1,460 million compared with the €669 million recorded as of 31 December 2018, mainly due to the growth in money market related funds, which more than offset the effect of the depreciation of the Turkish lira.

Pension funds in this operating segment as of 31 December 2019 amounted to €2,446 million, a 10.0 per cent increase compared with the €2,225 million recorded as of 31 December 2018, mainly due to the favorable market dynamics, where the rapid decrease in interest rates has forced returns from funds to be higher than those from deposits, partially offset by the depreciation of the Turkish lira.

The non-performing loan ratio of this operating segment as of 31 December 2019 was 7.0 per cent compared with 5.3 per cent as of 31 December 2018 mainly as a result of an increase in non-performing loans. This operating segment's non-performing loan coverage ratio decreased to 75 per cent as of 31 December 2019 from 81 per cent as of 31 December 2018, mainly due to the increase in the balance of non-performing loans as of 31 December 2019 compared to the balance recorded as of 31 December 2018.

### South America

The South America operating segment includes the Group's banking and insurance businesses in the region. The main business units included in the South America operating segment are:

**Retail and Corporate Banking:** includes banks in Argentina, Colombia, Peru, Uruguay and Venezuela.

**Insurance:** includes insurance businesses in Argentina, Colombia and Venezuela.

As of 31 December 2019, the Argentine peso depreciated 35.7 per cent against the euro compared to 31 December 2018, while the Colombian peso and the Peruvian sol appreciated against the euro, compared to 31 December 2018, by 1.7 per cent and 3.8 per cent, respectively. Overall, changes in exchange rates have negatively affected the business activity of the South America operating segment as of 31 December 2019 expressed in euros.

As of and for the years ended 31 December 2019 and 2018, the Argentine and Venezuelan economies were considered to be hyperinflationary as defined by IAS 29.

In August 2018, BBVA reached an agreement for the sale of its wholly-owned subsidiary BBVA Paraguay. As of the date of this Base Prospectus, completion of the sale is still pending obtaining the relevant regulatory authorisations. For additional information, see "*—History and Development of BBVA—Capital Divestitures—2019—Sale of BBVA Paraguay.*"

Financial assets designated at fair value for this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or

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loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") as of 31 December 2019 amounted to €6,120 million, a 8.6 per cent increase compared with the €5,634 million recorded as of 31 December 2018, mainly due to the increase in debt securities issued by central banks and the central governments in Argentina and Peru, partially offset by the depreciation of the Argentine peso against the euro.

Financial assets at amortised cost of this operating segment as of 31 December 2019 amounted to €37,869 million, a 3.3 per cent increase compared with the €36,649 million recorded as of 31 December 2018. Within this heading, loans and advances to customers of this operating segment as of 31 December 2019 amounted to €35,701 million, a 3.6 per cent increase compared with the €34,469 million recorded as of 31 December 2018, mainly as a result of the increase in consumer, mortgage and credit cards loans in Colombia and Peru, partially offset by the depreciation of the Argentine peso.

Customer deposits at amortised cost of this operating segment as of 31 December 2019 amounted to €36,104 million, a 0.7 per cent decrease compared with the €35,842 million recorded as of 31 December 2018, mainly as a result of the depreciation of the Argentine peso.

Mutual funds in this operating segment as of 31 December 2019 amounted to €3,860 million, a 3.2 per cent increase compared with the €3,741 million recorded as of 31 December 2018, mainly due to the favourable market dynamics, which positively affected the performance of institutional banking and Corporate & Investment Banking ("**C&IB**"), especially in Colombia and Peru, partially offset by the depreciation of the Argentine peso against the euro.

Pension funds in this operating segment as of 31 December 2019 amounted to €9,005 million, a 13.7 per cent increase compared with the €7,921 million recorded as of 31 December 2018, mainly as a result of an increase in pension funds in Bolivia, where contributions to pension funds are mandatory.

The non-performing loan ratio of this operating segment as of 31 December 2019 increased to 4.4 per cent compared with 4.3 per cent as of 31 December 2018. This operating segment's non-performing loan coverage ratio increased to 100 per cent as of 31 December 2019, from 97 per cent provisions in Peru and Argentina as of 31 December 2019 compared to the balance recorded as of 31 December 2018.

### Rest of Eurasia

This operating segment includes the retail and wholesale banking businesses carried out by the Group in Europe and Asia, except for those businesses comprised in our Spain and Turkey operating segments. In particular, The Group's activity in Europe is carried out through banks and financial institutions in Switzerland, Italy, Germany and Finland and branches in Germany, Belgium, France, Italy, Portugal and the United Kingdom. The Group's activity in Asia is carried out through branches (in Taipei, Tokyo, Hong Kong, Singapore and Shanghai) and representative offices (in Beijing, Seoul, Mumbai, Abu Dhabi and Jakarta).

Financial assets designated at fair value for this operating segment (which includes the following portfolios: "Financial assets held for trading", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income") as of 31 December 2019 amounted to €477 million, a 5.2 per cent decrease compared with the €504 million recorded as of 31 December 2018, mainly due to the decrease in debt securities within the fair value through other comprehensive income portfolio in C&IB Asia.

Financial assets at amortised cost of this operating segment as of 31 December 2019 amounted to €22,224 million, a 24.9 per cent increase compared with the €17,799 million recorded as of 31 December 2018. Within this heading, loans and advances to customers of this operating segment as of 31 December 2019 amounted to €19,660 million, an 18.4 per cent increase compared with the €16,598 million recorded as of 31 December 2018, mainly as a result of an increase in enterprise loans and the growth in the corporate and investment banking business in Asia.

Customer deposits at amortised cost of this operating segment as of 31 December 2019 amounted to €4,708 million, a 3.5 per cent decrease compared with the €4,876 million recorded as of 31 December 2018, mainly

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due to the negative interest rate environment in Europe which has led certain investors to withdraw certain deposits.

Pension funds in this operating segment as of 31 December 2019 amounted to €500 million, a 29.1 per cent increase compared with the €388 million recorded as of 31 December 2018, mainly due to the offering of a new multi-strategic product.

The non-performing loan ratio of this operating segment as of 31 December 2019 was 1.2 per cent compared with 1.7 per cent as of 31 December 2018. This operating segment's non-performing loan coverage ratio increased to 98 per cent as of 31 December 2019, from 83 per cent as of 31 December 2018.

### Organisational Structure

As of 31 December 2019, the Group was composed of 288 consolidated entities and 54 entities accounted for using the equity method.

The companies comprising the BBVA Group are principally domiciled in the following countries: Argentina, Bolivia, Brazil, Chile, Colombia, Finland, France, Germany, Italy, Mexico, Netherlands, Peru, Portugal, Romania, Spain, Switzerland, Turkey, United Kingdom, the United States of America, Uruguay and Venezuela. In addition, BBVA has an active presence in Asia.

Below is a simplified organizational chart of BBVA's most significant subsidiaries as of 31 December 2019.

Subsidiary	Country of Incorporation	Activity	BBVA Voting Power	BBVA Ownership	Total Assets (1)
(in Percentages)					(In Millions of Euros)
BBVA MEXICO	Mexico	Bank	100.00	100.00	95,364
BBVA USA	The United States	Bank	100.00	100.00	72,994
GARANTI BBVA AS	Turkey	Bank	49.85	49.85	56,969
BBVA PERU	Peru	Bank	92.24 (2)	46.12	21,506
BBVA SEGUROS, S.A. DE SEGUROS Y REASEGUROS	Spain	Insurance	99.96	99.96	17,950
BBVA COLOMBIA, S.A.	Colombia	Bank	95.47	95.47	17,222
BANCO BBVA ARGENTINA, S.A.	Argentina	Bank	66.55	66.55	6,587
SEGUROS BBVA BANCOMER, S.A. DE C.V., GRUPO FINANCIERO BBVA BANCOMER	Mexico	Insurance	100.00	100.00	5,335
PENSIONES BBVA BANCOMER, S.A. DE C.V., GRUPO FINANCIERO BBVA BANCOMER	Mexico	Insurance	100.00	100.00	5,080
BBVA USA BANCSHARES, INC.	The United States	Investment	100.00	100.00	4,099

(1) Information for non-EU subsidiaries has been calculated using the prevailing exchange rates on 31 December 2019.

(2) Subject to certain exceptions.

### Selected Financial Data

The historical financial information set forth below for the years ended 31 December 2019, 2018 and 2017 has been selected from, and should be read together with, the Consolidated Financial Statements included herein. The Group's consolidated income statements for 2018 and 2017 have been restated for comparative purposes due to the entry into force of the Amendment to IAS 12.

### Consolidated Statement of Income Data

#### Year ended 31 December

2019                      2018                      2017

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	<b>(in millions of euro)</b>		
Net interest income	18,202	17,591	17,758
Net profit	4,345	6,227	4,757
Net profit attributable to parent company	3,512	5,400	3,514

### Consolidated Statement of Income Data

	<b>As at 31 December</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>(in millions of euro)</b>		
Total assets	698,690	676,689	690,059
Financial assets at amortised cost	439,162	419,660	445,275
Customers' deposits	384,219	375,970	376,379
Debt certificates and other financial liabilities	68,619	63,970	63,915
Non-controlling interests	6,201	5,764	6,979
Total equity	54,925	52,874	53,323

### DIRECTORS AND SENIOR MANAGEMENT

BBVA is managed by a Board of Directors which, in accordance with its current by-laws (*Estatutos*), must consist of no less than 5 and no more than 15 members. All members of the Board of Directors are elected to serve three-year terms. BBVA's Board of Directors' Regulations state that the Board of Directors must try to ensure that there is an ample majority of non-executive directors over executive directors on the Board of Directors.

BBVA's corporate governance system is based on the distribution of functions between the Board of Directors, the Executive Committee (*Comisión Delegada Permanente*) and other specialised Board Committees, namely: the Audit Committee; the Appointments and Corporate Governance Committee; the Remunerations Committee; the Risk and Compliance Committee; and the Technology and Cybersecurity Committee. BBVA's Board of Directors are assisted in fulfilling its responsibilities by the Executive Committee. The Executive

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Committee will deal with those matters of the Board of Directors that the Board agrees to delegate to it, in accordance with the law, the Bylaws, the Board of Directors' Regulations or its own Regulations approved by the Board of Directors.

### **Board of Directors**

The Board of Directors of BBVA currently comprises 15 members. The business address of the Directors of BBVA is Calle Azul, 4, 28050 Madrid.

BBVA may, from time to time, enter into transactions in the ordinary course of its business, and on an arm's length basis, with the Directors.

BBVA's Board of Directors' Regulations includes rules which are designed to prevent situations where a potential conflict of interest may arise. These Regulations provide, among other matters, that directors must refrain from participating in deliberations and vote on resolutions or decisions in which they or a related party may have a direct or indirect conflict of interest. Accordingly, there are no potential conflicts of interest between the private interests or other duties of the directors and their duties to BBVA.

The following table sets forth the names of the members of the Board of Directors as of the date of this Base Prospectus, their date of appointment and re-election, if applicable, their current positions and their present principal outside occupation and employment history.

Name	Birth Year	Current Position	Date Nominated	Date Re-elected	Present Principal Outside Occupation and Employment History <sup>(*)</sup>
Carlos Torres Vila <sup>(1)(6)</sup>	1966	Group Executive Chairman	4 May 2015	15 March 2019	Chairman of the Board of Directors and Group Executive Chairman of BBVA since December 2018. Chairman of the Executive Committee and of the Technology and Cybersecurity Committee. Director of Grupo Financiero BBVA Bancomer, S.A. de C.V. and BBVA Bancomer S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer. Chief Executive Officer of BBVA from May 2015 until his appointment as Chairman. He started at BBVA in September 2008 holding senior management posts such as Head of Digital Banking from March 2014 to May 2015 and BBVA Strategy & Corporate Development Director from January 2009 to March 2014.
Onur Genç <sup>(1)</sup>	1974	Chief Executive Officer	20 December 2018	15 March 2019	Chief Executive Officer of BBVA since December 2018. Director of BBVA USA Bancshares, Inc., Grupo Financiero BBVA Bancomer, S.A. de C.V. and BBVA Bancomer S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer. Chairman and CEO of BBVA USA and BBVA's Country Manager in the USA from January 2017 to December 2018. Deputy CEO at Garanti BBVA between 2015 and 2017 and Executive Vice President at Garanti BBVA between 2012 and 2015.

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Name	Birth Year	Current Position	Date Nominated	Date Re-elected	Present Principal Outside Occupation and Employment History <sup>(*)</sup>
José Miguel Andrés Torrecillas(1)(2)(3)	1955	Deputy Chair; Independent Director	13 March 2015	16 March 2018	Deputy Chair of the Board of Directors of BBVA since April 2019 and Chairman of the Appointments and Corporate Governance Committee. Director of Zardoya Otis, S.A. Chairman of Ernst & Young Spain from 2004 to 2014, where he was a partner since 1987 and also held a series of senior offices, including Managing Partner of the Banking Group from 1989 to 2004 and Managing Director of the Audit and Advisory practices at Ernst & Young Italy and Portugal from 2008 to 2013.
Jaime Félix Caruana Lacorte(1)(2)(5)	1952	Independent Director	16 March 2018	Not applicable	Chairman of the Audit Committee since April 2019. Member of the Group of Thirty (G-30) and Sponsor ( <i>patrono</i> ) of the Spanish Aspen Institute Foundation. General Manager of the Bank of International Settlements (BIS) between 2009 and 2017. Between 2006 and 2009 he was Head of the Monetary, Capital Markets Department and Financial Counselor and General Manager at the International Monetary Fund (IMF), he was Chair of the Basel's Banking Supervision Committee between 2003 and 2006, he was Governor of the Bank of Spain between 2000 and 2006, and he was General Manager of Banking Supervision at the Bank of Spain between 1999 and 2000.
Raúl Catarino Galamba de Oliveira (5)(6)	1964	Independent Director	13 March 2020	Not applicable	Independent Chair of the Board of Director of CTT- Correios de Portugal, S.A. and non-executive director of José de Mello Saúde and José de Mello Capital. His career path has been mainly linked to McKinsey & Company, where he was appointed partner in 1995, Director of the Portugal office in 2000, Managing Partner of Global Risk practice between 2013 and 2016, member of the Global Shareholders' Board from 2005 and 2011, member of the Global Partner Election and Evaluation Committees between 2001 and 2017, member of the Remuneration Committee from 2005 to 2013 and Chairman of the Global Learning Board from 2006 to 2011.
Belén Garijo López(2)(3)(4)	1960	Independent Director	16 March 2012	16 March 2018	Chair of the Remunerations Committee. Member of the Executive Board of Merck Group and CEO of Merck Healthcare, member of the Board of Directors of L'Oréal and, since 2011, Chair of the International Senior Executive Committee of PhRMA, ISEC (Pharmaceutical Research and Manufacturers of America). Previously, she was President of Commercial Operations for Europe and Canada at Sanofi Aventis.



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Name	Birth Year	Current Position	Date Nominated	Date Re-elected	Present Principal Outside Occupation and Employment History <sup>(*)</sup>
Sunir Kumar Kapoor(6)	1963	Independent Director	11 March 2016	15 March 2019	Operating partner at Atlantic Bridge Capital, independent director at Stratio Big Data and advisor to mCloud. He was President and CEO of UBmatrix Inc from 2005 to 2011. Executive Vice President and CMO of Cassatt Corporation from 2004 to 2005. Oracle Corporation, Vice President Collaboration Suite from 2002 to 2004. Founder and CEO of Tsola Inc from 1999 to 2001. President and CEO of E-Stamp Corporation from 1996 to 1999. Vice President of Strategy, Marketing and Planning of Oracle Corporation from 1994 to 1996.
Lourdes Máiz Carro(2)(4)	1959	Independent Director	14 March 2014	13 March 2020	Secretary of the Board of Directors and Director of Legal Services at Iberia, Líneas Aéreas de España from 2001 until 2016. Joined the Spanish State Counsel Corps (Cuerpo de Abogados del Estado) and from 1992 until 1993 she was Deputy to the Director in the Ministry of Public Administration. From 1993 to 2001 held various senior positions in the Public Administration, including Director of the Cabinet of the Assistant Secretary of Public Administration and General Director of the Sociedad Estatal de Participaciones Patrimoniales (SEPPA) within the Ministry of Economy and Finance.
José Maldonado Ramos(1)(3)	1952	External Director	28 January 2000	16 March 2018	Appointed Director and General Secretary of BBVA in January 2000. Took early retirement as Bank executive in December 2009. Previously, he was Board Secretary and Director of Legal Services for Empresa Nacional para el Desarrollo de la Industria Alimentaria, S.A. (Endiasa); Astilleros Españoles, S.A.; and Iberia, Líneas Aéreas de España, S.A.
Ana Cristina Peralta Moreno(2)(4)	1961	Independent Director	16 March 2018	Not applicable	Independent director of Grenergy Renovables, S.A. and independent director of Inmobiliaria Colonial, SOCIMI, S.A. Independent director at Deutsche Bank SAE from 2014 to 2018; independent director at Banco Etcheverría, S.A. between 2013 and 2014. Previously, she was Chief Risk Officer and Member of the Management Committee of Banco Pastor, S.A. and she held several positions at Bankinter, S.A. including Chief Risk Officer and member of the Management Committee.
Juan Pi Llorens(3)(5)(6)(7)	1950	Independent Director	27 July 2011	16 March 2018	Lead Director of BBVA since April 2019 and Chairman of the Risk and Compliance Committee. Chairman of the Board of Directors of Ecolumber, S.A. and non-executive director at Oesía Networks, S.L. and at Tecnobit, S.L.U.

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Name	Birth Year	Current Position	Date Nominated	Date Re-elected	Present Principal Outside Occupation and Employment History <sup>(*)</sup>
Ana Leonor Revenga Shanklin (5)	1963	Independent Director	13 March 2020	Not applicable	Had a professional career at IBM holding various senior posts at a national and international level including Vice President for Sales at IBM Europe from 2005 to 2008, Vice President of Technology & Systems Group at IBM Europe from 2008 to 2010 and Vice President of the Finance Services Sector at GMU (Growth Markets Units) in China from 2009 to 2011. He was executive President of IBM Spain between 1998 and 2001. Senior Fellow at the Brookings Institution since 2018, Adjunct Professor at the Walsh School of Foreign Service at Georgetown University since 2019 and Chair of the ISEAK Foundation Board of Trustees since 2018. Her career path has been mainly linked to World Bank, where she has held various senior posts, including Senior Global Director of Poverty and Equity between 2014 and 2016 and Deputy Chief Economist between 2016 and 2017.
Susana Rodríguez Vidarte(1)(3)(5)	1955	External Director	28 May 2002	13 March 2020	Professor of Strategy at the Faculty of Economics and Business Sciences at Universidad de Deusto. She was Dean of the Faculty of Economics and Business Administration of the University of Deusto from 1996 to 2009, Director of the Instituto Internacional de Dirección de Empresas (INSIDE) from 2003 to 2008 and Director of the Postgraduate Area from 2009 to 2012. Doctor in Economic and Business Sciences from Universidad de Deusto.
Carlos Vicente Salazar Lomelín (4)	1951	External Director	13 March 2020	Not applicable	Chairman of Mexico's Business Coordinating Council since 2019 and independent director to Sukarne and Asea since 2017 and 2019, respectively. Director of Grupo Financiero BBVA Bancomer, S.A. de C.V. and of BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer. His career path has been linked to the Grupo Fomento Económico Mexicano S.A.B. de C.V. (Femsa) until 2019, having held roles such as General Manager of Cervecería Cuauhtémoc-Moctezuma and General Manager of Femsa from 2014 to 2017.
Jan Paul Marie Francis Verplancke (4)(6)	1963	Independent Director	16 March 2018	Not applicable	Director, Chief Information Officer, Group Head of Technology and Banking Operations, of Standard Chartered Bank, between 2004 and 2015. Before that, he held several positions in multinational companies, such as Vice President of Technology and Chief Information Officer, in the EMEA region of Dell (1999-2004).

(\*) Where no date is provided, the position is currently held.

(1) Member of the Executive Committee.

(2) Member of the Audit Committee.

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- (3) Member of the Appointments and Corporate Governance Committee.
- (4) Member of the Remunerations Committee.
- (5) Member of the Risk and Compliance Committee.
- (6) Member of the Technology and Cybersecurity Committee.
- (7) Lead Director.

### Major Shareholders and Share Capital

On 5 February 2020, Blackrock, Inc. reported to the SEC that it beneficially owned 6.3 per cent of BBVA's common stock.

As of 11th May, 2020, Norges Bank communicated that it held an indirect interest of 3.235 per cent. in BBVA's share capital.

As of 24 February 2020, no other person, corporation or government beneficially owned, directly or indirectly, five per cent or more of BBVA's shares. BBVA's major shareholders do not have voting rights which are different from those held by the rest of its shareholders. To the extent known to us, BBVA is not controlled, directly or indirectly, by any other corporation, government or any other natural or legal person. As of 24 February 2020, there were 864,696 registered holders of BBVA's shares, with an aggregate of 6,667,886,580 shares, of which 694 shareholders with registered addresses in the United States held a total of 1,309,903,524 shares (including shares represented by American Depositary Shares evidenced by American Depositary Receipts ("ADRs")). Since certain of such shares and ADRs are held by nominees, the foregoing figures are not representative of the number of beneficial holders.

### Legal Proceedings

The Group operates in legal and regulatory environments that expose it to potentially significant legal and regulatory actions and proceedings, including legal claims and proceedings, civil and criminal regulatory proceedings, governmental and judicial investigations and proceedings, tax proceedings and other proceedings. Legal and regulatory actions and proceedings are subject to many uncertainties, and their outcomes, including the timing thereof, the amount of fines or settlements, which may be material, arising therefrom, or the form of any settlements, or changes in business practices the Group may need to introduce as a result thereof are often difficult to predict, particularly in the early stages of a particular legal or regulatory matter.

As of the date hereof, the Guarantor and its subsidiaries are involved in a number of legal and regulatory actions and proceedings in various jurisdictions around the world (including, among others, Spain, Mexico and the United States). See *"Risk Factors—The Group is party to a number of legal and regulatory actions and proceedings"* and *"Risk Factors - The Spanish judicial authorities are carrying out a criminal investigation relating to possible bribery, revelation of secrets and corporate corruption by BBVA."*

The Group can provide no assurance that the legal and regulatory actions and proceedings to which it is subject, or to which it may become subject in the future or otherwise affected by, will not, if resolved adversely, result in a material adverse effect on the Group's business, financial position or results of operations.

## TAXATION

### General

Transactions involving Warrants including the purchase, ownership, disposition and exercise of Warrants may have tax consequences for potential purchasers which may depend, amongst other things, upon the conditions applicable to the particular issue of Warrants, the status and circumstances of the potential purchaser and the applicable law and practice of taxation authorities in relevant jurisdictions.

### **POTENTIAL PURCHASERS WHO ARE IN ANY DOUBT ABOUT THE TAX POSITION IN RESPECT OF ANY ASPECT OF TRANSACTIONS INVOLVING WARRANTS OR THE OWNERSHIP OF WARRANTS SHOULD CONSULT THEIR OWN TAX ADVISERS**

Potential purchasers of Warrants should note that they may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase or other relevant jurisdictions, depending upon the circumstances, in addition to the issue price of each Security.

Each potential purchaser of Warrants should carefully consider General Condition 6 (Taxation)

The following comments are of a general nature. They do not constitute legal or tax advice; they are not exhaustive and should be treated with appropriate caution.

### **Preliminary consideration: Tax residence of the Issuer**

The Issuer is incorporated as a private company with limited liability under the laws of the Netherlands. On the basis of section 2 subsection 4 Dutch Corporate Income Tax Act 1969, a company which is incorporated under Dutch law, is considered to be resident of the Netherlands for Dutch domestic tax purposes. This notwithstanding, the effective management of the company is currently carried out from Spain, since the key management and commercial decisions that are necessary to conduct the entity's business are taken from Spain. On the basis of such circumstance, the Issuer is also regarded as resident in Spain for tax purposes, as provided by Law 27/2014, of 27 November 2014 of the Corporate Income Tax (*Impuesto sobre Sociedades*).

Under this scenario in which the Issuer is resident for tax purposes both in Spain and in the Netherlands, the provisions contained in the Convention between The Netherlands and Spain for the Avoidance of Double Taxation with respect to Taxes on Income and on Net Wealth (the "**Convention**") apply. The Convention was ratified by Instrument made in Madrid on 16 June 1971 and was published on the Spanish National Gazette on 16 October 1972.

Pursuant to section 4 of the Convention (which deals with the general criteria followed by the Convention to consider a person as a resident of a Contracting State), an entity which is a resident of both Spain and the Netherlands is considered to be a resident of the State in which the place of its effective management is located (i.e., Spain).

### **Responsibility for Withholding**

Payments in respect of Warrants will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax. However, if the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law in case B as defined in "Spanish Taxation" of Section "Taxation", the Issuer or, as the case may be, the Guarantor will (subject to certain exceptions described in General Conditions 6) pay such additional amounts as will result in the holders of Warrants receiving such amounts as they would have received in respect of such Warrants had no such withholding or deduction been required.

### **Spanish Taxation**

The provisions of sub-section (A) below shall apply to a Series of Warrants if Condition 6(b) is specified as being applicable in the Final Terms in respect of such Series:

(A) The acquisition of the Warrants is exempt from Transfer and Stamp Tax (*Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados*) and Value Added Tax (*Impuesto sobre el Valor Añadido*).

## TAXATION

### 1. Spanish resident individuals

#### (a) *Personal Income Tax*

In the case of holders who are personal income tax (“**Personal Income Tax**”) taxpayers, the tax regime applicable to income deriving from the Warrants is regulated in Law 35/2006, of 28 November on Personal Income Tax (“**Law 35/2006**”) as amended by Law 26/2014 of November 28, 2014 and in Royal Decree 439/2007, of 30 March as amended by Royal Decree 1003/2014 of December 5, 2014 approving the Personal Income Tax regulations.

In relation to the income deriving from the Warrants, the Issuer is of the opinion that an issue of Warrants will not represent the obtaining and use of third party capital and, therefore will not be a source of income obtained from the transfer of own capital to third parties as defined in Article 25.2 of Law 35/2006 as amended by Law 26/2014 of November 28, 2014.

The price paid for the subscription of a Warrant or its acquisition in a secondary market will be treated as its acquisition value.

Income deriving from the transfer of the Warrant will qualify as a capital gain or loss. The amount will be determined as the difference between the acquisition value (including related taxes and expenses) of the relevant Warrant and the transfer price (net from any taxes and expenses related to the transfer provided that they have been paid by the transferor) of such Warrant.

If the Warrant is exercised, the income obtained, calculated as the difference between the amount received and the acquisition value of the Warrant, will be treated as a capital gain and should be included, in the savings income (*base del ahorro*), and taxable, at the rate of 19% on any income up to EUR 6,000, 21% from EUR 6,000.01 to 50,000; and 23% over EUR 50,000. If the exercise of a Warrant results in the delivery of shares, no taxation would result for the investor.

If the Warrant is not exercised at maturity, the investor will obtain a capital loss calculated as the acquisition value of the Warrant.

Capital loss obtained may be offset against any capital gain obtained during the tax period included in the Saving Income Base. The excess, if any, may be offset against the other incomes included in such Base with a limit of 20%. The excess, if any, may be offset in the same order within the following four years.

Any capital loss obtained from the Warrants would not be offsettable if the investor acquires homogeneous securities within the two months period after or before the transfer of the Warrant.

Income deriving from the Warrants will not be subject to any withholding or deduction for or on account of Spanish taxes.

#### (b) *Wealth Tax*

Individuals with tax residency in Spain are subject to Wealth Tax on tax year 2020 to the extent that their net worth exceeds €700,000. Therefore, they should take into account the value of the Warrants which they hold as at 31 December 2020.

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory, exceed €700,000 would be subject to Wealth Tax at the applicable rates, ranging between 0.2 per cent. and 2.5 per cent., without prejudice of any exemption that should be applicable and the laws and regulations in force in each Autonomous Region.

As a consequence of the European Court of Justice Judgment (Case C-127/12), the Wealth Tax Law has been amended by Law 26/2014. As a result, non-Spanish tax resident individuals who are residents in the EU or in the European Economic Area can apply the legislation of the region in which the highest value of the assets and rights of the individuals are located.

#### (c) *Legal entities are not subject to Wealth Tax. Inheritance and Gift Tax*

The transfer of the Warrants to individuals by inheritance, legacy or donation shall be subject to the general rules of Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones) in accordance with the applicable Spanish and State rules even if title passes outside Spain and neither the heir nor the

## TAXATION

beneficiary, as the case may be, is resident in Spain for tax purposes, without prejudice to the provisions of any DTT signed by Spain.

The effective tax rates, after applying all relevant factors, range between 0 per cent. and 81.6 per cent.

However, the Judgment from the European Court of Justice dated 3 September 2014 has declared that Spanish Inheritance and Gift Tax Law is against the principle of free movement of capital within the EU as the Spanish residents are granted tax benefits that, in practice, allow them to pay much lower taxes than non residents. According to Law 26/2014, it will be possible to apply tax benefits approved in some Spanish regions to EU residents following specific rules.

In the event that the beneficiary is an entity other than a natural person, the income obtained shall be subject to Corporate Income Tax or Non-Resident Income Tax, as the case may be, and without prejudice, in the latter event, to the provisions of any DTT that may apply.

### 2. Spanish resident legal entities

#### (a) *Corporate Income Tax*

In the case of Warrantholders subject to corporate income tax (“**Corporate Income Tax**”), the applicable tax regime is governed by the Law 27/2014 of November 28, 2014 approving the consolidated text of the Corporate Income Tax Law and in Royal Decree 634/2015, of 10 July approving the Corporate Income Tax regulations.

The price paid for the acquisition of a Warrant will not have the condition of a tax-deductible expense and will be treated as the acquisition value of the relevant Warrant. Likewise, the price paid for a Warrant in the secondary market will be treated as its acquisition value.

If the Warrant is transferred, the accounting result deriving from such transfer, computed as the difference between the acquisition value (net of any provision) and the transfer price will be treated as income subject to Corporate Income Tax in accordance with the general rules.

If the Warrant is exercised, the income obtained, calculated as the difference between the amount received and the acquisition value of the Warrant, will be treated as taxable income and taxed at the general applicable tax rate (25%). If the exercise of a Warrant results in the delivery of shares, no taxation would result for the investor.

If the Warrant is not exercised at maturity, the investor will obtain a negative income calculated as the acquisition value of the Warrant.

Income deriving from the Warrants will not be subject to any withholding or deduction for or on account of Spanish taxes.

#### (b) *Wealth Tax*

Legal entities are not subject to Wealth Tax.

#### (c) *Inheritance and Gift Tax*

Legal entities with tax residence in Spain which acquire ownership or other rights over the Warrants by inheritance, gift or legacy are not subject to Inheritance and Gift Tax and must include the market value of the Warrants in their taxable income for Corporate Income Tax purposes.

### 3. Non Spanish resident investors

#### (a) *Non-Residents Income Tax*

In case of Warrantholders subject to non residents income tax (“**Non Residents Income Tax**”), the applicable tax regime is governed by Royal Legislative Decree 5/2004, of 5 March as amended by Law 26/2014 of November 28, 2014 approving the consolidated text of the Non Residents Income Tax Law and in Royal Decree 1776/2004, of 30 July approving the Non Residents Income Tax regulations as amended by Royal Decree 1003/2014 of December 5, 2014.

(i) *Investors not operating through a permanent establishment in Spain:* The price paid for the subscription of the Warrant or its acquisition in a secondary market will be considered as its acquisition value.

## TAXATION

Income deriving from the transfer of the Warrant will qualify as a capital gain or loss. The amount will be determined as the difference between the acquisition value (including related taxes and expenses) of the relevant Warrant and the transfer price (net from any taxes and expenses related to the transfer provided that they have been paid by the transferor) of such Warrant.

If the Warrant is exercised, the income obtained, calculated as the difference between the amount received and the acquisition value of the Warrant, will be treated as a capital gain. If the exercise of a Warrant results in the delivery of shares, no taxation would result for the investor.

As a general rule, any capital gain will be taxable at the general rate of 19%. However, if the investor is resident in a country with which Spain has signed a double tax treaty containing an exchange of information clause, income deriving from the transfer or exercise of the Warrant carried out in any of the Spanish official secondary stock markets will be exempt from taxation in Spain subject to the relevant formalities.

Moreover, if an investor is resident in a Member State of the European Union not qualified as a tax haven for Spanish tax purposes (as defined in Royal Decree 1080/1991, of 5 July) and does not obtain the income through a permanent establishment located in Spain, the capital gain obtained from the transfer or exercise of the Warrant will be exempt from taxation in Spain.

- (ii) *Investors operating through a permanent establishment in Spain:* In the case of a non-resident investor operating through a permanent establishment in Spain, the income will be subject to Non Residents Income Tax in accordance with Corporate Income Tax rules.

In both cases 3(a)(i) and 3(a)(ii) above, income deriving from the Warrants will not be subject to any withholding or deduction for or on account of Spanish taxes.

### (b) *Wealth Tax*

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed €700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2% and 2.5%.

Non-Spanish resident legal entities are not subject to Wealth Tax.

### (c) *Inheritance and Gift Tax*

Individuals who do not have tax residence in Spain and who acquire ownership or other rights over the Warrants by inheritance, gift or legacy will be subject to Inheritance and Gift Tax in accordance with the applicable regional or State rules to the extent that the Warrants are located in Spain or the rights deriving from them can be exercised in Spanish territory.

Individuals who are resident in a country with which Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax will generally not be subject to inheritance and gift tax.

Non resident legal entities which acquire ownership or other rights over the Warrants by inheritance, gift or legacy are not subject to Inheritance and Gift Tax but to Non Residents Income Tax.

## 4. **Payments made by the Guarantor**

The payment of any Cash Settlement Amount and/or the delivery of any Entitlement by the Guarantor under the Guarantee may be made or delivered free and clear of withholding or deduction on account of Spanish taxes either (i) if such distribution is characterised as an indemnity under Spanish law or (ii) if the Spanish Tax Authorities take the view that the Guarantor has effectively assumed the obligations of the Issuer under the Warrants (whether contractually or by any other means) since distributions by the Guarantor would then be subject to the same tax rules as described above in relation to distributions by the Issuer.

**THE ABOVEMENTIONED TAXATION CONSIDERATIONS SHALL BE APPLICABLE UNLESS, ACCORDING TO CERTAIN CRITERIA ISSUED BY THE SPANISH TAX AUTHORITIES, A PARTICULAR WARRANT CAN NOT BE CONSIDERED AS AN OPTION FOR SPANISH TAX PURPOSES BUT AS A FINANCIAL ASSET. SHOULD THIS BE THE CASE, ANY GAIN OR LOSS DERIVING FROM THE WARRANT WILL QUALIFY AS INCOME OBTAINED FROM THE USE OF THIRD PARTY CAPITAL RATHER THAN A CAPITAL GAIN OR LOSS. DUE TO THE RESTRICTIONS OF SUBSCRIPTION AND SALE OF THE WARRANTS (as defined under**

## TAXATION

**“Subscription and Sale—Spain”), THIS KIND OF WARRANTS COULD BE VALID ONLY FOR NON RESIDENT WARRANTHOLDERS. IN THIS CASE, THE SPANISH TAXATION APPLICABLE SHALL BE PARAGRAPH (B) BELOW AND THIS WILL BE SPECIFIED IN THE FINAL TERMS.**

### ***(B) Alternative Spanish Tax Treatment***

The provisions of this sub-section (B) shall apply to a Series of Warrants if Condition 7(c) is specified as being applicable in the Final Terms in respect of such Series:

#### ***Acquisition of the Warrants***

The issue of, subscription for, transfer and acquisition of the Warrants is exempt from Transfer and Stamp Tax (Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados) and Value Added Tax (Impuesto sobre el Valor Añadido).

#### **Taxation on the income and transfer of the Warrants**

The tax treatment of the acquisition, holding and subsequent transfer of the Warrants is summarised below and is based on the tax regime applicable to the Warrants pursuant to Royal Legislative Decree 5/2004 of 5 March 2004 as amended by Law 26/2014 of November 28, 2014 approving the consolidated text of the Non-Resident Income Tax Law (*Impuesto sobre la Renta de los no Residentes*). Consideration has also been given to the rules for the implementation of such regulation (basically Royal Decree 1776/2004 of 30 July 2004 as amended by Royal Decree 1003/2014 of December 5, 2014 approving the Non-Resident Income Tax Regulations).

Consideration has also been given to Spanish legislation on the issuance of preferred securities and debt securities issued by Spanish financial and non-financial listed entities, either directly or through a subsidiary (Additional Provision one of Law 10/2014 of 26 June 2014 on investment ratios, own funds and information obligations of financial intermediaries, as amended; and Royal Decree 1065/2007 of 27 July 2007 (as amended by RD 1145/2011) approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes.

Income obtained by Warrantholders who are Non-Resident Income Tax payers, both on interest and in connection with the transfer, repayment or settlement of the Warrants, whether or not through a permanent establishment, shall be considered Spanish source income and therefore subject to taxation in Spain under Legislative Royal Decree 5/2004 of 5 March 2004 as amended by Law 26/2014 of November 28, 2014 approving the Consolidated Non-Resident Income Tax Law, without prejudice to the provisions contained in any applicable tax treaty for the avoidance of double taxation (“**DTT**”).

#### ***Income obtained through a permanent establishment in Spain in respect of the Warrants***

The holding of Warrants by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

Income obtained by Non Spanish resident holders acting through a permanent establishment in Spain in respect of the Warrants will be taxed under the rules provided by Chapter III of the Non-Resident Income Tax Law. These Warrantholders will be subject to taxation substantially in the same manner as Spanish Corporate Income Tax taxpayers and, therefore, it shall be computed as taxable income in accordance with the general rules set out in the Corporate Income Tax Law and will therefore be taxed at the current general tax rate of 25%. The aforesaid income shall not be subject to withholding tax.

#### ***Income not obtained through a permanent establishment in Spain in respect of the Warrants***

Income obtained by Warrantholders who are not tax resident in Spain acting for these purposes without a permanent establishment within Spain is exempt from such Non-Resident Income Tax according to Additional Provision Two of Law 10/2014 of 26 June, 2014.

#### ***Tax rules for payments made by the Guarantor***

Payments which may be made by the Guarantor to Warrantholders, if the Guarantee is enforced, will be subject to the same tax rules previously set out for payments made by the Issuer.



## TAXATION

### *Tax Reporting Obligations of the Issuer and the Guarantor*

Royal Decree 1145/2011 modified, among others, article 44 of Royal Decree 1065/2007 of 27 July, which sets out the reporting obligations applicable to preference shares and debt instruments issued under Additional Provision One of Law 10/2014 of 26 June, 2014. The new procedures apply to interest deriving from preference shares and debt instruments to which Additional Provision One of Law 10/2014 of 26 June, refers, including debt instruments issued at a discount for a period equal to or less than twelve months.

According to the literal wording of Royal Decree 1145/2011, income derived from securities originally registered with the entities that manage clearing systems located outside Spain, that are recognized by Spanish law or by the law of another OECD country (such as Euroclear or Clearstream), will be paid free of Spanish withholding tax provided that the paying agent appointed by the issuer submits a statement to the issuer, in accordance with the form attached as annex to RD 1145/2011, with the following information:

- (i) identification of the securities; and
- (ii) total amount of the income corresponding to each clearing house located outside Spain. These obligations refer to the total amount paid to investors through each foreign clearing house.

The statement mentioned above must be dated the business day immediately before the date on which the interest is payable or, in the case of securities issued at a discount, the business day immediately before the settlement date of such securities. The statements must reflect the situation at the close of business on the business day immediately before the date on which the interest is payable.

In the case of payments made in respect of the Warrants, the failure to submit the relevant statement will result in the issuer or its authorized paying agent being liable to make the corresponding payment net of the applicable Spanish withholding tax (this is currently at the rate of 19%. In such circumstances, neither the Issuer nor the Guarantor will be required to pay additional amounts in respect of such withholding tax. The Warrant Agreement in respect of the Warrants contains provisions for the Principal Warrant Agent to provide the relevant information to the Issuer in due course.

Notwithstanding the above, if on or before the 10th day of the month following the month in which the payment is made, the relevant entity submits the statement, the issuer or its authorized paying agent will refund the amount withheld in excess, as soon as it receives the statement.

Please note that this is for general information purposes only and is not intended to be nor shall it be deemed to be, or constitute legal advice.

None of the Issuer, the Guarantor, the Dealer(s), the Paying Agent, and/or the European Clearing Systems assumes any responsibility therefore.

### *Refund by the Spanish tax authorities*

Warrantholders who might otherwise have been entitled to a gross payment but in respect of whom the Principal Warrant Agent does not provided with the relevant Annex on or before the 10th calendar day of the month that follows the month in which the interest is payable may seek a refund of Spanish tax withheld directly from the Spanish tax authorities.

### **Dutch Taxation**

The following describes the principal Dutch tax consequences of the holding, exchange and disposal of the Warrants. This summary does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant to a decision to purchase, to hold, and to dispose of the Warrants. Each prospective holder of Warrants should consult a professional adviser with respect to the tax consequences of an investment in the Warrants. The discussion of certain Dutch taxes set forth below is included for general information purposes only.

This summary is based on the Dutch tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of this Base Prospectus, without prejudice to any amendments introduced at a later date and implemented with retroactive effect. Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

## TAXATION

### *Tax position of the Issuer*

Under the Convention, the Issuer is considered to be resident of Spain for tax purposes and therefore the Netherlands should refrain from levying corporate income tax on profits generated by the Issuer, except if and to the extent such profits are allocable to a Dutch permanent establishment or permanent representative of the Issuer.

### *Withholding tax*

All payments made by the Issuer under a Warrant may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

### *Taxes on Income and Capital Gains*

A holder of the Warrants (the “**Warrantholder**”) who derives income from a Warrant or who realises a gain from the disposal or settlement of a Warrant will not be subject to Dutch taxation on such income or gain, provided that:

- (a) the Warrantholder is neither resident nor deemed to be resident of the Netherlands for Dutch tax purposes ;
- (b) the Warrantholder does not have an enterprise or deemed enterprise (as defined in Dutch tax law) or an interest in an enterprise or deemed enterprise (as defined in Dutch tax law) that is, in whole or in part, carried on through a permanent establishment (vaste inrichting) or a permanent representative (vaste vertegenwoordiger) in the Netherlands and to which permanent establishment or permanent representative, as the case may be, the Warrants are attributable;
- (c) the Warrantholder is not entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than by way of securities and to which enterprise the Warrants are attributable;
- (d) the Warrantholder does not have a substantial interest (aanmerkelijk belang) or a deemed substantial interest in the Issuer as defined in the Dutch Income Tax Act 2001 (Wet op de inkomstenbelasting 2001); and
- (e) if the Warrantholder is an individual, the Warrantholder does not derive benefits from the Warrants that are taxable as benefits from miscellaneous activities in the Netherlands (resultaat uit overige werkzaamheden in Nederland) as defined in the Dutch Income Tax Act 2001, which include, but are not limited to, activities in respect of the Warrants which are beyond the scope of “regular active asset management” (normaal actief vermogensbeheer).

Under Dutch tax law a Warrantholder will not be deemed a resident, domiciled or carrying on a business in the Netherlands by reason only of its holding of the Warrants or the performance by the Issuer of its obligations under the Warrants.

### *Gift and Inheritance Taxes*

No gift or inheritance taxes will arise in the Netherlands with respect to the acquisition of the Warrants by way of gift by, or on the death of, a Warrantholder, unless:

- (a) the Warrantholder is a resident or deemed to be resident of the Netherlands for the purpose of the relevant Dutch tax law provisions; or
- (b) in the case of a gift of the Warrants by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident of the Netherlands.

For the purpose of Dutch gift and inheritance tax, an individual who has the Dutch nationality will be deemed to be a resident of the Netherlands at the date of the gift or the date of his death, if he has been a resident of the Netherlands at any time during the ten years preceding the date of the gift or the date of his death.

For the purposes of Dutch gift tax, an individual who does not have the Dutch nationality will be deemed to be a resident of the Netherlands at the date of the gift, if he has been a resident of the Netherlands at any time during the twelve months preceding the date of the gift.

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### *Value Added Tax*

No Value Added Tax (Omzetbelasting) will arise in The Netherlands in respect of any payment in consideration for the issue of the Warrants or with respect to any payment by the Issuer in respect of the Warrants.

### *Other Taxes and Duties*

No registration tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable in the Netherlands in respect of or in connection with the issue of the Warrants.

### **Irish Taxation**

The following discussion is a summary of the Irish withholding tax treatment of the Warrants. It is based on the laws and practice of the Revenue Commissioners currently in force in Ireland as at the date of this Base Prospectus and may be subject to change. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant to a decision to purchase, own or dispose of the Warrants. The summary does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Warrants. Prospective investors in the Warrants should consult their professional advisers on the tax implications of the purchase, holding, exercise or sale of the Warrants and the receipt of payments thereon under any laws applicable to them.

### *Irish Withholding Tax*

Irish withholding tax applies to certain payments including payments of:

- (c) Irish source yearly interest (yearly interest is interest that is capable of arising for a period in excess of one year);
- (d) Irish source annual payments (annual payments are payments that are capable of being made for a period in excess of one year and are pure income-profit in the hands of the recipient); and
- (e) Distributions (including interest that is treated as a distribution under Irish law) made by companies that are resident in Ireland for the purposes of Irish tax;

at the standard rate of income tax (currently 20 per cent.) in the case of (i) and (ii) above and at the rate of 25% in the case of (iii) above.

On the basis that the Issuer is not resident in Ireland for the purposes of Irish tax, nor does the Issuer operate in Ireland through a branch or agency with which the issue of the Warrants is connected, nor are the Warrants held in Ireland through a depository or otherwise located in Ireland, then to the extent that payments of interest or annual payments arise on the Warrants, such payments should not be regarded as payments having an Irish source for the purposes of Irish taxation.

Accordingly, the Issuer or any paying agent acting on behalf of the Issuer should not be obliged to deduct any amount on account of these Irish withholding taxes from payments made in connection with the Warrants.

Separately, for as long as the Warrants are quoted on a stock exchange, a purchaser of the Warrants should not be obliged to deduct any amount on account of Irish tax from a payment made by it in connection with the purchase of the Warrants.

### *Irish Encashment Tax*

Payments on any Warrants paid by a paying agent in Ireland or collected or realised by an agent in Ireland acting on behalf of the beneficial owner of Warrants will be subject to Irish encashment tax at the standard rate of Irish tax (currently 20 per cent), unless it is proved, on a claim made in the required manner to the Revenue Commissioners of Ireland, that the beneficial owner of the Warrants entitled to the interest or distribution is not resident in Ireland for the purposes of Irish tax and such interest or distribution is not deemed, under the provisions of Irish tax legislation, to be income of another person that is resident in Ireland.

### *The Proposed Financial Transaction Tax*

The European Commission has published a 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.

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The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Warrants (including secondary market transactions) in certain circumstances. The issuance and subscription of Warrants should, however, be exempt.

Under current proposals 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 Warrants 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 the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Warrants are advised to seek their own professional advice in relation to the FTT.

## AUTOMATIC EXCHANGE OF TAX INFORMATION BETWEEN STATES

On 17th November 2015, the Spanish Government published Royal Decree 1021/2015, of 13 November, (the “**Royal Decree**”) which establishes the obligation on financial institutions to identify the tax residence of persons holding or controlling certain financial accounts and to report them to the Spanish tax authorities within the context of mutual assistance.

The Royal Decree implements into Spanish domestic legislation the rules on the information to be reported to the tax authorities in respect of financial accounts and due diligence procedures that must be applied by affected financial institutions when obtaining such information per EC Council Directive 2011/16/EU on administrative cooperation in the field of taxation (as amended by EC Council Directive 2014/107/EU) as regards mandatory automatic exchange of information in the field of taxation and the provisions of article 29 bis and additional provision twenty-two of Spanish General Taxation Law.

The Royal Decree is set to enter into force on 1 January 2016 and Spanish financial institutions must therefore report the relevant information relating to 2015 to the Spanish tax authorities in 2020.

Based on the Royal Decree, BBVA may be compelled to provide the Spanish tax authorities with certain information in respect of certain categories of financial accounts held or controlled by some investors in the Warrants.

## FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a “**foreign financial institution**”, or “**FFI**” (as defined by FATCA)) that does not become a “Participating FFI” by entering into an agreement with the U.S. Internal Revenue Service (“**IRS**”) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States account” of the Issuer (a “**Recalcitrant Holder**”). The Issuer may be classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to “foreign passthru payments” (a term not yet defined) no earlier than 1st January, 2017. This withholding would potentially apply to payments in respect of (i) any Warrants characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the grandfathering date, the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Warrants characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Warrants are issued before the grandfathering date, and additional Warrants of the same series are issued on or after that date, the additional Warrants may not be treated as grandfathered, which may have negative consequences for the existing Warrants, including a negative impact on market price.

## TAXATION

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an “**IGA**”). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a “Reporting FI” not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being “**FATCA Withholding**”) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Spain have entered into an IGA based largely on the Model 1 IGA with each of the Netherlands and Spain.

If the Issuer is treated as a Reporting FI pursuant to any applicable IGA, the Issuer would not anticipate that it will be obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that the Issuer would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Warrants are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Warrants is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Warrants are in global form and held within the Clearing Systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Warrants by the Issuer, any paying agent and the common depositary or common safekeeper, given that each of the entities in the payment chain between the Issuer and with the participants in the Clearing Systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Warrants. The documentation expressly contemplates the possibility that the Warrants 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 FATCA Withholding. However, definitive Warrants will only be printed in remote circumstances.

If an amount in respect of FATCA Withholding were to be deducted or withheld from payments made in respect of the Warrants, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Warrants, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less than expected. FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and the IGAs between the United States and the Netherlands and Spain, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Warrants.

## SUBSCRIPTION AND SALE

### United States of America

The Warrants have not been and will not be registered under the Securities Act and may not be offered, sold, transferred, pledged, delivered or exercised, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. person. Accordingly, the Warrants are only for offer and sale outside the United States in offshore transactions to non-U.S. persons in reliance on Regulation S under the Securities Act.

### *Public Offer Selling Restriction under the Prospectus Regulation*

For the purposes of this section, all references to EU Regulations or Directives include, in relation to the UK, those Regulations or Directives as they form part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 or have been implemented in UK domestic law, as appropriate.

With regard to each Tranche of Warrants in relation to which "Prohibition of Sales to EEA and UK Retail Investors" will be selected to be "Not applicable" in Part B of the relevant Issue Terms the following restrictions apply:

In relation to each Member State of the European Economic Area and the UK (each, a "**Relevant State**"), the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Warrants which are the subject of the offering contemplated by this Base Prospectus as completed by the Issue Terms in relation thereto to the public in that Relevant State except that it may make an offer of such Warrants to the public in that Relevant State:

- (a) if the Issue Terms in relation to the Warrants specify that an offer of those Warrants may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Warrants which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Issue Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Issue Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Warrants referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

the expression an "**offer of Warrants to the public**" in relation to any Warrants in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe the Warrants.; and

the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

With regard to each Tranche of Warrants in relation to which "Prohibition of Sales to EEA and UK Retail Investors" will be selected to be "applicable" in Part B of the relevant Issue Terms the following restrictions apply: The 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, sold or otherwise made available and will not offer, sell or otherwise make available any Warrants to any retail investor in the European Economic Area or in the UK. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
  - (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

## SUBSCRIPTION AND SALE

- (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe for the Warrants.

### United Kingdom

The Arranger has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Warrants having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Warrants other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Warrants would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Warrants in circumstances in which Section 21(1) of the FSMA does not or, in the case of the Guarantor, would not if it was not an authorised person, apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA and the Financial Services Act 2012 with respect to anything done by it in relation to any Warrants in, from or otherwise involving the United Kingdom.

### Ireland

The Arranger has represented and agrees that, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Warrants, or do anything in Ireland in respect of the Warrants, otherwise than in conformity with the provisions of:

- (a) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended, the "**MiFID II Regulations**"), including, without limitation, Regulations 5 (*Requirements for Authorisation* (and certain provisions concerning MTFs and OTFs)) thereof, any rules or codes of conduct made under the MiFID II Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);
- (a) the Companies Act 2014 (as amended, the "**Companies Act**"), the Central Bank Acts 1942-2015 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (b) the Regulation (2017/1129), the European Union (Prospectus) Regulations 2019 and any rules and guidelines issued under Section 1363 of the Companies Act by the Central Bank; and
- (c) the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act.

### Spain

The Arranger has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Warrants must not be offered, distributed or sold to Spanish Residents who are retail clients under point (11) of Article 4(1) of MiFID II. No publicity of any kind shall be made in Spain.

As used herein, "**Spanish Resident**" means a tax resident of Spain for the purposes of the Spanish tax legislation and any tax treaty signed by Spain for the avoidance of double taxation, including (i) any corporation or other entity taxable as a corporation incorporated under Spanish law, whose registered office is located in Spain or whose effective management is performed in Spain and (ii) any individual who is physically present in Spanish territory for more than 183 days in the calendar year or whose main centre or base of activities or economic interests is in Spain.

In addition, to the extent that Condition 7(c) is specified as being applicable in the Issue Terms, if, according to certain criteria issued by the Spanish tax authorities, a particular warrant cannot be considered as an option for Spanish tax purposes

## SUBSCRIPTION AND SALE

but as a financial asset, as it is explained in Section "Taxation. (B) Alternative Spanish Tax Treatment", this warrant must not be offered, distributed or sold in Spain or to Spanish Residents. Furthermore, the sale, transfer, or acquisition of such warrants to or by individuals (personas físicas) who are tax resident in Spain (each a "Spanish Individual") is forbidden in all cases and will be considered null and void by the Issuer and the Guarantor. Accordingly, neither the Issuer nor the Guarantor will recognise any Spanish Individual as an owner of such warrant.

### Prohibition of Sales to EEA and UK Retail Investors

Unless the Issue Terms in respect of any Warrants specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", The Arranger 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 Warrants which are the subject of the offering contemplated by this Base Prospectus as completed by the Issue Terms 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 2016/97/EU (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe the Warrants.

### SALES OUTSIDE EEA AND UK ONLY

If the Issue Terms in respect of any Warrants specifies Sales outside EEA and UK only as Applicable, the arranger has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Warrants are not intended to be offered, distributed or sold to any investor in the European Economic Area and the United Kingdom, and that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Warrants which are the subject of the offering contemplated by this Base Prospectus as completed by the Issue Terms in relation thereto to any investor in the European Economic Area and the United Kingdom.

### Republic of Italy

The offering of the Warrants has not been cleared by the *Commissione Nazionale per la Società e la Borsa* (the "**CONSOB**") (the Italian securities exchange commission), pursuant to Italian securities legislation. Accordingly, no Warrants may be offered, sold or delivered, directly or indirectly nor may copies of this Base Prospectus or of any other document relating to the Warrants be distributed in the Republic of Italy, except (a) to qualified investors (*investitori qualificati*) as defined in Article 35, first paragraph, letter (d) of CONSOB Regulation No. 20307 of 15 February 2018, as amended ("**Regulation No. 20307**"), pursuant to Article 34-ter, first paragraph letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**Company Regulation**"), implementing Article 100 of Italian Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Act**"); and (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Italian Financial Act and the implementing CONSOB regulations, including the Company Regulation.

Any offer, sale or delivery of the Warrants or distribution of copies of this Base Prospectus (including the applicable Issue Terms) or any other document relating to the Warrants in the Republic of Italy under (a) or (b) above must be:

- (a) 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 any other applicable laws and regulations;



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- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, with regard, *inter alia*, to the reporting obligations required; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or other Italian authority.

*Please note that in accordance with Article 100-bis of the Financial Services Act:*

*Investors should also note that, in any subsequent distribution of the Warrants in the Republic of Italy, Article 100-bis of the Financial Services Act may require compliance with the law relating to public offers of securities. Furthermore, where the Warrants are placed solely with "qualified investors" and are then systematically ("sistematicamente") resold on the secondary market at any time in the 12 months following such placing, purchasers of Warrants who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Warrants were purchased, unless an exemption provided for under the Financial Services Act applies.*

### France

In order to be able to conduct a public offer in relation to certain issues of the Warrants in France, the Issuer has requested the Central Bank of Ireland to notify the approval of the Base Prospectus in accordance with Article 25 of the Prospectus Regulation to the French *Autorité des Marchés Financiers* by providing it, *inter alia*, a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

Neither this Base Prospectus nor any other offering material relating to the Warrants has been submitted to the clearance procedures of the *Autorité des Marchés Financiers*.

Unless it is specified in the relevant Issue Terms that an offer of Warrants will be made in France, the following will apply: each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Securities to the public in France.

Neither this Base Prospectus, the relevant Issue Terms nor any other offering material relating to the Warrants has been or will be:

- (a) released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- (b) used in connection with any offer for subscription or sale of the Warrants to the public in France.

Such offers, sales and distributions will be made in France only to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*) acting for their own account, all as defined in, and in accordance with, articles L.411-1, L.411-2, D.411-2 to D.411-4, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*.

The direct or indirect resale of Warrants to the public in France may be made only as provided by, and in accordance with, articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-2 of the French *Code monétaire et financier*.

In addition, each of the Dealers and the Issuer have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, this Base Prospectus, the relevant Issue Terms or any other offering material relating to the Securities other than to investors to whom offers and sales of Securities in France may be made as described above.

### Monaco

The Warrants may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco Bank or a duly authorised Monegasque intermediary acting as a professional institutional investor which has such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the Fund. Consequently, this Base Prospectus may only be communicated to (i) banks, and (ii) portfolio management companies duly licensed by the "Commission de Contrôle des Activités

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Financières by virtue of Law n° 1.338, of September 7, 2007, and authorised under Law n° 1.144 of July 26, 1991. Such regulated intermediaries may in turn communicate this Base Prospectus to potential investors.

### The Netherlands

For selling restrictions in respect of the Netherlands, please see "Public Offer Selling Restriction under the Prospectus Regulation" above and "Prohibition of Sales to EEA and UK Retail Investors" above. The Warrants may not, directly or indirectly, be, (or announced to be) offered, sold, resold, delivered or transferred as part of their initial distribution or at any time thereafter to, or to the order of, or for the account of, any person in the Netherlands other than in accordance with the aforementioned restrictions.

### Sweden

For selling restrictions in respect of Sweden, please see "*Prohibition of Sales to EEA and UK Retail Investors*" above.

The Arranger has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Warrants have not been offered or sold and will not be offered, sold or delivered directly or indirectly in the Kingdom of Sweden by way of a public offering, unless in compliance with the Swedish Financial Instruments Trading Act, (SFS 1991:980 om handel med finansiella instrument).

### Switzerland

The Arranger has represented and agreed, and each further Dealer appointed under the Programme will be required or deemed to agree, that it will comply with (i) any laws, regulations or guidelines applicable in Switzerland (as amended from time to time) in relation to the marketing, offer, sale, delivery or transfer of the Warrants, or the distribution of any marketing or offering material in respect of the Warrants, in or from Switzerland.

#### *Restrictions for distribution of Warrants to Retail Clients:*

Warrants qualifying as structured products pursuant to Article 70 of the Swiss Federal Act on Financial Services of 15 June 2018 ("**FinSA**") may be offered to retail clients (*Privatkundinnen und -kunden*) pursuant to Article 4 para. 2 FinSA ("**Retail Clients**") in, into or from Switzerland only if a key investor document (*Basisinformationsblatt*) relating to the Warrants in the sense of Article 58 et seq. FinSA ("**FinSA-KID**") or a key information document pursuant to Regulation (EU) No 1286/2014 and Delegated Regulation (EU) No. 2017/653 ("**PRIIPs-KID**") has been prepared and provided to the relevant Retail Clients. Before 1 January 2022, the issuer may prepare a Swiss simplified prospectus (a "**Swiss Simplified Prospectus**") pursuant to Article 5 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("**CISA**") instead of a FinSA-KID or a PRIIPs-KID and such Swiss Simplified Prospectus may be provided to Retail Clients instead of a FinSA-KID or a PRIIPs-KID. If the Warrants may only be offered to Retail Clients in the context of asset management mandates, such obligation to provide a FinSA-KID, a PRIIPs-KID or a Swiss Simplified Prospectus would not apply.

All clients other than professional clients (*professionelle Kunden*) and institutional clients (*institutionelle Kunden*), as defined in Article 4 para. 3, 4 and 5 and Article 5 para. 1 and 2 FinSA ("**Professional or Institutional Clients**"), are Retail Clients. Professional or Institutional Clients include: (a) financial intermediaries regulated pursuant to the Swiss Federal Banking Act of 8 November 1934, the Swiss Federal Financial Institutions Act of 15 June 2018 ("**FinIA**") or the CISA; (b) regulated insurance undertakings pursuant to the Swiss Federal Insurance Supervision Act of 17 December 2004; (c) foreign financial intermediaries or insurance undertakings subject to a similar prudential supervision as the financial intermediaries or insurance undertakings pursuant to (a) and (b); (d) central banks; (e) public entities with professional treasury operations; (f) pension funds and occupational pension schemes with professional treasury operations; (g) undertakings with professional treasury operations; (h) large companies that exceed two of the following thresholds: (i) a balance sheet total of CHF 20 million, (ii) turnover of CHF 40 million, and/or (iii) own capital of CHF 2 million; (i) private investment structures for high-net worth individuals with professional treasury operations; and (j) Opting-out Clients.

An "**Opting-out Client**" (*vermögende Privatkundinnen und -kunden*) is a Retail Client who confirms (i) that, based on the education/professional experience or based on comparable experience in the financial sector, he/she/it has the necessary knowledge to understand the risks resulting from an investment in the Warrants and who owns, directly or indirectly, eligible financial assets of at least CHF 500,000, or (ii) that he/she/it owns, directly or indirectly, eligible financial assets of at least CHF 2 million.

## SUBSCRIPTION AND SALE

### *Approval of prospectus for public offering:*

If and to the extent the Warrants will be publicly offered, directly or indirectly, in Switzerland in the meaning of the FinSA, or if the Warrants were admitted to trading to a Swiss trading venue (e.g. SIX Swiss Exchange), a prospectus pursuant to the requirements of Article 40 et seq. FinSA would be required as from 1 December 2020. Such requirement may be met on the basis of (i) an automatic recognition of this Base Prospectus in Switzerland under the rules of the FinSA by way of a notification of, and a registration of the Base Prospectus with, a FinSA Prospectus Office pursuant to the rules of the FinSA, as implemented by the relevant FinSA Prospectus Office and (ii) depositing the relevant Final Terms with the FinSA Prospectus Office. Such a registration pursuant to (i) would be possible for a Base Prospectus that is approved by the by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), i.e. for any Warrants other than Exempt Warrants.

Except where the Base Prospectus is registered with the FinSA Prospectus Office under the rules of the FinSA, neither this Programme nor any other offering or marketing material relating to the Warrants constitutes a prospectus pursuant to the FinSA, and neither this Programme nor any other offering or marketing material relating to the Warrants may be publicly distributed or otherwise made publicly available in Switzerland, unless the requirements of FinSA and FinSO for such public distribution are complied with or, for the transitional period until 1 December 2020, unless either (1) the Warrants are structured products in the sense of Article 70 FinSA offered to Retail Clients on the basis of a Swiss Simplified Prospectus prepared according to the rules of the CISA or (2) if the Warrants are not structured products in the sense of Article 70 FinSA, they are offered on the basis of a prospectus prepared in accordance with Article 1156 in connection with 652a of the Swiss Code of Obligations.

Without a registration of the Base Prospectus with a FinSA Prospectus Office pursuant to the rules of the FinSA, from 1 December 2020, the Warrants may only be offered, sold or advertised, directly or indirectly, in, into or from Switzerland if the Warrants (a.) are addressed solely at investors classified as Professional or Institutional Clients; (b.) are addressed at fewer than 500 Retail Clients; (c.) are addressed at investors acquiring securities to the value of at least CHF 100,000; (d.) have a minimum issue price per Warrant of CHF 100,000; or (e.) do not exceed a total value of CHF 8 million over a 12-month period.

### **Portugal**

The Arranger has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (c) no document, circular, advertisement or any offering material in relation to the Warrants has been or will be subject to approval by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*, the "**CMVM**");
- (d) it has not, without the prior approval of the CMVM, directly or indirectly taken any action or offered, advertised, submitted to an investment gathering procedure, sold or delivered and will not, without the prior approval of the CMVM, directly or indirectly offer, advertise, submit to an investment gathering procedure, sell, re-sell, re-offer or deliver any Warrants in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the Portuguese Securities Code (*Código dos Valores Mobiliários*, the "**CVM**");
- (e) it has not, directly or indirectly, distributed and will not, directly or indirectly, distribute to the public in the Republic of Portugal the Base Prospectus or any document, circular, advertisements or any offering material in relation to the Warrants, without the prior approval of the CMVM; and
- (f) it will comply with all applicable provisions of the CVM and any applicable CMVM regulations and all relevant Portuguese laws and regulations, in any such case that may be applicable to it in respect of any offer or sales of Warrants by it in the Republic of Portugal.

The Arranger has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall comply with all applicable laws and regulations in force in the Republic of Portugal and with the Prospectus Regulation regarding the placement of any Warrants in the Portuguese jurisdiction or to any entities which are resident in the Republic of Portugal, including the

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publication of a prospectus, when applicable, and that such placement shall only be authorised and performed to the extent that there is full compliance with such laws and regulations.

### Germany

The Warrants have not been and will not be offered, sold or publicly promoted or advertised in the Federal Republic of Germany other than in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*), as amended, or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

### Hong Kong

The Arranger has acknowledged and agreed, and each further Dealer appointed under the Programme will be required to acknowledge and agree, that the Warrants have not been authorised by the Securities and Futures Commission of Hong Kong. The Arranger has represented and agreed, and each further Dealer appointed under the Programme will be required to represent 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 Warrants (except for Warrants which are "structured products" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("**Securities and Futures Ordinance**")) other than (a) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance 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 or which do not constitute an offer to the public within the meaning of that Ordinance; 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 Warrants, 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 Warrants which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

### Chile

The Issuer and the Warrants have not been, and will not be, registered with the Chilean Commission for the Financial Market (*Comisión para el Mercado Financiero*, "**CMF**") pursuant to Law No. 18.045 (*Ley de Mercado de Valores*, "**Securities Market Act**"), as amended, of the Republic of Chile and, accordingly, no person shall offer or sell the Warrants in Chile or to, or for the account or benefit of, persons in Chile except in circumstances which have not resulted and will not result in a public offering and/or in the conduct of intermediation (*funciones de intermediación*) within the meaning of Chilean law.

The offer of any Warrants pursuant to this Base Prospectus begins on the date of issuance of the relevant Issue Terms. Any such offer of Warrants complies with General Rule N°. 336 of the CMF. Since the Warrants to which an offer relates have not been registered in the Foreign Securities Registry of the CMF, they are not subject to the supervision of such entity. As any offer of Warrants pursuant to this Base Prospectus does not relate to registered securities, there is no obligation on the Issuer to deliver in Chile public information regarding the Warrants. The Warrants may not be publicly offered in Chile as long as they are not registered in the corresponding Securities Registry. The above paragraph has to be reproduced in Spanish in order to comply with the General Rule N°. 336. Therefore, the following paragraph is only a translation into Spanish of this paragraph's disclaimers and does not contain any additional statement.

*Esta oferta comienza el día que se emitan los Issue Terms. Esta oferta de valores cumple con la Norma de Carácter General 336 de la CMF. Dado que esta oferta versa sobre valores no inscritos en el Registro de Valores Extranjeros que lleva dicha Comisión, tales valores no están sujetos a la fiscalización de ésta. Como esta oferta de valores se refiere a valores no inscritos, no existe la obligación por parte de su emisor de entregar en Chile información pública respecto de dichos valores. Estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente.*

### Colombia

The Arranger has represented and agreed that the Warrants have not and will not be marketed, offered, sold or distributed in Colombia or to Colombian residents except in circumstances which do not constitute a public offer of securities in Colombia within the meaning of article 6.1.1.1 of Decree 2555 of 2010 as amended from time to time. The offer of the Warrants is addressed to less than one hundred specifically identified investors. The material in this Base Prospectus is for the sole and exclusive use of the addressee as a determined individual/entity and cannot be understood as addressed for the use of any third party, including any of such party's shareholders, administrators or employees, or by any other third party

## SUBSCRIPTION AND SALE

resident in Colombia. The information contained in this Base Prospectus is provided for illustrative purposes only and no representation or warranty is made as to the accuracy or completeness of the information contained herein. Accordingly, the Warrants will not be publicly offered, marketed or negotiated in Colombia through promotional or advertisement activities (as defined under Colombian law) except in compliance with the requirements of the Colombian Financial and Securities Market Regulation (Decree 2555 of 2010, Law 964 of 2005 and Organic Statute of the Financial System) as amended and restated, and decrees and regulations made thereunder. The Arranger has acknowledged that the Warrants listed in the Base Prospectus have not been registered in the National Securities and Issuer's Registry (*Registro Nacional de Valores y Emisores*) of the Colombian Financial Superintendence (*Superintendencia Financiera de Colombia*) or with any Colombian securities exchange or trading system, and therefore it is not intended for any public offer of the Warrants in Colombia.

Investors acknowledge the Colombian laws and regulations (specifically foreign exchange and tax regulations) applicable to any transaction or investment consummated in connection with this Base Prospectus and represent that they are the sole liable party for full compliance with any such laws and regulations.

The investors represent that the investment in the Warrants is a permitted investment for them under their corporate bylaws and/or particular investment regime that may be applicable.

### **Peru**

The Arranger has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Warrants have not and will not be placed, offered, sold, disposed of or distributed in Peru, except in circumstances which do not constitute a public offer of securities in Peru within the meaning of Peruvian securities laws and regulations. Accordingly, the Warrants will not be the subject of a duly diffused invitation for subscription, acquisition or purchase of the Warrants in Peru, pursuant to the Peruvian Securities Market Law, Supreme Decree No. 093-2002-EF, as amended and restated.

The Warrants may only be offered in Peru, under private offerings, complying with the Securities Market Law and the regulations that govern the investment policy of institutional investors such as, but not restricted to, banking and other financial entities, insurance entities, private pension fund managers, open ended and close ended collective investment schemes.

The Arranger has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been subject to review by the Securities Market Superintendence (*Superintendencia del Mercado de Valores*, "SMV") and has not been registered with the Peruvian Securities Market Public Registry, therefore it is not intended for any public offer of the Warrants in Peru. If the Warrants were to be offered under private offerings in Peru, regulations do not impose reporting obligations with SMV, to any of the Issuer or the Dealers.

### **Russia**

The Arranger 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 or transferred or otherwise disposed of and will not offer or sell or transfer or otherwise dispose of any Warrants to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian law. Since neither the issuance of the Warrants nor a securities prospectus in respect of the Warrants has been registered, or is intended to be registered, with the Central Bank of Russia (the "CBR") and no decision to admit the Warrants to placement or public circulation in the Russian Federation has been made, or is intended to be made, by the CBR or a Russian stock exchange, the Warrants are not eligible for initial offering or public circulation in the Russian Federation and may not be sold or offered in the Russian Federation unless and to the extent otherwise permitted under Russian law. No information set forth in the Warrants related materials sold by any distributor shall be an offer, advertisement or invitation to make offers, to sell, exchange or otherwise transfer, the Warrants in the Russian Federation or to or for the benefit of any Russian person or entity and must not be distributed or circulated in the Russian Federation, unless and to the extent otherwise permitted under Russian law.

### **General**

This Base Prospectus has been prepared on the basis that Warrants may be directed to any category of potential investors unless specified otherwise in the applicable Issue Terms. The Arranger has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Warrants or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Warrants 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 deliveries and neither the Issuer, the Guarantor nor the Dealers shall have any responsibility therefor.

## SUBSCRIPTION AND SALE

None of the Issuer, the Guarantor nor the Dealer(s) represents that Warrants 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.

With regard to each Tranche, 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 Issue Terms

### IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF WARRANTS

#### Restrictions on Non-exempt offers of Warrants in Relevant Member States

Certain Tranches of Warrants with an issue price per Warrant of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus. Any such offer is referred to as a “**Non-exempt Offer**”. This Base Prospectus has been prepared on a basis that permits Non-exempt Offers of Warrants in each Member State in relation to which the Issuer has given its consent as specified in the applicable Final Terms (each specified Member State, a “**Non-exempt Offer Jurisdiction**” and together the “**Non-exempt Offer Jurisdictions**”). A person making or intending to make a Non-exempt Offer of Warrants on the basis of this Base Prospectus must do so only with the Issuer’s consent to the use of this Base Prospectus as provided under “*Consent given in accordance with Article 3.2 of the Prospectus Regulation*” and provided such person complies with the conditions attached to that consent.

Save as provided above, none of the Issuer, the Guarantor nor any Dealer have authorised, nor do they authorise, the making of any Non-exempt Offer of Warrants in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Warrants to be offered pursuant to a Non-Exempt Offer will be issued by the Issuer at the Issue Price specified in the applicable Final Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Dealer at the time of the relevant Non-Exempt Offer and will depend, amongst other things, on prevailing market conditions at that time. The offer price at which the Authorised Offeror will offer such Warrants to the Investor will be the Issue Price or (where agreed with the relevant Dealer) such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the Warrants to such Investor. Neither the Issuer nor the Guarantor will be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Warrants to such Investor.

#### Consent given in accordance with Article 5 of the Prospectus Regulation

In the context of a Non-exempt Offer of such Warrants, the Issuer and the Guarantor each accept responsibility, in each of the Non-exempt Offer Jurisdictions, for the consent of this Base Prospectus in relation to any person (an “**Investor**”) who purchase any Warrant in a Non-exempt Offer made by a Dealer or an Authorised Offeror (as defined below), where that offer is made during the Offer Period specified in the applicable Final Terms and provided that the conditions attached to the giving of the consent for the use of this Base Prospectus are complied with. The consent and conditions attached to it are set out under “*Consent*” and “*Conditions to Consent*” below.

None of the Issuer, the Guarantor or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-exempt Offer and none of the Issuer or the Dealer has any responsibility or liability for the actions of that Authorised Offeror.

Except in the circumstances set out in the following paragraphs, neither the Issuer nor the Guarantor has authorised the making of any Non-exempt Offer by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Non-exempt Offer of Warrants. Any Non-exempt Offer made without the consent of the Issuer is unauthorised and none of the Issuer and the Guarantor accepts any responsibility or liability for the actions of the persons making any such unauthorised offer.

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

#### Consent

In connection with each Tranche of Warrants, and subject to the conditions set out below under “*Conditions to Consent*”, the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of such Warrants by:

- (a) the relevant Dealer(s) or Manager(s) stated in the applicable Final Terms

## SUBSCRIPTION AND SALE

- (b) any financial intermediaries specified in the applicable Final Terms; and
- (c) any other financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Guarantor's website (www.bbva.com) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer

The financial intermediaries related to in paragraph (ii) and (iii) above are together the “**Authorised Offerors**” and each an “**Authorised Offeror**”)

### Conditions to Consent

The conditions to the Issuer's consent to use this Base Prospectus in the context of the relevant Non-Exempt Offer are that such consent:

- (a) is only valid during the Offer Period specified in the applicable Final Terms; and
- (b) only extends, as of the date of this Base Prospectus, to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Warrants in Ireland, as specified in the Final Terms; and

The consent referred to above related to Offer Periods (if any) occurring within 12 months from the date of this Base Prospectus.

At the date of this Base Prospectus, the only Relevant Member States which may, in respect of any Tranche of Warrants, be specified in the Final Terms (if any Relevant Member States are so specified) as indicated in (ii) above, will be Ireland, and accordingly each Tranche of Warrants may only be offered to Investors as part of a Non-exempt Offer in Ireland, as specified in the Final Terms, or otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a base prospectus for such offer.

## ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS

**AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY WARRANTS IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH WARRANTS TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT OFFER OR SALE OF THE WARRANTS CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER. NONE OF THE ISSUER, THE GUARANTOR AND ANY DEALER (EXCEPT WHERE SUCH DEALER IS THE RELEVANT AUTHORISED OFFEROR) HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION DESCRIBED ABOVE.**

**AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY WARRANTS IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR SHOULD BE AWARE THAT INFORMATION ON THE TERMS AND CONDITIONS OF THE NON-EXEMPT OFFER BY ANY AUTHORISED OFFEROR SHALL BE PROVIDED AT THE TIME OF THE NON-EXEMPT OFFER BY SUCH AUTHORISED OFFEROR. ANY AUTHORISED OFFEROR USING THIS BASE PROSPECTUS FOR THE WARRANTS CONCERNED FOR THE PURPOSE OF ANY OFFERING MUST STATE ON ITS WEBSITE THAT IT USES THIS BASE PROSPECTUS IN ACCORDANCE WITH THE CONSENT GIVEN AND THE CONDITIONS ATTACHED THERETO.**

### Non-Exempt Offers: Issue Price and Offer Price

Warrants to be offered pursuant to a Non-Exempt Offer will be issued by the Issuer at the Issue Price specified in the applicable Final Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Dealer at the time of the relevant Non-Exempt Offer and will depend, amongst other things, on prevailing market conditions at that time. The offer price at which the Authorised Offeror will offer such Warrants to the Investor will be the Issue Price or (where agreed with the relevant Dealer) such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the Warrants to such Investor. Neither the Issuer nor the Guarantor will be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Warrants to such Investor.

## GENERAL INFORMATION

### 1. Authorisation

The establishment and update of the Programme and the issue of Warrants have been duly authorised by resolutions of the sole shareholder of the Issuer and of the Directors of the Issuer dated 21 December 2011, 25 February 2015, 13 April 2016, 28 June 2017, 20 July 2018, 17 June 2019 and on and on 17 June 2020. The giving of the Guarantee has been duly authorised by a resolution of the Board of Directors of the Guarantor dated on 17 June 2020.

### 2. Listing of Warrants

Application has been made to Euronext Dublin for Listed Warrants issued under the Programme during the period of twelve months after the date of this Base Prospectus to be admitted to the Official List and trading on its regulated market.

**This Base Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Regulation. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Regulation.**

### 3 Listing Agent

Maples and Calder LLP is acting solely in its capacity as listing agent for the Issuer in relation to the Warrants and is not itself seeking admission of the Warrants to the official list of Euronext Dublin or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Regulation.

### 4 Documents Available

For twelve months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from <https://shareholdersandinvestors.bbva.com/debt-investors/issuances-programs/> in the case of the documents listed at (vi) and (vii) or, in the case of the documents listed at (i), (ii), (iii), (iv) and (v) below, on the indicated websites below:

- (i) the Deed of Incorporation including the articles of association of the Issuer and the bylaws (with an English translation thereof) of the Issuer and the Guarantor (<https://shareholdersandinvestors.bbva.com/debt-investors/issuing-companies/>);
- (ii) the audited financial statements of the Issuer for the financial years ended 31 December 2019 ([https://www.ise.ie/debt\\_documents/BBVA%20Global%20Markets%20B.V.%20Audited%20Financial%20Statements%202019\\_3549ba09-cec5-4f8e-a6e3-eeee431634d.pdf](https://www.ise.ie/debt_documents/BBVA%20Global%20Markets%20B.V.%20Audited%20Financial%20Statements%202019_3549ba09-cec5-4f8e-a6e3-eeee431634d.pdf)) and 31 December 2018 (<https://www.ise.ie/app/announcementDetails.aspx?ID=14055155>);
- (iii) the audited interim report corresponding to the six month period ended 30 June 2020 published by the Guarantor on 31 July 2020 ([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2020/07/Interim-and-Management-Consolidated-Report-June-2020\\_Eng.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2020/07/Interim-and-Management-Consolidated-Report-June-2020_Eng.pdf)), the audited consolidated financial statements in respect of the financial years ended on **31 December 2019 (which includes for comparison purposes financial data for the years ended on 31 December 2018 and on 31 December 2017)** ([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2020/01/5.Annual\\_Report\\_BBVA\\_GROUP\\_2019.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2020/01/5.Annual_Report_BBVA_GROUP_2019.pdf)) and 31 December 2018 ([https://shareholdersandinvestors.bbva.com/wp-content/uploads/2019/02/5.Annual\\_Report\\_BBVA\\_GROUP\\_2018.pdf](https://shareholdersandinvestors.bbva.com/wp-content/uploads/2019/02/5.Annual_Report_BBVA_GROUP_2018.pdf)), with an English translation thereof, together with the audit report prepared in connection therewith;
- (iv) the most recently published audited annual financial statements of the Issuer (if any) and the Guarantor and the most recently published condensed interim consolidated financial statements (if any) of the Issuer and the Guarantor (in each case with an English translation thereof), in each case together with any audit or review reports prepared in connection therewith. The Guarantor currently prepares unaudited interim reports on a quarterly basis and audited (under auditing standards generally accepted in Spain) consolidated interim reports on a semi-annual basis (<https://shareholdersandinvestors.bbva.com/financials/>);
- (v) the Guarantee (<https://shareholdersandinvestors.bbva.com/debt-investors/issuing-companies/>);
- (vi) a copy of this Base Prospectus; and
- (vii) any future base prospectus, prospectuses and supplements.



## GENERAL INFORMATION

This Base Prospectus including future Final Terms will be published on the website of Euronext Dublin at [www.ise.ie](http://www.ise.ie) and this Base Prospectus, together with any supplements thereto, and will also be available at <https://shareholdersandinvestors.bbva.com/debt-investors/issuances-programs/>.

The Issuer does not have a website. The website of the Guarantor is <https://www.bbva.com/en/>. The information contained in such web page shall not be deemed to constitute a part of this Offering Circular unless specifically incorporated by reference.

### 5 Clearing Systems

The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Warrants will be set out in the applicable Final Issue Terms.

### 6 Conditions for Determining Price

The price and amount of Warrants to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

### 7 Significant or Material Change

Save as disclosed in the this Base Prospectus, there has been no material adverse change in the prospects of the Group since 30 June 2020 and there has been no material adverse change in the prospects of the Issuer since 31 December 2019.

Save as disclosed in the this Base Prospectus, there has been no significant change in the financial performance or the financial position of the Group since 30 June 2020 and there has been no significant change in the financial performance or the financial position of the Issuer since 31 December 2019.

### 8 Litigation

There are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

**As of the date hereof, the Guarantor and its subsidiaries are involved in a number of legal and regulatory actions and proceedings in various jurisdictions around the world (including, among others, Spain, Mexico and the United States). See "Risk Factors—The Group is party to a number of legal and regulatory actions and proceedings" and "Risk Factors - The Spanish judicial authorities are carrying out a criminal investigation relating to possible bribery, revelation of secrets and corporate corruption by BBVA."**

### 9 Auditors

KPMG Accountants, N.V., Laan van Langerhuize 1, 1186 DS Amstelveen, the Netherlands audited the Issuer's account for the financial year ended on 31 December 2018 and 31 December 2019. The auditors of the Issuer are Chartered Accountants and a member of the Royal Netherlands Institute of Chartered Accountants (Koninklijke Nederlandse Beroepsorganisatie van Accountants).

KPMG Auditores, S.L. (registered as auditors on the *Registro Oficial de Auditores de Cuentas*), Paseo de la Castellana, 259 C, 28046 Madrid, Spain audited the Guarantor's financial statements, for the financial year ended on 31 December 2018 and on 31 December 2019 (which includes for comparison purposes financial data for the years ended on 31 December 2017 and 2016 and on 31 December 2017 and 2018, respectively) prepared in accordance with Bank of Spain Circular 4/2017, dated 27 November 2017, and as amended thereafter (in the following, "**Circular 4/2017**"), and with any other legislation governing financial reporting applicable to the Guarantor.

### 10 Post-issuance information

Save as set out in the Final Terms, the Issuer does not intend to provide and post-issuance information in relation to any issues of Warrants.

### 11 Dealer transacting with the Issuer and the Guarantor

The Issuer, the Dealer and the Guarantor are part of the same group. Accordingly, these entities engage, and will engage, in investment banking and/or commercial banking transactions with, and perform other services for, the Group in the ordinary course of business.

## GENERAL INFORMATION

### 12 Credit Ratings

The Guarantor has been rated A– by S&P Global, A3 by Moody’s and A - by Fitch Ratings España, S.A.U. (“**Fitch**”). The Issuer has been rated A– by S&P Global. Each of S&P Global, Moody’s and Fitch is established in the European Union and is registered under the CRA Regulation. As such, each of S&P Global, Moody’s and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with such CRA Regulation.

The Credit Ratings stated above have the following meanings according to the relevant rating agencies:

#### **S&P Global**

An obligor rated "A" has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

An S&P Global negative outlook means that a rating may be lowered. (Source:

[https://www.standardandpoors.com/en\\_US/web/guest/article/-/view/sourceId/504352](https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352))

#### **Moody's**

Obligations rated "A" are considered upper-medium-grade and are subject to low credit risk. (Source: [https://www.moodys.com/Pages/amr002002.aspx?stop\\_mobi=yes](https://www.moodys.com/Pages/amr002002.aspx?stop_mobi=yes))

#### **Fitch**

"A" ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. (Source:

<https://www.fitchratings.com/products/rating-definitions#rating-scales>)

### 13 Important information

In connection with the issue of any Tranche of **Warrants**, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the Final Terms may over-allot **Warrants** or effect transactions with a view to supporting the market price of the **Warrants** of the Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of **Warrants** 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 **Warrants** and 60 days after the date of the allotment of the relevant Tranche of **Warrants**. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**" and, together with Euroclear, the "**European Clearing Systems**") have arranged certain procedures to facilitate the Issuer, the Guarantor and the Principal Warrant Agent (as defined on page 32) in the collection of the details referred to under "*Spanish Tax Rules*" from holders of the Warrants where Condition 7(c) is specified as applicable in the Final Terms. If any European Clearing System is, in the future, unable to facilitate the collection of such information, it may decline to allow any or all Series of the Warrants to be cleared through such European Clearing System and this may affect the liquidity of such Warrants. Provisions have been made for the Warrants, in such a case, to be represented by definitive Warrants (see "*Form of Warrants*"). The procedures agreed and described in the Amended and Restated Agency Agreement dated 9 July 2020 (the "**Agency Agreement**") may, in the future, be amended to comply with Spanish tax law and regulations and operational procedures of the European Clearing Systems. The Guarantor and the Issuer may from time to time, at their discretion, appoint an agent to intermediate with the European Clearing Systems in the provision of such information. Details of any such appointment will be set out in the Final Terms.

In the case of any Warrants which are held in The Depository Trust Company ("**DTC**"), the Issuer and the Guarantor may agree procedures with DTC and, if necessary, an intermediary agent appointed by the Issuer and the Guarantor to facilitate the collection of such details. Any such procedures will be summarised in the Final Terms and otherwise made available to holders of the relevant Warrants as described in the Final Terms.

### 14 Presentation of financial information

Accounting principles

## GENERAL INFORMATION

Under Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, all companies governed by the law of an EU Member State and whose securities are admitted to trading on a regulated market of any Member State must prepare their consolidated financial statements for the years beginning on or after 1 January 2005 in conformity with International Financial Reporting Standards adopted by the European Union ("EU-IFRS"). The Bank of Spain issued Circular 4/2004 of 22 December 2004 on Public and Confidential Financial Reporting Rules and Formats (as amended or supplemented from time to time, "**Circular 4/2004**"), which requires Spanish credit institutions to adapt their accounting system to the principles derived from the adoption by the European Union of EU-IFRS.

BBVA's consolidated financial statements as at and for each of the years ending 31 December 2019, 31 December 2018, **31 December 2017, 31 December 2016 and 31 December 2015** (the "Consolidated Financial Statements"), **have been prepared in accordance with EU-IFRS reflecting Circular 4/2004 and any other legislation governing financial reporting applicable to the Group and in compliance with the International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS-IASB").**

- "EUR", "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended;
- "US dollars", "US\$" and "\$" refer to United States dollars; and
- "GBP" and "£" refer to pounds sterling.

### Financial information

The following principles should be noted in reviewing the financial information contained in this Base Prospectus:

- Unless otherwise stated, any reference to loans refers to both loans and leases.
- Interest income figures include interest income on non-accruing loans to the extent that cash payments have been received in the period in which they are due.
- Financial information with respect to subsidiaries may not reflect consolidation adjustments.
- Certain numerical information in this Base Prospectus may not sum due to rounding. In addition, information regarding period-to-period changes is based on numbers which have not been rounded.

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